

## PERSONAL SELLING: A PRESENTATIONAL SPEAKING APPROACH

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Having taught various oral communication courses from public speaking to interpersonal communication for ten years I felt confident teaching my first sales management course last semester. After all, good sales managers use effective communication techniques. One of my course requirements is an individual ten minute sales presentation to the class. Rather than role playing sellers and buyers, student pretend that the entire class is a group of buyers. For example, if one is selling chocolate greeting cards, they are to imagine they are at a trade show addressing a group of gift shop owners. This has a lot of advantages since it renders itself to careful preparation and delivery.

A problem with role playing buyer and seller is that the situation and surroundings are not real and the participants often feel contrived. In addition, the buyer may be uncooperative or absent on the due date. Doing individual presentations alleviates this problem.

Students are graded 100 points for their oral presentation (see Appendix A) and 50 points for the written portion which is a complete sentence outline of the presentation. In addition, the class members also provide written and oral feedback immediately following the talk. (see appendix B).

The following five-step plan ensures maximum participation for everyone.

### STEP ONE - SELECT A PRODUCT OR SERVICE

Students should select a product or service that they find interesting. It may be something that they use like a consumer good such as a magazine subscription or a service like professional resume writing. This first step is important because if students are not enthused, their delivery will suffer. Enthusiasm also works as a motivator during the preparation phase.

### STEP TWO - GATHER MATERIALS

Once the product or service has been selected, the next step is to do research. Printed material such as books, newspapers, magazines and journals are available at libraries. In addition, interviews with sales representatives which focus on the background and benefits of the product or service make another valuable source of information. Most products offer consumers a toll-free hot line. Students can call Information at 800-555-1212 to obtain the telephone number. Usually sales representatives are eager to help. For example, one Proctor and Gamble representative sent toothpaste samples for the entire class as a promotion.

### STEP THREE - ORGANIZE

Once materials are gathered the next step is to organize the presentation. Beginning with the main part is best because it is difficult to introduce or conclude a speech if the main points have not been established. Most sales presentations follow a topical sequence. Items which should be covered in the body include: Background (brief history) of the product or service, facts, buying motives, and objections with one or two answers to each.

Some possible ways of beginning the presentation include the following approaches: The introductory approach, the product approach, consumer-benefit approach, curiosity, shock, the showmanship approach, the question approach, the statements approach, the survey approach, and the compliment approach.

The closing should re-direct the audience's attention to the benefits of the product or service and leave a favorable impression. Some ways of effectively achieving this are summarizing the main features, closing on a minor point, narrowing the options, asking for the order, "standing room only" close, and closing on an objection.

The following serves as an example presentation:

How many times have you felt left out of a conversation because you lacked knowledge of current events? Are you often at a loss for something significant to say at a social gathering? If so, I am Jane Doe of Newsweek magazine to help you.

According to Sharon Williams, Customer Service Representative (1987) Newsweek is owned by the Washington Post, and has been in publication since 1933. The current annual subscription stands at 3.5 million in the United States and Canada. A considerable number is purchased by international readers.

#### Facts

The major fact about Newsweek is education - keeping readers informed in the following areas: National affairs, business, lifestyles, society, and the arts (1987).

**National Affairs:** All the daily political and social issues in the United States are covered extensively by the Magazine. A sizeable section of international affairs is also presented.

**Business:** Newsweek provides in-depth coverage of the goings-on in Wall Street, Tokyo Stock Exchange, Chicago Board of Trade, London Stock Exchange and the entire international economics scene. To the business student, Newsweek stands as a substitute to the Wall Street Journal and Businessweek which are dedicated to business. You have to be informed as much as possible on your

area of interest. To be a Donald Trump, you gave to arm yourself with basic everyday facts. A lot of the things you read elsewhere are not picked up in the classroom. This magazine is one of those sources.

**Lifestyle:** The magazine also goes into such areas as entertainment and sports, Winners, losers, who the hottest stars are, and what makes them tick are displayed here weekly.

**Society:** Man's latest advancement in medicine, science and technology are not left out. There was a carefully worked out story as to how the Siamese twins (joined in the head) were separated by the most complex surgical procedure performed in history.

What they stand for and some controversies surrounding the Vatican, the PTL and Oral Roberts are discussed under "Religion."

The place of media itself and education in society and the prospects for improvement are dealt with now and then.

**Arts:** Newsweek also covers the latest on movies, books reviews, photography and music. Rich magazine, isn't it?

#### Buying Motives

**Education:** Life, it is said, is a learning process. Man never stops the quest for learning. There is always something we don't know and unless you make the commitment to know, you end up being ignorant which is an enormous price to pay.

Americans in general have little interest in what is going on around them and much less around the world. Newsweek provides the answer to education of events. Obtain a copy, complete it cover to cover and see what you have been missing.

**On-campus:** Newsweek is one of the very few magazines that has publications for college students. "On-campus" is designed especially for you. In this edition, the Weekly details life after graduation. Some of the features include: How to know prospective employers; how to pass a job interview, when to change jobs, working with someone you don't like, financial careers, job prospects, resume service, succeeding ex-students.

**Advertisements:** Magazines are good and cost-effective media for advertisement. About half the volume of the magazine is covered by commercials. The companies responsible for these products basically cover the cost of the production of Newsweek. They make your subscription less expensive.

**Writing Skills:** Newsweek is a good source for becoming a good writer. Engineers are perceived to freeze up when it gets to writing. Some of you probably fall into this category too. If everyone were to be a regular reader, the fear of writing will be minimized. The reporters, columnists and editors are known professional journalists and writers who pass on their good writing skills to the readers.

**Business:** Again, the magazine covers business as

extensively as possible so that it will be to your advantage to subscribe and read.

#### Objections

I understand you have objections so let us take them one at a time--

**Cost:** The cost is relatively inexpensive, the lowest there is. For a regular reader who picks up the magazine in a newsstand, the cost for a one-year period is \$104.00. On the other hand, a regular subscriber pays \$41.00 for the same period which is still a bargain. But your student subscription will get it at \$21.00, and equivalent of 40 cents per copy against a \$2.00 cover price. How does that strike you?

**Time Consuming:** Time consuming? Not at all. I have been reading this magazine since 1975--twelve years last summer. I never had any time problem. The topics are arranged and written in such a way as to take a minimum of time. During exam period when time is critical, one can always browse through the most important subjects while having lunch or dinner. Who knows, you might be able to pick up information for an examination!

**Brief Business Section:** Obviously the business section is brief but as detailed as possible based on the size and variety of topics in the magazine. Major points are mentioned and that makes it ideal when there is shortage of time.

**Delivery:** In the past twelve years I have been a subscriber, I have missed not more than three copies. The Postal Service has been very efficient in delivery. Should you happen to miss an issue, call the toll-free number or write Newsweek and they will replace the missing issue within five days.

**Alternatives:** Time has been around ten years longer than Newsweek and U.S. News is relatively young. Newsweek has two columns--"Periscope" and "Perspectives" which are brief news update and humorous quotations respectively. The other magazines do not have such columns.

**Immediate Need:** Newsweek is a very handy magazine. Everyone needs it. I have needed it for years. People in Africa, Asia, Europe, all over the world need it. Why not you? Subscribe now because the low cost will not be available for long.

**Product:** Television network evening news operates 22 minutes for each half hour of broadcast time. That amount of time is hardly enough to get the details of important subjects. Magazines, especially Newsweek, probe deeper and print the same stories in full. Successful personalities from business to politics are profiled--exposing their methods and formulas for success. Furthermore, Newsweek has "My Turn" column where citizens voice their opinions. There is also the "Newsmaker" column.

**Closing:** All aspects of life revolve around business. You can only be a part of it if you choose to know by reading Newsweek. Nothing ventured, nothing gained. Now, would you like to pay by

check or do we bill you later?

#### STEP FOUR: DELIVERING THE PRESENTATION

Speaking extemporaneously from an outline has several advantages. It gives more precise control over thought and language than impromptu speaking, it offers greater spontaneity and directness than speaking from memory or from a full manuscript, and it is adaptable to a wide variety of situations. It encourages conversational quality which means that no matter how many times the presentation has been rehearsed, it still sounds spontaneous to the audience. Students should allow a minimum of three days to gain command of the presentation. No matter how brilliant the preparation outline, what counts is how well the speech comes across when delivering it.

Many students suffer from speech anxiety. The best way they can overcome this is to practice, practice, practice, preferably in front of a full-length mirror. By using the mirror in rehearsing the presentation students create a picture of themselves, their words and the sound of their voice. The mirror technique can strengthen their belief in their ability to communicate and thus intensify the power of their enthusiasm.

Delivering the presentation into a tape recorder and then playing it back is an excellent way of ensuring variance of pitch, intensity and rate as well.

Suggest trying the presentation out on roommates, friends, family members--anyone who will listen. Most people love to give their opinion about something. That way they will find out ahead of time how successful they are.

Most students will incorporate visual aids in their speech. They may include: The actual product, models, pictures, drawings, sketches, charts, graphs, maps, and handouts. Students are cautioned about distributing the handout before or after they speak because paper is noisy, distracting, and a loss of eye contact results. Handouts are most useful in helping the audience understand a highly detailed or technical presentation. In that case, they should be distributed during the speech.

Visual aids must be clear, concise, and purposeful. They must not be too small, too crowded, inappropriate, rushed or inadequately explained.

#### STEP FIVE: DEVELOP CONFIDENCE

Students sometimes have unrealistic attitudes about their presentations. For example, if they believe that they have failed because some members of the audience remain unconvinced then they may be setting themselves up for frustration and disappointment. Such a self-defeating belief will inhibit communication and increase anxiety. The following attitudes should be replaced.

1) My sales proposition should be approved by everyone. Not true. To expect approval by all members of an audience--even a small one--is

unrealistic. Communication is a two way process and the listener is equally responsible for the outcome of the speech. Some members of the audience may have beliefs and attitudes that run counter to yours and you cannot expect to change them with a single speech. Moreover, bad listening habits as well as pressing internal and external distractions may cause a breakdown in communication.

2) My presentation has to be perfect to be worthwhile. Not true. There is no such thing as a perfect speech. Even excellent speeches can be improved. Communication happens in the here and now, and in retrospect it is easy to think of many ways that the speech could have been better. Perhaps an idea could have been more fully developed or the interaction with the audience could have been improved. What matters, however, is not what might have been but your intention, preparation, and attitude. If your goal was clear, your preparation extensive, and you were willing to learn through your experience, then you met your responsibilities. Striving for perfection can be self-defeating.

3) Making a mistake will spoil my presentation. Not true. Everyone makes mistakes. A close examination of the delivery and content of even very good speeches will reveal many mistakes. Of course you should try to avoid making mistakes, but what is important is how you handle making them. If you have lost your place or omitted a major point, share your oversight with the audience and correct it as best you can. (Many times oversights are not damaging to a speech and go unnoticed by an audience.) Your honesty will add to the message, not detract from it, because the audience will appreciate your candor.

4) My presentation must always turn out the way I planned it. Not true. Rarely do speeches turn out exactly the way they are planned. You may limit or change a point in the middle of the speech if audience feedback indicates they are not grasping the material. It is possible to omit information you planned to include without compromising the goal of the message. Thus, speeches do not always turn out the way we plan them.

On the actual day of the presentation, it is only natural for students to feel nervous because most people tend to be anxious about doing anything important in public. How can nervousness be controlled?

Barbara Byers, a stress management consultant recommends using the following "circuit breakers" to relieve stress.

- \* Deep breathing--which relaxes and calms the mind, and allows one to focus on the task at hand,
- \* Stretching--which should include moving the large muscles groups of the legs,
- \* Shaking out all over hokey-pokey style--which stimulates circulation and moves the muscles,
- \* Writing with your nose--which relaxes the neck.

To do this, pretend that you have a pencil attached to the end of your nose. Use this pencil to write in the air the letters of the alphabet or the numbers from 1-10. Make them as big as you can.

For most, the biggest part of stage fright is fear of the unknown. That is why preparation and practice are so critical for success. In addition, having a positive attitude is a big confidence booster. If students visualize themselves selling successfully they usually can do it.

Butterflies in the stomach can be lessened by taking a few breaths before speaking, yawning, having a strong approach, establishing eye contact with the audience, and smiling. The best part of developing confidence in presentations is becoming more confident in other areas of life as well.

By following the five steps discussed, selecting a product or service, gathering materials, organizing, delivering the presentation, and developing confidence, your sales management classes will be off to a great sales-making start!

#### APPENDIX A

##### Evaluation Form

Name: \_\_\_\_\_ Course and Section: \_\_\_\_\_

Product/Service: \_\_\_\_\_ Date: \_\_\_\_\_

Rating Code: 1-poor; 2-inadequate; 3-adequate;  
4-good; 5-excellent

##### A. Audience Analysis and Adaptation

1. Gained and maintained attention 1 2 3 4 5
2. Appealed to audience needs 1 2 3 4 5

3. Comments: \_\_\_\_\_

##### B. Research and Data

1. Sources significant 1 2 3 4 5
2. Representative 1 2 3 4 5

3. Comments: \_\_\_\_\_

##### C. Support and Evidence

1. Quantity 1 2 3 4 5
2. Clear-accurate documentation 1 2 3 4 5

3. Comments: \_\_\_\_\_

##### D. Organization

1. Clear statement of purpose 1 2 3 4 5
2. Met Objections 1 2 3 4 5
3. Clear pattern 1 2 3 4 5
4. Introduction 1 2 3 4 5
5. Close 1 2 3 4 5
6. Transitions 1 2 3 4 5

7. Comments: \_\_\_\_\_

##### E. Delivery

1. Acceptable pronunciation 1 2 3 4 5
2. Rate 1 2 3 4 5
3. Intensity 1 2 3 4 5
4. Posture 1 2 3 4 5
5. Gesture 1 2 3 4 5
6. Demonstration--Visual Aids 1 2 3 4 5
7. Interest and energy 1 2 3 4 5

8. Comments: \_\_\_\_\_

##### F. Language

1. Appropriate to purpose, audience 1 2 3 4 5

2. Comments: \_\_\_\_\_

Grade \_\_\_\_\_

#### APPENDIX B

##### Listener's Rating Form

Salesperson \_\_\_\_\_

DIRECTIONS: Please rate the salesperson on the following factors by circling the appropriate number in each case. Written comments are also welcomed.

HIGH LOW

5 4 3 2 1 ORGANIZATION  
(Effectiveness of pre-approach and closing, sequencing of ideas and general sense of strategy.)

5 4 3 2 1 CONTENT  
(Approach, clarity of demonstration, completeness, treatment of issues, objections)

5 4 3 2 1 DELIVERY  
(Directness, sensitivity to feedback, poise, appearance, and enthusiasm)

5 4 3 2 1 General Effect

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## ABSTRACT

### CASE ANALYSIS: LEARNING FALLACIES THAT CAN BE ADDRESSED

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#### INTRODUCTION AND BACKGROUND

For decades the case method of teaching has been an accepted and important component of marketing and management education. Case study encourages learning through discovery and the development of conceptual, contrast, and comparison skills. The development of these abilities defines and sharpens the decision-making ability of a manager.

It is disconcerting, therefore, to recognize that for many students, case analysis falls short of its intended goal due to the high-volume and detail of the information presented or to the lack of realism associated with limited case information.

Although case analysis intends to foster the analytical and decision-making process, individual psychological forces might lead to a limited problem analysis that can impede the learning process and decrease the quality of the solution.

The array of facts and information presented in a case can easily overwhelm a student and require refinement. Gradually and with concerted analytical effort, certain points of information in the case take on lesser/greater significance according to the student's experience and knowledge base. Some facts are disregarded, others emphasized or interpreted in ways that are consistent with the student's views.

The refinement of case information is guided by powerful psychological processes. Subtly but inevitably the need for information reduction, the selective perception process, and the need for closure operate in case analysis. Many students are experts at information reduction, but they "simplify" the case at the expense of pertinent or key information. However, decision-making research indicates that the quality of the problem solution is positively related to the amount of information used by the problem-solver (Newell 1972, Nickerson 1985, Weisberg 1986).

#### RECOMMENDATION

To overcome the shortcomings associated with limited problems analysis, students should be able to 1) consider as much of the stated case information as possible, and 2) logically expand the case information to include relevant, but unmentioned alternatives/information. The author suggests a technique that encourages students to consider each point of case information as an information space. All qualitatively different topics become a case information space (CIS). Typical marketing information spaces would include topics related to consumers, price, promotion, product, industry, etc.

When the case information spaces are established, each can be logically expanded in a structured way by considering: 1) degrees of action possible (e.g., spend \$20 million, \$10 million, \$0 on advertising), 2) logical alternatives (e.g., heavy, moderate, light, and nonusers of a product), and/or 3) related information (e.g., product line information would logically remind one of product mix information and of competitor product lines).

An heuristic procedure is recommended to structure the analysis as follows: 1) identify each piece of information (CIS) that is qualitatively different from other information; 2) logically expand each information space into alternatives, degrees of action, related information; 3) evaluate the case situation in terms of each information space.

The benefits of a structured problem analysis are recognized by educators (Hughes 1978, Van Gundy). When combined with an heuristic, the concept of the CIS expands the relevant information for analysis in a structured, logical, yet flexible manner. It requires knowledge, logic, and creative thinking to expand an information space--valuable tools for all students.

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## ABSTRACT

### THOUGHTS ON EXAMINATIONS IN MARKETING EDUCATION: THE SKILLED TEACHER PERSPECTIVE

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Marketing educators are confronted with a number of challenges before they walk into the classroom. Many decisions must be made including those of syllabus development and lecture style. One of the most difficult decisions is how to evaluate the performance of students. The examination is the usual way that performance is measured in most marketing classes. However, many marketing educators do not receive instruction on how to construct examinations as part of their doctoral education.

An important source of ideas concerning examination issues is marketing educators who are consistently rated by students as excellent teachers. These educators may provide insights into developing effective examinations which could benefit other marketing educators. Yet their perspective has only begun to be measured in research of national scope. The purpose of this paper, is to report what skilled marketing educators do when it comes to giving examinations.

#### EXAMINATION ISSUES

Attempting to produce an effective examination is nothing new in education. The education literature is full of research on the topic. Marketing educators have several options when it comes to developing examinations: objective (multiple choice, matching, and true-false), essay, and cases.

Overall, previous research on examination issues in marketing education has been limited in scope. Therefore, the present study sought to answer the following research questions: (1) what do highly skilled marketing educators have to say about the examination that they construct?; (2) on what do these educators base their questions?; and (3) what follow-up procedures do skilled marketing educators use after the examination is completed?

#### THE STUDY

A mail survey of marketing educators was undertaken during the spring of 1987. A mailing list of 279 colleges and universities was assembled from the 1986 American Marketing Association Membership Directory. Only schools with three or more marketing faculty were included in the sample. Two questionnaires were sent to the chairperson of the department of marketing at each school. The cover letter asked that the questionnaires be distributed to the two most effective teachers in the department. It was empha-

sized that not only student evaluations, but personal observation and feedback from students, alumni and parents should be considered when selecting faculty to receive the questionnaires.

The questionnaire was composed of two parts. Part one consisted of seven open-ended questions related to effective teaching. One of these questions asked the respondent to indicate what she/he does to enhance student learning and overall course effectiveness when it comes to designing examinations. The second part of the survey focused on the demographics of the respondent and characteristics of her/his school.

#### RESULTS

One hundred forty-four completed questionnaires were returned representing a response rate of 25.8 percent. At least one questionnaire was received from 37.3 percent of the schools contacted (104 out of 279). A nonresponse bias check based on size of faculty ( $\chi^2 = 3.46$ ;  $df = 2$ ;  $p < 0.23$ ) and geographic region ( $\chi^2 = 3.15$ ;  $df = 3$ ;  $p < 0.52$ ) was not significant.

All responses to the open-ended question on examinations were evaluated and categorized by two judges. In terms of research question one on the construction of examinations, most respondents indicated that they used essay rather than objective examinations. The same number of respondents used strictly objective examinations and a combination of essay and objective questions, respectively. Graduate teachers used essay examinations more often when compared to the other methods of testing probably because of the analytical work required. Interestingly, a large number of undergraduate teachers also indicated a preference for essay examinations.

In terms of research question two, 26 percent of the respondents indicated that questions should be drawn from lecture material. Twenty-two percent of the respondents used application questions and twenty percent used cases in preparing their examinations. Sixteen percent stressed creativity was important in testing. Only four percent used a test bank.

Finally, the results of research question three indicated most respondents relied on quick feedback as an important component of the follow-up process. Very few respondents indicated that they go over the examinations. Instead, the respondents seemed to prefer a one-on-one discussion with students.

SEGMENTING THE SPORTING EVENT INDUSTRY:  
AN EMPIRICAL ANALYSIS

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ABSTRACT

During the last decade, leisure-time has been recognized as a premier growth industry. Several environmental factors have accounted for this growth: rising disposable income, increased amounts of time available for leisure activities, and favorable demographic factors (Advertising Age, 1981). According to industry observers, the sporting industry has shown the strongest gains among leisure-related businesses (Standard and Poors, 1984). And, these gains are mainly due to a growing interest in sports.

The trend has provided marketing opportunities in two ways. First, sporting events are used as a marketing tool to achieve marketing goals. By sponsoring both amateur and professional sporting events, marketers have attempted to communicate healthy images of their corporations and products. Secondly, business people who sell to spectators have begun to adopt marketing concepts. These business people have realized that they are competing for consumers' entertainment dollars and that the application of marketing tools can enable them to better market sporting events. The current state of such spectator marketing efforts, however, is at an elementary stage (Pol and Ponzurick, 1984). In order to bring the selling of sporting events into line with marketing principles, much more market research has to be done.

One of the areas in most need of research is market segmentation. Segmentation analysis provides information that not only helps marketers identify target segments, but also enables them to focus their planning efforts on a particular target market.

While segmentation analysis has been a stepping stone for the marketing of a wide variety of products, very little of this type of analysis has been done for sporting events. Consequently, the purposes of this paper are to present a segmentation analysis of a particular sport event and to discuss the implications of this type of study on the sports events industry.

RESEARCH METHODS AND RESULTS

The study investigated the characteristics of a specific target segment, attendees of a college women's basketball game. Since this was a college event, it was expected that the majority of game attendees would be college students; therefore, a representative group of university students as well as the actual attendees of the game were surveyed in order to cross-validate our expectations.

The study questionnaire included questions about the individuals' demographic characteristics (e.g., sex, marital status, age, education, in-

come, etc.), general habits as to sporting event attendance, and media usage. The demographics, game attendance, and media usage characteristics of the game patrons as well as the college students are comparatively analyzed.

It was expected that the game attendees would mainly consist of young adults (i.e., college students) because the event under investigation was a college athletic event. However, the study results show that the game attendees were older than expected (i.e., aged 26 or more). In fact, over 40 percent of the game attendees were aged 36 or more. The attendees were basically highly educated and employed full time in well-paying jobs. More than half of the attendees had graduated at least once from college.

The findings indicate that the vast majority of game attendees also frequent other college level female basketball games. Therefore, the target segment of the event, as delineated from behavioral criteria, is not necessarily a youth-oriented student group. Attendance composition suggests that there is a need to segment the sporting events market according to the type of event.

As far as media usage is concerned, word of mouth is the most widely used information source for the attendees, while the University's newspaper is the source for the others. Advertising efforts through mass media has had only a marginal impact on patrons when compared to its reach on others. This may well be due to the misunderstanding of target segment. Focusing communication strategies on the incorrect target can be a vital mistake not only because management's efforts are wasted, but also because the potential attendees remain unreached.

The study provides evidence that there is heterogeneity in the sporting events market. Of course, it would be very naive to assume that each sports event would have the same target characteristics. The potential danger of such an assumption involves not only wasting management efforts but also losing prospective customers. With the application of segmentation analysis, sporting events can be better marketed to appropriate target segments.

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## ABSTRACT

### CONSUMER PERCEPTIONS OF SERVICES CHARACTERISTICS: OBSERVATIONS AND IMPLICATIONS

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The basic assumption permeating the growing body of theoretical literature in services marketing is that there are a number of unique characteristics of services which serve to differentiate the marketing of services from that of tangible goods. Some of these characteristics directly affect managers, such as the inability to inventory services, while others impinge on the manager indirectly, by first affecting consumer behavior and subsequently requiring managerial response. An example of the latter is service intangibility decreasing consumer "browsing," thereby reducing impulse purchases. Thus, unique service characteristics are held to both directly and indirectly effect service marketers.

While the services literature constitutes a fairly sizable body, there appears to be a growing consensus on the need for systematic exploration of these unique characteristics for theory development purposes. Research issues which need to be addressed are: the desirability of looking at differences among services, rather than between goods and services; the need for looking across rather than within service industries; and the lack of empirical verification of the many hypotheses which exist in the literature.

The purposes of this study are: (1) to help establish a framework for continued services theory development by suggesting a method for study of the services characteristic-consumer behavior relationship; (2) to perform an exploratory analysis, across services, on the relationships between two prominent service characteristics and several aspects of consumer prepurchase behavior; and, (3) to suggest directions for further services marketing investigation.

A substantial number of services characteristics have been cited in the literature, some more often than others. This study focuses on two characteristics frequently held to affect the buying behavior of consumers: participation by the consumer in the production of the service offering; and heterogeneity: the inability of the service provider to produce consistent service performance and quality. Neither of these characteristics has been evaluated empirically for its effects on buyer behavior, a pervasive shortcoming in the literature.

These two service characteristics are hypothesized to have an effect on six types of prepurchase behavior. Increasing consumer participation in service production is hypothesized to lead to increasing information search effort, decreasing willingness to change service providers, increasing importance of location convenience, and increasing usage of telephone, site visit and word-of-mouth. Increasing service heterogeneity is hypothesized to lead to decreasing information search, increasing willingness to change providers, increasing importance of location convenience, and decreasing usage of tele-

phone, site visit, and word-of-mouth. Control variables analyzed consist of demographics, and alternative causes of the behavior (centrality, differentiation, price and satisfaction).

The approach used to test these hypotheses is a correlational design, with data acquired through a survey of consumers, and tested in two stages. The first stage consists of bivariate correlations between the level of perceived service characteristic and the behavior. The second stage tests the hypotheses using a multiple regression approach, where the service characteristic-behavior relationship is statistically controlled for other relevant variables (e.g., age, price). The hypotheses were tested in two stages so as to contrast the test of existing hypotheses forms (bivariate) with more complex relationships which may effect the association (multivariate).

While half of the bivariate correlation hypotheses were supported, only three of the original 12 hypotheses maintained their appropriate significance under increasingly rigorous testing conditions. Participation was related to increasing visit likelihood, but only marginally related to increasing search effort, while heterogeneity was associated with increases of brand trial willingness and convenient location importance.

In addition to the usual cautionary notes regarding the non-causal nature of correlational designs and the use of non-random samples, the low correlations found in the analysis indicate a further need for caution on the part of investigators. While the findings were statistically significant and robust, the amount of variance accounted for was small.

The findings of this study point to some further considerations for researchers interested in services marketing. Given the care taken in determining the variable measures, there may be a conceptual reason for the low level of explained variance found. It could be that services characteristics have a comparatively minor effect on consumer decision making, a viewpoint occasionally raised over the past two decades. This contention has recent empirical support from the managerial viewpoint: Zeithaml, Parasuraman, and Berry (1985) found managers were not greatly concerned with the impact of most of the services characteristics they studied, which were selected based on their consideration in the services marketing literature. Certainly further empirical research is needed in this regard.

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## MARKETING OUR MAJORS

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### ABSTRACT

The employment market for undergraduate marketing majors is examined by documenting what firms look for and how they find entry level job applicants. Viewing graduates as products and employers as consumers, the data are analyzed in traditional marketing categories: the target market, the benefits sought, the product features sought, distribution, promotion, and price. Implications for curricula are discussed.

### INTRODUCTION

The challenge to a changing business school curriculum is to find the proper balance between the sometimes competing goals of serving the business community and providing the most current academic/technical material to our students. Whether we see ourselves as bearers of facts, molders of minds, tutors in skills, or preparers of future graduate students, we are also producers of future job applicants for entry level marketing positions.

Since we are in the business of producing graduates who can obtain and succeed in entry level marketing positions, it is incumbent upon us as marketers to understand our market and to satisfy our customers. Studies of companies who hire MBA's have documented the needs of that market. Jenkins, Reizenstein, and Rodgers (1984) found executives to be dissatisfied with MBA's analytical abilities, level of initiative, and specific functional knowledge. Beam's (1981) survey of Fortune 500 personnel directors found that poor writing skills was the most frequently mentioned weakness of young executives. And while Yates (1983) confirms the importance of writing skills, Budd (1982) notes that graduate business students should receive instead more training in the philosophical/psychological aspects of communication.

This study represents an effort to understand the market for undergraduate marketing majors. To do so I asked marketing practitioners about their product needs, means of finding applicants (distribution), responsiveness to promotion, and the price (salary) they are willing to pay.

In the following discussion I treat the university or marketing department as the manufacturer of the product, the student as the product, and potential employers as the market. While the analogy to a commercial product or service might at times be strained, I think this offers a useful framework for discussion and some interesting implications for curriculum development.

### METHODOLOGY

The data for this study were gathered through a mail survey of members of the Southern California chapter of the American Marketing Association. The 1986 SCAMA Membership Roster & Service Directory provided the sampling frame. Because the unit of analysis for this study was companies as employers my population was the companies represented in the SCAMA membership rather than SCAMA members themselves.

I exhausted the population of 657 companies listed in the directory. For each company listed in the directory, the SCAMA member listed was contacted. If there were more than one member in a company, the top ranking member was chosen.

Questionnaires were mailed in May, 1987. There were no follow up mailings. One hundred fifty nine valid responses were received and 43 questionnaires were returned as undeliverable, yielding a response rate of 26 percent.

Respondents are representative of the population on the one variable for which we have data: type of business. Market research companies constitute 23 percent of the population and 26 percent of the respondents. Although this makes us feel comfortable about generalizing to the population represented in the sampling frame, it must also be noted that the sampling frame itself probably overrepresents the universe of market research companies.

A mailing list of marketing professionals compiled by Zeller and Letticia indicate that just over 10 percent of marketing professionals are in research.

Given these data, I included a weight factor which weighted market research companies .38 and all other companies 1.22 (this maintained the n of 159). Breakdowns of self-identified type of business of the unweighted and weighted samples are presented below in Table 1.

Table 1

#### Respondent's Type of Business

	Unweighted	Weighted
Advertising	13.8	16.8
Consumer Goods Manufr	9.4	11.5
Industrial Goods Manufr	15.7	19.1
Marketing Research	26.4	10.6
Retail	1.9	2.3
Service	23.9	29.0
Consulting	5.0	6.1
Other	3.8	4.6

While this weight factor adjusts for the overrepresentation of marketing research firms, it does not adjust for any other over or underrepresentations. It is with this caveat in mind that the following data must be viewed.

## FINDINGS

### Target Market

The target market for our product -- entry level marketing employees -- can be thought of as either the type of business which is seeking to hire or the type of jobs available. In both cases our main concern is market potential measured by size of the market in number of positions expected to be filled. Knowledge of target consumers will permit us to direct our product to the market most likely to buy by offering courses that provide appropriate specialization.

Table 2

Entry Level Positions Expected / Type of Business  
(n = 478)

Advertising	16%
Consumer Goods Manufacturer	17
Industrial Goods Manufacturer	17
Marketing Research	7
Retail	*
Service	26
Consulting	13
Other	4

\*less than 1%

Table 3

Entry Level Positions Expected by Type of Job  
(n = 478)

Advertising	20%
International Marketing	1
Marketing Research	22
Sales	40
Retail Management	1
Transportation and Distribution	3
Product and Brand Management	10
Industrial Marketing	3

As can be seen in the tables above, for our sample, jobs are most available with advertising companies, consumer and industrial goods manufacturers, and service companies. Most jobs are in sales with the next highest in marketing research and advertising.

### Product

As marketers we know that the core of every product is the benefits it provides to the buyer. In the case of our student product these benefits might best be conceptualized as the skills employers want new employees to bring to the workplace.

Based on research cited above, an item in the questionnaire asked how important each of seven skills were for an entry level marketing employee. Table 4 presents these responses.

Table 4

### Importance of Selected Skills

	Extremely Important	Somewhat Important	Not at all Important	Mean		
Administrative	13	37	39	8	3	3.49
Oral com	66	28	6	0	0	4.60
Written com	64	31	4	1	0	4.60
Interpersonal	57	36	6	1	0	4.50
Analytical	42	40	17	1	0	4.23
Quantitative	20	40	36	4	0	3.75
Computer	15	28	41	12	5	3.36

F = 45.997 P < .01

What employers need most from entry level employees are oral communication, written communication, and interpersonal skills. If students are to learn these skills within the context of marketing, we must teach them through projects and classroom activities that go beyond the text/lecture/examination format.

The next most important need is analytical skills, a set of abilities which should be emphasized in all upper division courses, especially case courses and research courses. Next most important are quantitative skills, again likely to be the preserve of case courses and research courses.

Least needed from entry level employees are administrative and computer skills. It is possible that employers feel that these skills will not be utilized by new recruits. More likely, practitioners probably feel that these skills will be learned on the job. Since almost half of respondents considered these skills to be in one of the top two importance ratings, however, course work and projects which stress these skills should not be eliminated from the curriculum.

These are the core benefits sought by our customers. Our product is, however, an existing one, not a discontinuous innovation, so we must ask if the current product is meeting consumer need or if we need to modify it. As such, I asked respondents how satisfied they were with each of these skills among current entry level marketing employees. On a whole respondents are "somewhat satisfied" with all of these skills among their current entry level employees. (Data not shown.)

Since satisfactions are all within the "somewhat" range while importance on several skills is at the "extremely" level, we can deduce a greater discrepancy between need and satisfaction for the most important skills. In order to more clearly examine these discrepancies, I computed a satisfaction/importance difference score. Each

individual's score on satisfaction with a particular skill was subtracted from his or her score on the importance of that skill. This score shows the relationship between perceived level of importance and level of satisfaction and tells us how disappointed buyers might be with the current product. The results are presented in Table 5, below.

Table 5

Difference Between Skill Importance/ Satisfaction

	-4	-3	-2	-1	0	+1	+2	+3	Mean
Admin	0	2	11	29	34	18	6	1	-.25
Oral com	3	5	31	30	27	5	0	0	-1.14
Written com	8	11	33	21	23	4	0	0	-1.46
Interper	1	3	26	28	38	3	1	0	-.91
Analytical	2	5	22	34	34	3	0	0	-.97
Quant	1	3	11	29	44	9	3	0	-.47
Computer	1	1	11	19	36	23	7	0	-.08

F = 15.044 P < .01

Levels of satisfaction with administrative and computer skills and to a lesser extent quantitative skills are about commensurate with their attributed levels of importance. While the aggregate satisfaction measure showed respondents to be "somewhat satisfied" with these skills, the discrepancy measure suggests that those who are more satisfied are the ones who perceive them to be more important and those who are less satisfied are the ones who perceive them to be less important. It will be recalled that these three were the least important of the skills needed.

For the other four skills -- oral communication, written communication, interpersonal, and analytical -- the high discrepancy scores are consistent with the high importance but moderate satisfaction ratings. It is especially important to note the high level of disappointment with written communication skills.

Beyond the needs sought by the buyer or core product is the tangible product -- the background and experience features that will be the content of resumes. We can influence this tangible product through the advising process. To identify desired product features, the study included a question on the importance of five areas of student experience. Table 6 presents these data.

The single most important tangible feature the product can have is work experience in marketing. If students cannot get work in marketing, they should do an internship in marketing or get non-marketing work experience.

Undergraduate Grade Point Average is also seen as an important product feature. Least important is leadership positions held in extra-curricular activities. So we should advise students to get on-the-job experience and to earn the highest grades possible. To the extent that these come into conflict, as product planners, rather than

Table 6

#### Importance of Selected Activities

	Extremely Important	Somewhat Important	Not at all Important	Mean	
Leadership	10	24	42	14	3.13
Undergrad GPA	7	45	38	6	3.47
Work in mrkting	44	35	13	7	4.16
Work out mrkting	6	43	34	15	3.36
Intern mrkting	18	34	27	13	3.42
F = 30.043      P < .01					

F = 30.043 P < .01

as academics, we would tolerate sacrificing grades for marketing experience.

Though we need not discourage students from participating in extra-curricular activities, we should make such participation contingent upon keeping grades up. Extra-curricular activities are not a substitute for off campus work, nor are they a valid trade off for good grades.

#### Distribution

The survey examined the efficacy of two intermediaries which firms might use to find entry level employees. These means are analogous to traditional channels of distribution. On campus placement is similar to a manufacturer's sales office or manufacturer's showroom. It is a process conducted by the seller (the university) rather than by an independent wholesaler. Employment agencies are similar to brokers in that they facilitate buying and selling and are paid by the party that hired them.

Table 7

#### Use of Recruitment Intermediaries\*

On campus placement (mfr showroom)	284
Employment agencies (brokers)	25
No intermediaries used	56

\*multiple response item; totals exceed 100%

Based on the data in Table 8, students should not count on manufacturer intermediaries (placement office or agencies) to find them jobs. More successful routes are suggested by an examination of Promotion.

#### Promotion

Three types of promotion were examined: word of mouth, unsolicited resumes, and ads placed by the employer. The results are presented in Table 8.

Employer initiated communications (word of mouth and ads) are used more frequently than manufacturer (or in our case, product) initiated communications, though self-promotion is a viable avenue.

I asked respondents who found entry level applicants through advertising, which publications they used. Just over 40 percent cited the Los Angeles Times. Five percent cited the Orange County Register and about 20 percent

Table 8

## How Firms Find Entry Level Employees\*

Ads placed by employer	61
Word of mouth	53
Unsolicited resumes	47

\*multiple response item; totals exceed 100%

stated "local newspapers" or "newspapers." Six percent each used the Wall Street Journal and AMA publications, and 15 percent used Ad Age or Ad Week.

## Price

what should potential employees ask for or expect in remuneration? Average salaries by type of business and type of job are presented in Tables 9 and 10.

Table 9

## Average Salary by Type of Business

Advertising	\$19,810
Consumer Goods Manufacturer	22,893
Industrial Goods Manufacturer	24,705
Marketing Research	18,664
Retail	23,167
Service	25,771
Consulting	23,100
Other	27,300

F = 4.041 P < .01

Table 10

## Average Salary by Type of Job

Advertising	\$21,035
International Marketing	29,400
Marketing Research	24,265
Sales	26,703
Retail Management	20,000
Transportation and Distribution	24,800
Product and Brand Management	24,650
Industrial Marketing	29,667

(given organization of data, no stat possible)

Advertising and marketing research companies pay the least. Yet, while advertising is a relatively low paid job no matter who the employer is, marketing research would seem to be low paid only when the employer is a research supplier as differentiated from a consumer manufacturer, service, or consulting firm.

The highest paying jobs are to be found in international marketing and industrial marketing, though it will be recalled from our discussion of target markets that these fields are among the lowest in number of expected job openings.

## CONCLUSION

As marketers of a product in a relatively

saturated market (each responding company expected to fill an average of 3 positions this year), we should consider pursuing market segmentation, product modification and marketing-mix modification strategies.

The data from this study suggest the majority of jobs available are in sales, advertising, and marketing research. In order to best target these jobs we might want to offer advanced courses in each of these areas or perhaps permit subspecializations within the Marketing program.

It is also apparent from the data that our product needs to be redesigned -- a "new and improved marketing major." Consumers (future employers) are looking for applicants with good oral and written communication skills and good interpersonal and analytical skills; they are disappointed. If we are to satisfy our market we must improve the quality of our product by developing curricula that integrate these skills into our courses. In addition to improving quality, we should also improve features by directing students to focus on work experience (preferably in marketing) and grades rather than extra-curricular activities.

Students may have unrealistic perceptions of the marketing-mix elements -- distribution, promotion, and price. Students should not count on the university placement office or employment agencies and search firms to find jobs for them. Their promotional strategies must be "pounding the pavements" -- responding to ads, networking, and mailing out resumes "blind." They should expect salaries in the low \$20's, lower if they are going into advertising or seeking employment with a marketing research firm.

Universities that are not among the top ranked should also consider pursuing market niches strategies developing specializations which will permit them to identify and serve companies which do not recruit from among the market leaders.

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# A FRAMEWORK FOR ORGANIZING, INTEGRATING, AND TEACHING THE TECHNIQUES OF DEMAND ESTIMATION

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## ABSTRACT

This paper develops a classification scheme for organizing the demand estimation task into four different situational categories. Against this background, various demand estimation methods are presented and elaborated. The purpose of the exercise is to provide a simplified and clarified treatment of an important, and superficially complex, subject for the benefit of instructors and students of marketing.

## INTRODUCTION

Estimation of demand is a basic, useful, and necessary function in the performance of marketing. Strategic decisions concerning products to produce or markets to serve cannot be made rationally without the information provided by an estimate of demand for a product, within a market. A marketer would not develop a particular product nor enter a market segment unless able to forecast a level of demand for that product/market sufficient to provide a profitable sales volume.

A variety of approaches are used in demand estimation, and are generally broached pedagogically to students of marketing at the introductory (i.e., Principles) course level. Although some prominent Principles texts give only cursory attention to the topic (Kirnear and Bernhardt 1983, pp. 208-211; Pride and Ferrell 1980, pp. 162-170; Stanton 1981, pp. 512-517), others provide somewhat detailed elaboration of demand estimation (or sales forecasting) methods (Kotler 1983, pp. 195-211; 1984, pp. 224-249; McCarthy and Perreault 1984, pp. 268-280). Yet even with the more comprehensive treatments there appears to be opportunity for supplementary organizing and synthesizing of the various techniques into a cohesive structure. Recognizing that many elementary marketing students may not appreciate the relations between certain methods (such as market build-up, the "buying power index," survey of intentions, and market testing), as well as their essential unity of purpose, it may be necessary for the course instructor to provide this clarifying and integrative perspective. The following describes a procedure by which such an effort can be made.

## THE FRAMEWORK, STEP BY STEP

In introducing the subject, it may be useful to eliminate possible confusion by informing students of the general equivalence of the terms demand estimation, market measurement, market forecasting, and sales forecasting. Though most Principles texts favor the term "sales forecasting" to designate the concept and use it predominantly, some, such as Kotler (1983, 1984), employ alternate language. If "demand estimation" and "sales forecasting" must literally be regarded as near syno-

nyms, it only requires an assumption that demand can be equated with supply for the two to be treated as equivalents. In other words, a demand estimate is a forecast of how much could be sold by a firm or industry.<sup>1</sup>

## The Classificatory Dimensions

Market vs. company demand, the macro/micro distinction. The purpose of the classification scheme, i.e., the integrative framework referred to earlier, is to identify four situational categories of demand estimation. The first of two bases used for distinction is the difference between market and company demand--whether demand is being estimated for an industry or a single producer within an industry. This distinction is represented by the vertical axis in Figure 1. As can be seen, students are informed that market demand refers to demand for a product class, as opposed to demand for a particular firm's brand(s), and that "industry sales" volume is used as a comparable term for it.

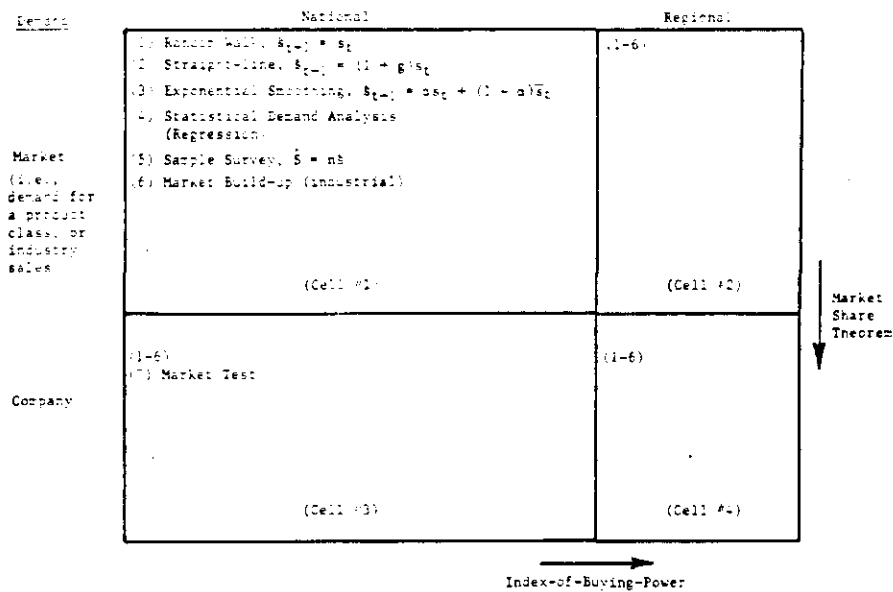
National vs. regional demand, the geographic basis. The process of demand estimation, and the techniques applied to it, may also differ depending on whether the estimate is for a national or regional geographic level. This is the other classificatory basis shown in Figure 1 as the horizontal axis, and it represents a simplification of Kotler's "space" dimension of world, USA, region, territory, and customer (1983, p. 197; 1984, p. 225).<sup>2</sup> The legitimacy of such streamlining rests on these observations: (1) An estimate of world demand is likely to be an aggregation of various national estimates; (2) "region," "territory," and other similar designations (such as state or metropolitan area) are variations of sub-national geographic area; and (3) any territorial demand forecast is a composite of estimates for individual customers, either explicitly (e.g., market build-up) or implicitly/analytically (e.g., sample survey of intentions or expert opinion survey). Therefore, the two-level geographic categorization adequately captures the underlying dimension.

From the two dimensions of Figure 1, four cases of demand estimation emerge: national market, regional market, national company, and regional company.

<sup>1</sup>None of this is intended to contest the fact that in some contexts, such as microeconomics, "demand estimation" involves specification of a function, rather than a point on a function which is the focus here and is likely to be the focus of the business practitioner.

<sup>2</sup>Since Kotler's texts are widely adopted examples of the more comprehensive textbook treatment of the topic, they will be used here as general backdrop for the discussion.

FIGURE 1  
THE FRAMEWORK AND THE METHODS



The absent temporal dimension. The framework, relative to Kotler (1983, p. 197; 1984, p. 225), contains another simplification. No distinction is made between short-, medium-, and long-range demand forecasts. The rationale for this is that the latter two types are likely to be extrapolations of shorter-term estimates and, as such, would be based on the same or similar methods. Beyond this issue, distinction is sometimes attempted between "measuring current" and "forecasting future" demand (Kotler 1983, pp. 200, 206; 1984, pp. 234, 239). This dichotomy is rejected as untenable according to the following reasoning.

First, consider what could be meant by "current" demand. Given a standard definition of the word itself, the expression would have to mean either demand at the current moment in time, or demand over a period of time in which the current moment is situated. The former option can be dismissed because demand is a flow (as opposed to a stock) variable, which occurs over a period of time. Any flow measured over an infinitely small period, i.e., a moment, is therefore zero. So the level of demand defined at the current moment would always be zero, by definition.

Concerning the second interpretation of "current demand," suppose the period in question is the current year, extending from six months prior to six months hence as shown in Figure 2. Here, any putative distinction between measurement of current and future demand would again be inadmissible. Estimation of demand for historical segment a would be moot since it already would have occurred and been recorded. Again, the only demand estimation task would be for period b, which lies in the future. The same argument applies to any location for  $t$  in a period  $c$  of any possible length. Demand estimation, therefore, always pertains to a future time period, even if it is a future segment of a period designated as "current."

For these reasons, the demand estimation framework is presented to students as applying to an up-

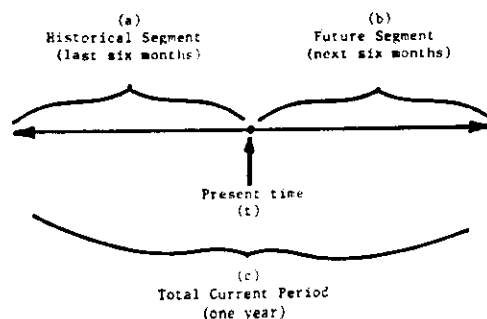
coming period. For simplicity, all estimation examples are assumed to relate to the immediately forthcoming one-year period, while it is made clear that longer-term forecasts are achievable by modification of the techniques or by extrapolation.

#### Description of the Methods

Having established the Figure 1 framework, the next step is to describe various methods of demand estimation and how they can be used to forecast demand, or sales volume, in each of the four specified cases. The basic expository procedure is to present the methods in the context of cell #1, i.e., show how they are used to estimate national market demand, then explain how the same techniques can be applied to the other cases via cell-specific data. One approach unique to cell #3, national company demand, is also presented. Finally, two devices are explicated that may be used to convert a national market estimate to one for any of the other compartments of the figure.

Random walk. The first estimation method presented is also the most basic imaginable: letting previous year's sales volume serve as an estimate

FIGURE 2  
ONE INTERPRETATION OF "CURRENT" DEMAND



for the following year. In other words,  $s_{t+1} = s_t$ . Students are informed that in periods of relatively stable market demand, this "random walk" may be a reasonable approach. In times of slow or moderate growth, it is conservative. (Of course, this method requires that prior data are available. For example, it could not be used for a new industry.) Suggested data sources include the Department of Commerce and industry trade associations.

Straight-line extrapolation. Next, a method nearly as simple is demonstrated: extrapolating previous year's sales or demand level by the recent growth rate. This is represented as

$$\hat{s}_{t+1} = (1 + g)s_t \quad (1)$$

with  $g$  = average growth rate measured over a number of recent periods (e.g., the previous five or ten years)

One reason for presentation of these simplistic methods is to show that the next technique, "exponential" smoothing, is nearly as simple.

"Exponential" smoothing. Kotler (1984, p. 245) defines this method as

$$\hat{s}_{t+1} = \alpha s_t + (1 - \alpha)\bar{s}_t \quad (2)$$

with  $\hat{s}_{t+1}$  = sales forecast for next period

$\alpha$  = the smoothing constant, where  
 $0 \leq \alpha \leq 1$

$s_t$  = current sales in period  $t$

$\bar{s}_t$  = "smoothed" sales in period  $t$

Although more properly referred to as "linear" smoothing, it is emphasized that the method is merely a projection based on the past data series, like the first two methods. Alternate ways of interpreting "smoothed" sales may be given, including  $\bar{s}_t$  = mean over several recent periods, and  $\bar{s}_t = (1 + g)s_{t-1}$ .

Statistical demand analysis. The concept of regression is presented here. Students are informed that although this method ordinarily utilizes time-series data, it is a projection based on underlying factors, rather than simple extrapolation. An example would be

$$\hat{s}_{t+1} = a + bx_t \quad (3)$$

with  $\hat{s}_{t+1}$  = estimated sales of a building-related product class for the next period

$x_t$  = housing starts for the last period

Sample survey. It is also possible to forecast sales for a coming period by surveying the intentions of potential buyers. Generally used with certain categories of consumer products, the basic form of analysis is

$$\hat{S} = n\hat{s} \quad (4)$$

with  $\hat{S}$  = aggregate market sales estimate

$\hat{s}$  = per capita projection, based on sample survey responses

$n$  = number of customers in the population

Key points emphasized here include (a) the necessity of estimation based on a sample, rather than a census, given the large numbers in the consumer population; and (b) that the same analytical structure may be used with surveys of expert or sales-force opinion, i.e.,  $\hat{s}$  may represent sales-force or expert judgments, rather than consumers' own judgments.

Market build-up. Finally, students receive the industrial marketing analog of the sample survey. Highlighted are (1) the fact that a census of potential customers is taken with this method, with individual reports of expected purchase volume summed (as opposed to multiplication of per capita estimates as in the previous section), and (2) the feasibility of this approach in industrial marketing due to a comparatively small number of customers.

There is also an opportunity at this point to avert possible terminological confusion over two usages of the word "industry." Since the market build-up method, in the context of cell #1 of Figure 1, relates to industry sales of industrial products, it should be pointed out that "industry sales" refers to the sales of all producers in a market, whether the market is for consumer or industrial products. Sale of industrial (as opposed to consumer) products to industrial customers, on the other hand, constitutes industrial marketing.

Following elaboration of the above material, cell #1 of Figure 1 appears as shown. Then it is explained that the same procedures (#1-6) can be applied to the other demand estimate situations by utilizing appropriate data. In other words, if regional market, national company, or regional company data are "plugged into" the methods outlined above, estimates will be obtained for cells #2, 3, or 4 respectively. For example, if industrial customers in the region are polled as to their buying plans for the firm's products (rather than the product category), a market build-up estimate of regional company demand (cell #4) is derived. If a national sample of consumers is surveyed regarding their buying plans for the firm's brands, a national company forecast (cell #3) emerges. Or, regional sales for a product class can be related to an underlying causative factor like regional housing starts via regression analysis (cell #2).

Market test. It is also explained that test marketing is a sales projection method peculiar to the national company estimate situation (cell #3). Reasons for this are (1) the obvious, that a marketer would be testing only its own products rather than others in the product class; and (2) that the costly process of test marketing is generally affordable only by national marketers. (Exceptions might be regional brewing companies or supermarket chains.)

At this point in the presentation, the cells are composed as in Figure 1.

Derivation Techniques, or How to Work Your Way Around the Figure

Finally, two methods are explained for deriving a regional from a national estimate, and a company from a market estimate.

Index-of-Buying-Power. The buying power index published annually by Sales & Marketing Management magazine (1984) for each state, county, and metropolitan area in the United States is then revealed. Students are told that they can convert an estimate of national market (company) to one for regional market (company) by applying this value (being careful to divide the published figures by 100, since they are expressed as percents rather than percentages). It is stressed that, since national estimates are often more available than those for a given region, especially with regard to a product class, this conversion may be particularly useful.

Market share theorem. The idea of projecting a firm's market share on the basis of its share of marketing effort is the last of the demand estimation-related concepts to be communicated (Kotler 1984, pp. 231-232; Bell, Keeney, and Little 1975). The market share theorem can be presented in (over)simplified form as follows:

$$S_i = \alpha M_i / EM_i \quad (5)$$

with  $S_i$  = company i's estimated market share

$M_i$  = company i's marketing "effort"  
(actually expenditure level)

$\alpha$  = subjective adjustment for effectiveness;  $\alpha > 1$  if spending more effective than average competitor,  
 $\alpha < 1$  if less effective

The application and utility of this technique is to convert a national (regional) market demand estimate to a national (regional) company estimate.

With the index-of-buying-power and the market share theorem, it is possible to move from any cell in the grid to any other. A national market estimate can be converted to a regional company forecast by applying the devices sequentially. Or, one can work backwards, from company to market or regional to national, by applying the inverse of the buying power index or market share theorem. These two devices are also given in Figure 1, along the axes in a way suggestive of their functions.

#### SUMMARY AND CONCLUSION

The foregoing presentation has attempted to provide a basis for organizing the main demand estimation techniques which may otherwise appear to students as unrelated, and offer some simplifying tactics to prevent students from becoming confused over terms, concepts, and methods. Without such assistance, students can be intimidated by the myriad techniques they are suddenly confronted with in most texts.

The elaboration of the procedures per se offers nothing new, other than positioning in the frame-

work and a few of one instructor's pedagogical tricks and suggestions. But if any of this material is helpful to students or readers, then the overriding purpose of the effort will have been met--that is, to contribute to better teaching and understanding of a vital set of tools for marketing research, planning, and management.

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## REVISED SHOPPING CENTER TYPOLOGY: TEST AND MARKETING IMPLICATIONS

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### ABSTRACT

As competition increases and demographic patterns in communities change, shopping centers must market themselves like the retail stores which comprise them. This paper proposes that the traditional consumer goods typology already applied to stores, namely convenience, shopping, and specialty, be extended to shopping centers.

### INTRODUCTION

In recent years the decline of many downtown shopping areas provides the best known examples of the failure to do so (Houston and Nevin, 1981). However, the general proliferation of shopping areas is also making it difficult for all the regional shopping centers to prosper.

For shopping centers to successfully develop useful marketing strategies, it is necessary to re-evaluate the criteria along which shopping centers have been traditionally positioned. Shopping centers have been classified for too long primarily on the basis of size and geographic location. Although descriptive, these dimensions are not very useful for developing effective marketing strategies. They ignore store image criteria which underlie many consumers' patronage decisions.

Most commonly shopping centers have been classified into four basic categories: 1) Neighborhood Shopping Strips are designed to serve 7,500 to 40,000 people living 6 to 10 minutes driving distance away. They often consist of stores like a dry cleaner, supermarket, drugstore. 2) Community Shopping Centers are larger and contain at least one primary store like a department store. They serve between 40,000 and 150,000 people within a radius of 3 to 4 miles. 3) Regional Shopping Centers are the among the larger units including more than one anchor store and as many as 200 smaller stores. Regional centers are expected to serve a minimum of 150,000 persons within a radius of 5 or 6 miles. and 4) Central Business Districts are located downtown and are among the oldest shopping areas (McCarthy and Perreault, 1984).

This outmoded classification scheme is based on research that explains individual store patronage either as a function of store size or distance from the consumer (Huff, 1962; Brunner and Mason, 1968; Bucklin, 1967; and Cox and Cooke, 1970). However, the classification scheme fails to incorporate another considerable body of research which finds that consumers' image of a particular store influences their decision to shop at the store (Doyle and Fenwick, 1974; Stanley and Sewall, 1976). Furthermore, research demonstrates a link between consumers' attitudes towards shopping centers and their decision to patronize the shopping center (Bellenger, Robertson, and Greenberg, 1977; Gentry and Burns, 1977; Hauser and Koppelman, 1979; Houston and Nevin, 1981; and Howell and Rogers, 1981).

On the other hand, retail stores have most commonly been classified by marketing oriented managers into three categories convenience, shopping or specialty stores, based on consumers' image as well as the types of products they carry (Bucklin, 1963; McCarthy and Perreault, 1984). Convenience stores are perceived to be convenient places to shop for a variety of reasons, like location and parking. Shopping stores are perceived to be desirable places to shop because of the width and depth of the assortments they carry. Specialty stores are perceived to be special places to shop due to factors like selection or service (McCarthy and Perreault, 1984).

### OBJECTIVE

This paper proposes that the traditional consumer goods typology already applied to stores, namely convenience, shopping and specialty, be extended to shopping centers. It is assumed that the typology will be equally effective in helping shopping centers adopt an integrated approach and market themselves appropriately.

It tests the viability of the classification scheme by measuring the differences, if any, in the shopping behavior of respondents who perceive a particular mall as either a convenience, shopping (comparison) or specialty shopping area.

Lastly the paper discusses the strategic retail implications of characterizing shopping centers accordingly. Hopefully this classification scheme will help assist shopping areas to position themselves more effectively to meet consumer needs.

### Shopping Mall Typology

A convenience shopping center is one which shoppers visit frequently and regularly to fulfill a variety of needs for emergency, impulse, and staple goods and services. Convenience shopping centers are dominated by convenience stores like hardware, drug stores, and supermarkets. They are usually located in densely populated areas. Shoppers who visit a shopping or specialty store at convenience center do so due to the accessibility of the area. They may not therefore require as extensive a selection.

A shopping good shopping area, which will be referred to as comparison shopping area to avoid confusion, is one shoppers visit less frequently, when they wish to compare quality and prices. Comparison shopping areas consist primarily of shopping stores carrying similar merchandise. Ex-

amples of this concept are shopping areas comprised of factory outlet stores or discount clothing stores or suburban strips with a number of automobile dealerships. Location is not so important for comparison shopping areas since shoppers may be willing to travel great distances for the ability to do all their comparison shopping in one place. Shoppers who visit a convenience or specialty store in a comparison center usually do so because it provides them with another opportunity for comparison shopping.

A specialty shopping area is one in which shoppers visit least frequently when they are searching for a specialty item or special atmosphere. Specialty shopping areas consist primarily of specialty stores which are noted for something exclusive like their atmosphere or selection. A well known example may be Ghirardelli Square in San Francisco. Again location may not be a factor since shoppers are usually willing to travel to find unique offerings and atmosphere. Shoppers rarely seek out convenience stores in a specialty area unless indeed these stores are the most conveniently located. Shoppers visit a shopping store to seek out a special item.

#### METHODOLOGY

This paper explores whether differences exist between those who do and do not characterize a particular shopping center as being either a convenience, comparison, or specialty center.

Personal interviews were conducted with a convenience sample of 150 adults at the State Street Mall in Chicago, Illinois. Interviews were conducted at various locations along the Mall during one late morning between the hours of 10:00 a.m. and 12:00 p.m.

State Street Mall was selected in part because although \$17 million have been spent on its revitalization there is still great concern about its long run viability. It is competing with another uptown shopping area, Water Tower Place.

The sample was predominantly female (55.5%); white (61.2%); single or divorced (71.1%); did not work downtown (57.4%); had at least some college education (73.2%); and city residents (78%). Slightly over a third were between the ages of 18 and 24 (35.3%) while over a third were between 25 and 49 (38.6%).

To measure consumers' image of the shopping center, the respondents were asked why they shopped at the State Street Mall. Respondents who agreed that they shopped at the State Street Mall mostly for small items during lunch hour perceived State Street as a convenience shopping area. Respondents who agreed that they shopped at the Mall because it was easy to compare merchandise from store to store perceived it as a comparison shopping area. Lastly those who agreed that they shopped at the Mall primarily because it was the only place to find the particular items they were looking for perceived it as a specialty shopping area.

Given the exploratory nature of this research, these items do not include all the dimensions

which necessarily distinguish the three proposed categories of shopping centers. However, they attempt to operationalize the commonly accepted definitions of these categories (McCarthy and Perreault, 1984). Therefore a store and by extension a shopping center is a convenience shopping area if it is easily accessible; a comparison shopping; and a specialty shopping area if it draws customers based on claims of uniqueness or some special benefit unavailable elsewhere. An examination of previous research reveals that the dimensions found to determine mall choice may be subsumed under the proposed three categories. Houston and Nevin's (1981) three dimensions assortment of benefits, facilitative nature, and market posture or positioning can be synonymous with the proposed comparison, convenience, and specialty shopping areas respectively. Howell and Rogers' (1981) convenience, proximity, and accessibility are aspects of a convenience shopping area; fashion shopping of comparison shopping area; and atmosphere and personnel of a specialty shopping area.

Patronage behavior was measured as frequency of visit on a five point scale, ranging from one one or more times each week to almost never. Frequency of visit is a common measure of mall choice behavior (Houston and Nevin, 1981; Hauser and Koppelman, 1980; and Gentry and Burns, 1977-78).

The proposed classification scheme has merit if significant differences exist in the patronage behavior of those who perceive the Mall as a convenience shopping center versus those who do not; as a comparison shopping center versus those who do not; and a specialty shopping center versus those who do not.

#### FINDINGS

The largest proportion of respondents (75%) considered the mall to be a comparison shopping area. They agreed that they shopped there because it was easy to compare merchandise. Some 47% agreed that it was a convenient place to shop for small items. Only 33% agreed that it was a specialty shopping area, where they could find particular items.

There was an association between those individuals who viewed the State Street Mall as a convenience or specialty shopping area and their frequency of shopping at the mall (Table 1). The relationship was weaker between those viewing the Mall as a comparison shopping area and their shopping behavior (Table 1).

People who considered the Mall as a specialty area were much more likely than those who did not to shop "very frequently" at the State Street Mall. Respondents who perceived it as convenience shopping area were more likely than those who did not to be moderately frequent shoppers (one to three times per month). Although the difference was not statistically significant, respondents who perceived the mall as a comparison shopping area were somewhat more likely than those who did not to be very frequent State Street Mall shoppers (Table 1).

Table 1: Differences in Shopping Frequency Among Convenience, Comparison, and Specialty Shopping Area Customers

Frequency	Convenience		Comparison		Specialty	
	Yes	No	Yes	No	Yes	No
One or more times per week	35.2%	35.9%	36.4%	31.1%	46.9%	31.9%
2 or 3 times per month	21.1	17.9	23.2	13.1	21.4	16.6
One time per month	21.8	11.5	16.6	19.7	12.2	22.7
Less than once per month	5.6	12.8	7.0	13.1	14.3	16.2
Almost never	11.3	21.6	12.8	23.0	6.1	21.6
Base	150		150		150	
Chi Square Significant	9.3 .05		6.1 .19		26.6 .00	

## MARKETING IMPLICATIONS

### Shopping Areas

This study suggests that a revised shopping store typology based on image and store type may be useful for planning marketing strategies. The proposed typology provides guidelines for positioning new shopping areas as integrated entities. Developers can decide based on community attitudes whether a convenience, comparison, or specialty shopping area is most needed. This may be more beneficial than basing positioning decisions primarily on the geographic and demographic characteristics of the residents. They can then promote it accordingly. For example, if the developers wish to position the shopping area as a convenience center they should name the center after the neighborhood in which it is located. This will help promote an identity of the center as being close to home. The revised typology also provides assistance in repositioning established shopping areas.

Prospective shopping center occupants can also evaluate locations based on how well their store fits into the shopping center positioning. For example, a store which considers itself to be a specialty store will think hard about opening in a convenience shopping area.

### State Street Mall

Although the findings are based on limited data, they suggest some interesting marketing recommendations for the State Street Mall. The Mall should decide how it wishes to position itself within the proposed framework. There are several alternatives. It might wish to strengthen its position as a specialty shopping area since those shoppers who perceived it accordingly tend to shop frequently. If so, the mall association as well as individual stores should increase retail store promotions. Art fairs, noontime and evening concerts and fashion shows were rated by 40 percent of the respondents as being very important for increasing their shopping on State Street (Petto, 1982). The Mall association should cooperate with the city to sponsor special activities to attract customers.

To court the large number of shoppers who perceive the Mall as a convenience center but shop less frequently, Mall stores should experiment

with more convenient hours. Stores could extend their hours in the morning and evening. During lunch time they could add additional staff to insure faster sales and service.

## LIMITATIONS OF STUDY

The proposed typology admittedly has been applied under very limited conditions. If the typology is to be more widely accepted than the proposed measures need to be validated. Additional measures of convenience, comparison, and specialty stores should be tested. The typology should also be applied to multiple shopping centers within a city to see if it is indeed effective in discriminating among them.

More research needs to be conducted to determine whether shoppers' perceptions of the shopping area influences other types of patronage behavior. It is also necessary to identify how the individuals who perceive the shopping area as being a convenience, comparison, or specialty area differ in demographic and psychographic characteristics.

Although more development work is needed, the preliminary evidence supports the importance of rethinking how shopping centers are classified and promoted.

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MANAGING MARKETING EXPENDITURES:  
AN OVERVIEW OF THE ISSUES AND A TEACHING FRAMEWORK

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ABSTRACT

Marketing scholars continue to try to develop optimal combinations of marketing mix variables. Recent efforts in this area are discussed, and an overview of both effective and efficient marketing decision-making is presented. Last, the problems of implementing such a framework are reviewed.

INTRODUCTION

Marketing managers should be encouraged by recent attention in the marketing literature given to the analysis of marketings' interactions with other functional areas within the organization (Ruekert and Walker 1987). This article develops a general framework for understanding social aspects of planning, implementing, and controlling marketers' activities as they interact with several, not just one (Gupta, Raj, and Wilemon 1986), functional areas within the firm. The result is a view of marketing relative to the other business decision areas, which allows the firm to assess its "marketing orientedness."

Unfortunately, comparable frameworks for analyzing marketing costs and productivity are not well-developed. A number of scholars have, however, recently examined the marketing control process from various perspectives. The impact of firm size on corporate profits has been studied (James, Planchon, Brandenburg, Evans, Kiser, Leverette, and Ware 1986). The impact of marketing strategies on retail profits has been reported (Cronin and Kelley 1985). Others have studied the profit impact of promotional activities (Kelley 1986; Hardy 1986), measures of advertising quality (Ghosh and Craig 1986), and optimal location of services (Arnold, Oum, Pazderka, and Snetsinger 1987). Also, Levy and Ingene (1984) and Sharma and Achabal (1982) have reported on how to analyze and control marketing costs.

This last area of inquiry has been explored by others (Fogg 1974; Mossman and Worrell 1966; Kirpalani and Shapiro 1973; Betley 1973; Lambin 1970) and has a research tradition which dates back 60 years. The various issues and questions raised by researchers can be organized into two major areas of study: determination of profit contributions by market segment (Beik and Buzby 1973; Buzby and Heitger 1976a; Crissy, Fischer, and Mossman 1973; Mossman, Fischer, and Crissy 1974) and analysis of cost-effectiveness of future marketing outlays (Corr 1976; Feder 1965).

Segmental contribution analysis helps in the identification of homogeneous market segments for calculating contributions of various marketing activities to profits (Buzby and Heitger 1976b). For example, territories, salespersons, or product lines making the largest absolute or relative

profit contributions to can be pinpointed. Low contributors can be reviewed and targeted for corrective action or perhaps elimination if continued substandard performance is unacceptable.

Cost-effectiveness analysis enables the marketer to assess the profit impact of different levels of expenditure by marketing activity (Buzzell 1964; Lambin 1970; Lodish 1975; Lodish 1976). As the firm experiments with varying levels of expenditures by category, the marketer may approach a so-called optimal level for, say, advertising.

Taken together, segmental contribution analysis and cost-effectiveness analysis provide a measure of prior performance and a criterion for future outlays, respectively. Both approaches are important if a firm's management team is to remain informed regarding the most profitable expenditure and opportune use of marketing resources.

A procedural difficulty inherent in both contribution margin and cost effectiveness analyses may, however, mask important variations in marketing performance. The key to contribution analysis is the breakdown of sales and cost categories for assignment to control segments defined by product, territory, distribution channel, etc., or combinations thereof (Hulbert and Toy 1977; Dunne and Wolk 1977). This top-to-bottom approach facilitates an effectiveness analysis (budgeted vs. actual expenses and revenues) within successively more detailed segments (e.g., by region, by product-region, etc.). Segments needing corrective marketing action based on substandard performances are identified. Managers can thus identify the specific areas which must receive extra attention.

However, effectiveness-oriented approaches do not provide information for assessing the efficiency of marketing expenditures. A market segment meeting its contribution-to-profit objective will typically not be analyzed in any greater detail. But are marketing expenditures in this segment being utilized as efficiently as possible (Wittink 1977; Sheth and Frazier 1983)? Could greater profits have been realized had, for example, the advertising budget been allocated differently among the various media alternatives (Beckwith 1972)? Which corporate business unit is earning the most profits relative to marketing investment (Phillips, Chang, and Buzzell 1983)? What product should receive what share of the advertising budget (Cardozo and Smith 1983; Wind, Mahajan, and Swire 1983)? How should the sales effort be allocated (Parasuraman and Day 1977)? Answers to these questions are obtained via a detailed analysis of subsets of financial accounts for marketing activities.

These questions are akin to productivity questions. Is the company securing the largest possible market share, given marketing outlays (Ghosh, Neslin, and Shoemaker 1984; Horsky 1977; Anderson

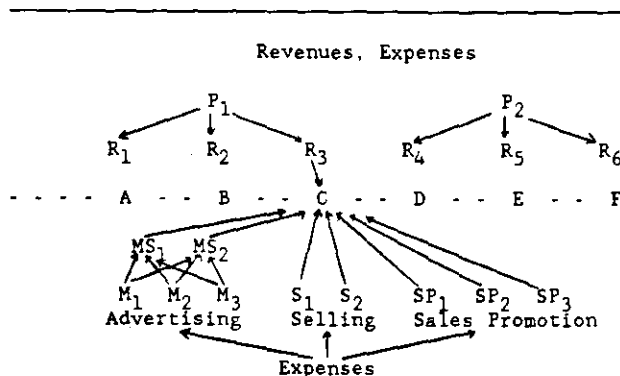
1980; Cook 1985b)? Is the company's work force as productive as possible, or could improvements be made by reassigning people to different tasks or rearranging tasks? Questions like these have been examined in retailing (Ingene 1982; Ingene 1985) and from a macro perspective (Steiner 1978). A similar analysis at the firm level could be of assistance to marketing managers (Cook 1983, 1985a; Chattopadhyay, Nedungadi, and Chakravarti 1985; Parasuraman and Varadarajan 1985).

#### EFFECTIVENESS-EFFICIENCY INTERFACE

The approach just noted complements contribution analysis and cost effectiveness studies. Effectiveness and efficiency studies have different starting points, but they both focus on marketing activities within market segments. The effectiveness-efficiency interface is shown in Figure 1.

FIGURE 1

#### THE EFFECTIVENESS-EFFICIENCY INTERFACE



P<sub>1</sub>=product; R<sub>1</sub>=region; M<sub>1</sub>=medium; MS<sub>1</sub>=message

This example assumes a three-region, two-product company. This results in a six cell market grid for determining segment contribution margin. For each of cells A-F, assignable costs and revenues could be compared to determine each segment's relative contribution to covering unassigned costs.

As illustrated in Figure 1, efficiency analysis utilizes the same market grid framework; however, the allocation of costs to segments is the final step. Marketing costs are initially subdivided by type of activity. In this simple example, only three marketing activity categories have been assumed: advertising, selling, and sales promotion.

Suppose further that the hypothetical company used television, radio, and magazine advertising. The advertising message content emphasized either quality workmanship or product styling and design. Selling alternatives were catalog sales (through national catalog retailers/discounters) and salespersons (to retail stores and chains). Sales promotions included in-store displays, seasonal special discounts, and contests (cash prizes to customers returning registration cards).

Ultimately all detailed costs are assigned to the

six market segments to the extent they can be traced to a specific segment. Each segment can now be analyzed not only for contribution to profits, but also for efficient utilization of marketing outlays within each category (e.g., advertising message-media options).

#### DIFFICULTIES IN IMPLEMENTING AN EFFECTIVENESS-EFFICIENCY MODEL

Marketing has generally lagged behind manufacturing in the development of cost containment and monitoring systems (Longman and Schiff 1955), yet marketing costs account for a considerable percentage of the sales dollar (Cook 1985b). The reasons for such slow recognition of the potential for controlling marketing expenditures are diverse. Marketing costs have not always been so large relatively (Heckert 1940); hence, the need for control of marketing outlays has not been as critical as it is today. As techniques for controlling production-based costs became refined, little could be gained by further sophistication. Looking for additional applications, cost accountants quite naturally turned elsewhere--to marketing. Competitive pressures forced management to focus internally on cost control rather than externally on sales expansion. The marketing concept of the 1950s and 1960s emphasized buyer satisfaction as expeditiously as possible (Hulbert and Toy 1977).

All of these reasons, and undoubtedly others as well, have motivated the search for a comprehensive marketing control system. Yet progress has been slow. Several characteristics inherent in the functional area of marketing have impeded this development.

First, the external orientation of marketing is inconsistent with conventional control procedures. Many marketing activities have the consumer, who defies easy explanation or quantification, as their focal point. A no-sale may result because of numerous customer-related reasons; thus, a multivariate analysis would contain many subsets or subanalyses. The marketer may also mistakenly interpret consumers' needs. In addition, certain marketing activities have a mass market focus, making performance standards so general that they may be of little guidance. For example, through advertising marketers attempt to implant an idea or influence an attitude in the minds of millions of people. The exact nature of this influence, in terms of a particular number, cannot be specified.

Second, effectiveness-efficiency problems are fundamentally difficult to formulate. Definitions of marketing effectiveness would be sources of disagreement. For example, what constitutes effectiveness for advertising? Is it retention of an idea, increased consumption, a more favorable attitude about a product, etc.? Distribution services goals can be framed in terms of time periods, numbers of deliveries, damaged container rates, or customers' perceptions. Which would most useful or appropriate for a given firm?

Third, useful time frames for effectiveness-efficiency analyses cannot easily be determined. Should such studies be conducted annually with

perhaps quarterly preliminary reviews? How should standards for performance be established for distant time periods, such as one or five years into the future? Obviously the longer run objectives should be supplemented with intermediate targets, but selecting the most useful time schedules would be guesswork until the firm becomes experienced with the process.

Fourth, marketers may argue that their duties are so creative that standards of performance cannot be formalized. Advertising and sales personnel are particularly likely to take this position. These people may feel stifled if they must adjust their behavior to norms or goals which are stated objectively. But these and similar arguments were raised by other functional units in the firm when earlier attempts were made to standardize their jobs.

Fifth, an effectiveness-efficiency system would ideally also involve confirmation-based reporting to confirm activities and data. But in the context of marketing activities, with their focus on perhaps millions of customers, the confirmation procedure would be extremely difficult to institute. Relying on contacts with so many participants, or at least a sampling of them, the effectiveness-efficiency system may be very difficult to implement because of its complexity.

Sixth, a cost breakdown to carry out a segmental analysis to determine effectiveness may differ from a similar breakdown for efficiency purposes. For example, advertising costs can be assigned to territories on the basis of media expenditures in each territory. But the message used may not be assignable to territories; therefore, a different allocation base would be necessary. Problems such as these are surmountable, due in part to electronic data processing, but the choice of allocation bases must still be made.

#### CONCLUSION

While a comprehensive marketing control framework would be of great benefit to marketers, a number of difficulties impede its development. In any event, marketing scholars continue to be interested in controlling marketing activities to gain better, or even optimal, levels of performance. As marketers make progress in developing taxonomies in the various functional areas (Tellis 1986; Murphy and Enis 1986), complete marketing control frameworks will eventually follow.

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## ABSTRACT

### ETHICAL ORIENTATION OF MARKETING STUDENTS, INSTRUCTORS, AND PRACTITIONERS

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The ethics of business practitioners currently has primacy as a consequence of recent disclosures of business bribes, illegal political contributions, insider trading on Wall Street, and conflicts of interest in business and government. Marketing practitioners (business people whose primary job focuses on marketing functions) are frequently singled out by the media as unethical because of such alleged practices as selling inferior products, inaccurate labeling, deceptive packaging, and misleading advertising (Fritzche and Becker 1982).

The propensity for unethical conduct among some marketing practitioners appears to be the consequence of both external and internal forces. External forces include the competitive free enterprise system which frequently idolizes short-term profits. Internally, companies may pressure marketing managers to compromise their personal ethics to achieve positive bottom line results.

Presumably, external and internal forces interfere with personal ethics and the desire of individuals to act ethically. In addition, college business curricula have traditionally placed business ethics on the back burner, accentuating quantitative techniques and scientific procedures instead (Boyer 1986).

This study examined the level of acceptance of questionable marketing practices by marketing students, marketing instructors, and marketing practitioners. An instrument consisting of forty questionable marketing practices was administered to these groups to assess their ethical orientation. Scores for 178 beginning marketing college students, 170 advanced marketing college students, 40 marketing instructors, and 141 marketing practitioners were tabulated.

The findings of this study demonstrate that the ethical orientation of different marketing disposed groups in different situations are significantly different. The research provided evidence that advanced marketing students were more accepting of questionable marketing practices than beginning marketing students. Marketing instructors and marketing practitioners shared a similar ethical orientation; both groups were more accepting of questionable marketing practices than the students.

The results of this research suggest that the ethical orientation of marketing students, practitioners, and instructors may be dependent on situational perspectives: proximity to business practice, years of business experience, and gender. Surprisingly, the taking of an

ethics course did not contribute to a positive ethical orientation.

## IMPLICATIONS

The findings of this study have implications in regard to the role that marketing education should play in the relationship between students and their social environment--specifically in students' academic experience. A reassessment of the teaching of marketing ethics in marketing courses is necessary. This teaching might include the writing, communicating, and creation of company policy regarding ethics. Situational role playing would undoubtedly sensitize students to the realities of marketing ethics.

Since females were found to be less accepting of questionable marketing practices, it may be helpful if they were encouraged to share their ethical reasoning in the classroom environment. Females represent the majority of marketing majors; marketing educators should encourage them to share their ethical beliefs, values, and opinions.

It would be desirable to extend the breadth of this research. For example, a longitudinal study could track the same group of individuals over a six- to eight-year period as they develop from beginning marketing students to advanced marketing students to marketing practitioners.

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## DISCUSSING PRODUCT COUNTERFEITING IN A BASIC MARKETING COURSE

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### ABSTRACT

Product counterfeiting is a growing problem for consumer and industrial marketers. This paper relates an educational perspective to the trademark counterfeiting problem. Suggestions for including a discussion of counterfeiting in the basic marketing course are included.

### INTRODUCTION

Marketers face a multitude of challenges when competing in a market. One challenge that marketers face is the task of differentiating their products from those of the competition. Normally this effort involves creating a unique product concept and building a reputable brand name. Unfortunately, a successful brand name often attracts emulators hoping to skim short-term profits without making a similar capital investment as did the legal owner of the brand. In some cases, emulators may compete illegally by counterfeiting the brand name product. The problem with counterfeit products has reached epidemic proportions as worldwide sales of counterfeits have increased from \$8 billion in 1982 to over \$23 billion in 1985 (Business Week 1985; Dugan 1984). During the same period, counterfeit products resulted in a sixfold increase in the loss of jobs in the United States from 131,000 to 770,000. Additionally, the counterfeit problem is predicted to get worse in the future as developing countries view product counterfeiting as a source of much needed hard currency and as a way of assimilating technology into their countries (Ball 1984; Dugan 1984).

The threat that counterfeit products pose for marketers makes it imperative that marketing students understand the nature of the problem and potential courses of action that can be taken to control product counterfeiting. However, since the topic isn't covered in most marketing principles textbooks (e.g., Boone and Kurtz 1986; Kinnear and Bernhardt 1986; Kotler 1986; McCarthy and Perreault 1987; Stanton and Futrell 1987; Zikmond and d'Amico 1986), many marketing students may not be getting this exposure. Even books on new product development (e.g., Urban, Hauser, and Dholakia 1987) and the legal aspects of marketing (e.g., Stern and Eovaldi 1984) do not address the problem of product counterfeiting. To address the shortcomings of these textbooks, this article will provide marketing educators with the educational perspectives of product counterfeiting which may be used in the basic marketing course. This will be accomplished by discussing the meaning of product counterfeiting; relating the determinants and legal considerations of product counterfeiting; highlighting individual firm and industry efforts to control

product counterfeiting; and illustrating where in the basic marketing course product counterfeiting may be integrated.

### WHAT IS PRODUCT COUNTERFEITING?

Many activities are related to product counterfeiting. In legal terms, counterfeiting involves the unauthorized copying of some or all parts of a product such that the copy would confuse or deceive the consumer. An example of a counterfeit would be a cola drink packaged with the Coca-Cola logo. A fake is a slang term for counterfeit. An imitation uses a name or shape which differs from the original but is close enough that the consumer will associate the imitation with the original. For example, the Izod alligator logo could be imitated with a lizard. (Imitations per se are not illegal. However, if the purpose of an imitation is to defraud the consumer, then it would be illegal.) A knockoff is a product that copies the design of an original product but carries a different brand name. Piracy is the copying of a creation with the purpose of the copy passing as the original. Computer software and audio recordings are often pirated. Passing off involves a simulation of an original trademark.

### DETRIMENTS OF PRODUCT COUNTERFEITING

The detriments of product counterfeiting involve both short and long-term costs which impact society and the marketer of the brand name being counterfeited. The short-term cost that counterfeiting inflicts on society is the loss of tax revenue that would have been generated from the sale of the more expensive brand name product and duties from illegally imported counterfeits. The long-term economic and social cost born by society involves the loss of jobs to counterfeiters who operate in cheap labor markets - e.g., Mexico and the Philippines.

The cost of controlling counterfeiters can be substantial and can have a significant impact on the profitability of a brand name marketer. For example, Chanel, which produces the often imitated Chanel No. 5 perfume, spends approximately \$1.2 million annually on security against counterfeiters (Business Week 1985). Social costs also are incurred in attempts to control counterfeiting since resources are directed away from investments in research and development and new equipment.

Counterfeiting also takes a toll on consumers by defrauding them into paying brand name product prices for counterfeits of inferior value and unenforceable warranties. For example, in 1985 counterfeits manufactured in the Far East and in South America not only copied the trademark and packaging of Carrera eyeglasses but inserted in the package a registration card complete with a false serial number (Green 1985). Optyl's Carrera Division estimated the fake warranties cost it millions of dollars in consumer goodwill beyond the \$10 million it lost in sales.

Counterfeit consumer products have the potential to inflict more than economic harm on consumers. Product liability costs to the brand name marketer may increase when counterfeit affect the health and safety of consumers. To give just a few examples:

- Several children were burned when their counterfeit Cabbage Patch Kids, stuffed with rags soaked in kerosene, broke open and exposed the rags to the children (Business Week 1985).
- In 1978, the Federal Food and Drug Administration recalled over three hundred heart pumps, which maintain a patient's heartbeat during surgery, because they contained an \$8 counterfeit part (Rakoff and Wolff 1983).
- A counterfeit of G. D. Searle's Ovulen 21 birth control pill, which contained low levels of estrogen resulted, in several product liability actions when it caused heavy bleeding and/or unwanted pregnancies (Business Week 1985).
- Counterfeit amphetamines and tranquilizers were traced to several deaths in the United States in 1985 (Business Week 1985).
- Counterfeit polio vaccines have been given to unsuspecting patients (Rakoff and Wolff 1983).
- Fake brake shoes have caused numerous car and bus accidents which have resulted in many injuries (Business Week 1985).

Finally, the damage that a counterfeit can inflict on a brand name marketer's reputation can be severe a cost and have a lasting impact. For example, Chevron Corporation's reputation took a long time to repair when a counterfeit pesticide bearing the Chevron brand name was used on the coffee crop in Kenya with devastating effects (Green 1985). Two-thirds of the 1979 crop was lost to insects because ground chalk was substituted for the insecticide in the counterfeit pesticide.

#### LEGAL CONSIDERATIONS IN PRODUCT COUNTERFEITING

The legal aspects of product counterfeiting involve a myriad of federal, state, and international trademark laws. The marketing student should become aware of these laws in order to know how government is attempting to protect brand name marketers. Counterfeit legislation passed at each of these levels are now discussed separately.

#### Trademarks

Trademarks offer some protection against product counterfeiting. A trademark is a registered word or design used by a marketer to identify and protect a unique product offering. The trademark protects against the use of the same mark, or a similar one that is confusing, by a marketer of a similar product (Diamond 1981). The offending mark does not need to be an exact copy of the trademark in order for it to be considered a counterfeit, only that the mark causes consumers to be mistaken, confused, or deceived (Diamond 1981). The protection a trademark provides a consumer product marketer allows the marketer to distribute a product over a wider area and increase sales by establishing a connection between the trademark and the quality of the product (Rakoff and Wolff 1983).

#### Federal Law

The first official consideration of a federal trademark statute occurred in 1791 when Boston sailmakers requested a mark that would differentiate their sailcloth from other sailmakers (Rakoff and Wolff 1982). However, no action was taken on this initiative until 1870 when the expansion of interstate commerce across a large geographical area rendered most state laws designed to control counterfeiting ineffective. At that time, the Trademark Act of 1870 was passed. However, the Act made no provision for criminal actions to punish those who counterfeited trademarked products. The absence of this provision made the Act an ineffective deterrent to product counterfeiting.

A hodge podge of federal trademark legislation was passed starting in 1881. Again, the legislation provided for civil but not criminal penalties. In 1946, the Lanham Act was passed to replace earlier trademark laws. The Lanham Act provided for the registration of a trademark and civil penalties for infringing on a trademark, up to three times the amount of the damages incurred by the brand name marketer. The Act also provided for injunctions to prevent infringement, and the destruction of counterfeit inventories that are seized. However, the Lanham Act was ineffective in dealing with product counterfeiting because the it did not provide for criminal sanctions and placed the burden on the brand name marketer to discover and build a case against a suspected counterfeiter.

The Federal Trademark Counterfeiting Act of 1984 took a major step toward controlling consumer product counterfeiting by rectifying many of the problems that plagued earlier federal legislation. The Act provided for severe penalties for convicted counterfeiters. First time offenders now face fines of up to \$250,000 for individuals and \$1 million for companies. Jail sentences of up to 5 years for counterfeiters may also be imposed. Repeat offenders face fines of up to \$5 million and 15 years in prison. In the first year and a half that the law was in effect over 500 civil suits and several criminal actions were brought against counterfeiters (Crandell 1986).

## State Law

Most states have statutes designed to control consumer product counterfeiting. Usually the statutes pertained to consumer fraud. Although many states' laws provide for criminal penalties, most of the laws are ineffective deterrents because they consider consumer product counterfeiting a misdemeanor. However, in 1984 California became the first state to pass specific legislation that imposed felony criminal penalties against counterfeiters (California Business and Professional Code 1986). The law provides for fines of \$5,000 for individuals (\$100,000 for corporations) and up to one year in county jail. Repeat offenders may receive the same jail term but fines increase to \$50,000 and \$200,000 for individuals and corporations, respectively.

## International Law

Despite the international scope of consumer product counterfeiting, few attempts have been made at the international level to curtail counterfeiting. Although the few treaties that exist provide for the registration of trademarks, the treaties do not have a mechanism for prosecuting counterfeiters, and therefore, have been ineffective (Rakoff and Wolff 1983). The International Anti-Counterfeiting Code, which has been jointly proposed by the U.S. and the European Common Market, offers a better chance of controlling consumer product counterfeiting. The Code would require signatory countries to seize counterfeit products when they attempt to clear customs (Rakoff and Wolff 1983).

## PRODUCT MARKETER ATTEMPTS TO CONTROL COUNTERFEITERS

Efforts to control the growth of counterfeit products has involved individual product marketers and trade associations. Individual efforts to control counterfeiting have ranged from installing in-house security forces to the adoption of sophisticated high technology. In several cases, in-house security forces have combined with the Federal Bureau of Investigation agents, customs officials and local police to run sting operations or stage raids on factories and warehouses of suspected counterfeiters. For example, in 1984 cooperative sting operations netted Ford Motor Company more than one million counterfeit parts from 28 manufacturers and distributors. Ford followed the sting operations by suing all 28 counterfeiters (Business Week 1985).

Other marketers have built into their products innovative ways of detecting counterfeits. Beginning in 1987, VISA credit cards have included a hologram which makes them difficult to duplicate (Grandell 1986). The hologram is expected to reduce the more than \$100 million annual fraud loss VISA has suffered largely as the result of counterfeit cards. Levi-Strauss weaves a microscopic-fiber which is visible only under a special light into the fabric it uses to make its clothes. When Levi-Strauss suspects a store of carrying fakes, it buys a sample from the store and tests the product with the special

light (Couretas 1985). Micro-printing and trace chemical elements also are being used by companies in the production of their products or packaging as a means of testing the authenticity of their products.

Marketer trade associations also have increased their efforts to control counterfeit consumer products. For example, in 1978 only fifteen firms belonged to the International Anticounterfeiting Coalition, but by 1985 the number had grown to over 300 firms (Couretas 1985). The Toy Manufacturers of America (TMA) has established a network of trade associations in several countries to trace counterfeit Transformer robots and other toys (Business Week 1985). They also helped educate their members to sell to reputable retailers and counterfeit toys have been banned at TMA trade shows.

## PRESENTING PRODUCT COUNTERFEITING IN THE BASIC MARKETING COURSE

The information presented in this paper may be discussed in several parts of the basic marketing course. These areas include marketing environments, marketing strategy, product development, and international marketing. The legal history leading to the passage of the federal Trademark Counterfeiting Act of 1984 would be a timely example when discussing how the political and legal environments influence marketing activities. Trademark legislation could be used as an illustration of how government regulation can protect marketers.

Counterfeiting also influences the development of marketing strategy, in that it is a threat to the differentiation of products through trademarks. The educator may point out that the marketer has several possible actions to choose from if confronted with a counterfeit problem. For example, a hands-off strategy may be adopted which allows other marketers to address the problem. Alternatively, a marketer may withdraw from a market where counterfeiting is a problem. Thirdly, the marketer may implement a warning strategy. This strategy would consist of informing consumers of the problem with counterfeits. Finally, a prosecution strategy, which is the most expensive but has the greatest deterrence effect, may be selected. This strategy would involve a periodic examination of each channel member's operations, including purchasing procedures and inventory. If a channel member is found with counterfeit products, the brand name marketer would prosecute the member to the full extent of the law.

In the marketing management portion of the course, product counterfeiting is especially relevant to the topics of information systems, branding, product development, and distribution. Here, one may illustrate how the marketing information system may be used to monitor the environment for the potential counterfeits. Case examples of Cabbage Patch Kids and Chevron may be used to present what detriments counterfeiting holds for reputable brand names.

In discussing product development, one may stress the threats counterfeiting pose for a successful

brand name and marketer attempts to control for the counterfeiting of their products. Some of these control procedures were highlighted earlier and include the inclusion of microscopic fibers, visible with a special light, in Levi pants and the use of sewing operations by the Ford Motor Company.

Re-selling is the major distribution topic of the basic course where product counterfeiting is especially pertinent. Given the era of designer clothes, watches, and other consumer products, retailers have an interest in controlling product counterfeiting because they effect the profit margins for designer items. In addition, under the Trademark Counterfeiting Act of 1984, retailers face notice letters and seizure orders if they are caught with inventories of counterfeit products. Notice letters are written requests initiated by the manufacturer and sent to retailers and wholesalers demanding that they stop selling counterfeit products. If the wholesaler or retailer does not cease this activity, the manufacturer may get a seizure court order. This order allows the manufacturer to seize sales records and counterfeit inventories, which then can be used in civil proceedings against the wholesaler or retailer.

Finally, product counterfeiting may be presented in the international portion of the basic course. The discussion may focus on the reasons that foreign countries allow counterfeiters to operate within their borders. Among the major reasons are that developing countries look at product counterfeiting as a source of much needed currency and a way to disseminate technology into their economies. Product counterfeiters also are a source of jobs. In addition, and although beyond the scope of this article, different countries' anticounterfeit legislation may be discussed.

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## CAREERS FOR WOMEN IN INDUSTRIAL SELLING: PROBLEMS AND OPPORTUNITIES

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### INTRODUCTION

Industrial sales (defined as selling to other manufacturers or to middlemen) is a lucrative and challenging career for women. The industrial salesperson needs to constantly change their message content, mode, sequence and selling style to fit the unique needs of the prospective customer. The seller faces strong competition from the variety of industries offering the same product. The customer will often select the salesperson on the basis of credibility, problem-solving capabilities, technical knowledge, and perceived willingness to serve the customer's needs. It is this problem solving, coupled with attendant post-transactional follow-up, that often benefits from the understanding and compassion associated with women. Women have many positive attributes to bring into the field of industrial selling. It is a career that offers ambitious, energetic, committed women a great deal of opportunities.

While the percentage of women in non-retail sales has more than doubled in the past ten years, it is still the lowest ratio of women to men in all the surveyed professions. Approximately 80% of the industrial sellers are male. In 1980, the Census Bureau stated that there were 68,694 women out of a total 433,496 salespeople in manufacturing companies. This number of saleswomen is continuously increasing as they prove that they can sell and handle accounts as well as their male colleagues.

### SALES AS A ROUTE TO THE TOP

It is often difficult to reach top management in most industries without some experience in sales. The skills learned in selling--communicating, organizing, and self-motivation--are applicable to any position in management. Selling enables a person to get to know the technology and products of their company. Salespeople get a high level of training through a variety of programs offered by the companies. This product knowledge is invaluable to a person in management who needs to understand the bottom line of the company, its technological core. A salesperson, through their constant interaction with the customers, also gets to know the problem areas of a company and the different needs of the people they serve. This background is an important base upon which to draw from when making decisions as a manager.

Line jobs, such as sales and manufacturing, give a woman the chance to provide objective proof of her competence and ability. Staff departments allow for a wide scope of subjective judgments toward your accomplishments. If there is even a subconscious bias against you by your superior, your achievements may be seen as less than what they actually are. There is enough room for

ambiguity in staff jobs to question good performance if your boss wants to. Although line jobs don't completely dismiss subjective judgments, they at least provide objective data and criteria to use on your behalf. These results can't be ignored or diminished. If you track the leaders in the corporation, you'll see what the pathways are to the top and have proof that line jobs are a way to get there.

### ADVANTAGES OF A SELLING CAREER

Selling allows for the saleswoman to be rewarded accordingly. Although there are some sales jobs that are salaried, the majority are based on commissions, bonuses, and other incentives. The additions of a company car, fringe benefits, and a liberal expense account bring the base salary up to a level of a high income, prestigious occupation. Selling enables the saleswoman to see her hard work and commitment pay back with high monetary rewards. It is a numbers game that works for the saleswoman. The more calls you make, the more sales you will make and, therefore, the more sales commissions to reflect this extra effort.

A career in sales offers a woman the opportunity to meet a variety of different people on a daily basis. Sales allows a person to fully utilize their communication skills and interact with people on a multitude of different levels. The salesperson must be able to adapt their sales presentation to fit the perspective customer's personality type and needs. The challenge is not only selling your product to the customer, but also selling yourself. By developing a rapport with the customer, you create a loyalty that results in repeat orders.

There is a high level of independence in selling. There is a lack of formal structure and, to a large extent, the individual salesperson sets their own schedule. This type of job requires a lot of self-discipline. Selling isn't a typical "9-to-5" job. You have to be the motivating factor that gets you out of bed in the morning to make the phone calls and customer visits. A salesperson is almost running their own small business within the larger corporation. To be successful, you need to be organized; you structure your time, not the company.

### SPECIAL QUALITIES OF SALESWOMEN

Women bring in some of their own key assets to the field of selling. Many sales managers and customers feel that certain traits women make the "average" saleswoman better than the "average" salesman. Women's childhood development and social integration help them to read

people. Later, an important skill in sales. They listen to the needs of customers, relying on intuition to find out where the problem areas lie.

Saleswomen tend to extend the extra effort which doesn't necessarily result in an immediate sale. What it does result in is a high degree of customer loyalty. They treat customers with special attention. It is this pampering by the saleswoman that pays off in the form of added respect. Women are shown to pay more attention to the services. This can further enhance the customer preference for a particular salesperson. Follow-up is one of the biggest issues. Follow-ups help to build a relationship with the customer for sales calls at a later date and deal with any problems that may have arisen. Customers can be lost if the salesperson fails to contact most of the accounts after the sales have been finalized.

Saleswomen listen to the problems and needs of their customers. It is this service orientation that makes saleswomen such a driving, advancing force in industrial sales. Women also speak well. Test scores from BFS Psychological Associates, New York City, show that on the average, women have better vocabularies and can express themselves more clearly than men (Skolnik 1985).

When saleswomen and salesmen have been rated by buyers on different attributes, women rated more favorably on 15 of the total 23 (Swan et al. 1984). Women were judged higher on such traits as understanding other people, friendliness, enthusiasm, and preparation for sales presentations. This study gives evidence that females on the sales force of a company will be accepted by the industrial buyer at least as readily as their male counterparts. Trained saleswomen should not face problems of customer acceptance.

Saleswomen also have the added benefit, since they are still a minority in this field, of getting into the prospective customer's door just by the sheer fact that they are women. The element of novelty, "what does an industrial saleswoman look like," can help to get a few minutes of the customer's time. It is then up to the saleswoman to make the best of this opportunity. Women may have the advantage of getting to the customer, but a buyer won't place an order with you if you can't knowledgeably sell him your product.

Saleswomen don't have to go out of their way to be noticed. Women can more readily make an impression on higher management. In a crowd of salesmen, one or two saleswomen are easily seen and remembered. When a woman speaks in a meeting, people will listen, if only to hear what this woman has to say. This visibility can also work in a negative way since your mistakes are noticed more and commented upon by others. The advantages and disadvantages are disappearing as more and more women enter the field of industrial sales.

#### SPECIAL PROBLEMS FOR SALESWOMEN

Although women have many advantages by being in industrial sales, there are also difficulties to

face. Lack of self-confidence and fear of rejection can be a problem. Often women have to prove themselves capable of doing their jobs, not only to the customer, but to their male peers. Women must be prepared to sell themselves and their knowledge, as well as their products. A saleswoman's expertise may be challenged by men who feel that women couldn't possibly know anything about their business. Once a customer finds out that a woman can handle the business area the customer is in, being a male or a female becomes secondary.

Women can often deal positively with their presence in a male-dominated industry. By having a sense of humor, it is easier to deal with the special situations they encounter as females (such as language, opening doors, picking up the check, etc.). It helps to avoid stress and tension if you see the funny side of a situation that you can't control. When men can't deal with a woman in certain situations, it is their problem. All a woman can do to help men adjust is to use patience and tolerance. Both men and women are in a different situation than they are used to, and the problems must be worked out slowly. Many women are concerned about their treatment by colleagues and customers and are willing to fight for themselves if they feel they are being discriminated against. In the business world, it helps to learn when it is best not to fight an issue just to make a point. Sometimes it is better to put energy into areas that will pay off, such as seeking people out, one-on-one, and talking about mutual concerns. Often a casual exchange of ideas will show what a person has to offer and build up the level of confidence better than a confrontation would ever do.

In many instances, women's advancement in sales has been hampered by their unwillingness to travel extensively. Women themselves have mentioned that traveling and family ties are obstacles. Yet, as roles in the family are changing and two-career families become more common, women traveling for business becomes more acceptable. The 1986 figures show that women represent approximately 40% of all business travelers, up dramatically since the 1970 figure of 10% (Gable and Reed 1987). Resistance to transfers is growing among all executives and is no longer limited to women.

Since women represent a small percentage in industrial sales, this tokenism creates a number of social and career pressures that can affect the token's performance. The lack of a support system for women, inadequate integration into otherwise all-male groups, and lack of female role models all combine to make it difficult for women in industrial sales. Being the only female among a group of men can result in discomfort, isolation, or exclusion. This can be kept to a minimum by having a good channel of communication between a saleswoman and her male colleagues. The male culture that can develop around a group (drinking, sexual references, risqué stories) can cause embarrassment for the only woman. It is often better not to compete with this type of culture. It is a matter of establishing a relationship and finding ground where both parties feel comfortable with one another.

Often a case of mistaken identity can happen when traveling in or out of the office. A woman traveling with a man may be thought to be a wife or lover instead of a professional colleague. This situation is more a source of embarrassment than a harmful reflection on their career. But when the woman traveling with the man is thought to be a secretary/subordinate, this case of mistaken identity can have business consequences. Although this can be a source of frustration for the saleswoman, it doesn't necessarily change her involvement with the account. Making comments to bring herself into the conversation may help, but it is a situation--men talking to other men as though they are in charge--that is difficult to openly fight; and it is questionable as to whether a "fight" would be worth it.

Although many believe that motherhood causes many women to abandon their careers, there has been no substantial proof to back this hypothesis. A 1980 study by Catalyst, a nonprofit organization that encourages the participation of women in business, found many saleswomen continue to work through their pregnancies and return to work after a maternity leave (Gable and Reed 1987). One of the positive aspects about selling is the fact that if you have an established track record as a saleswoman, you have the ability to take time off and later return to your career.

#### SOLUTIONS

Much of the sex-role stereotyping is being eliminated as more women join the sales force. Others, such as credibility and technological knowledge, are being chipped away as women go out and seek training and information about sales. Competence and knowledge about the company and the product are important facts in stating the effectiveness of saleswomen.

Networking among saleswomen helps by supporting one another's efforts and successes. It provides many opportunities to develop contacts for business and professional visibility. Informal networking, or membership in a networking organization, provides the pathway to meet and interface with other high-achieving saleswomen and discuss mutual problems and solutions. Organizations such as the National Association of Business and Industrial Saleswomen, National Association for Professional Saleswomen, and the National Network of Women in Sales enable women to find role models and develop a higher level of confidence. They provide brochures which offer helpful and useful information. This support system should be integrated into the careers of saleswomen to help get the most from their jobs.

Women's attitudes towards careers have changed over the past decade. They have more commitment and are making themselves eligible for jobs in selling and management. Industry needs good people as fast as they become available. Companies can't afford to ignore people, male or female, who can do the job. Managers need to capitalize on saleswomen's talents and help make their entrance into this male-dominated field an easy transition.

Lack of proper indoctrination and feedback are two of the main influences that harm a woman's chances to be an effective, productive salesperson. Sales managers need to be aware of the organization's norms and attitudes. Plans should be developed to incorporate saleswomen into the firm. The manager needs to stress to the existing sales force that women are a vital and important dimension to any complete organization. They are a part of the firm, not separate, and should be treated as colleagues. If done informally and with a positive attitude, resentment and tension towards saleswomen will be avoided.

If managers inspire open communication where fears and concerns can be expressed, they will be eliminating many of the problems that could potentially arise, problems such as isolation and exclusion of the saleswomen and the ill will of the existing sales force. The sales manager must encourage interaction among all the members of the firm's sales force and take steps to promote the working relationships between females and their co-workers.

Women have been found to have less confidence than men in product knowledge, sales ability, and job security. Their lack of confidence in being able to understand the product's technology and in their sales ability may be able to be controlled through proper training and supervision by the manager. The training staffs in the firms should be made aware of the apparently larger need by saleswomen for developing skills necessary in selling. If the managers of a sales force work closely with its members, they can help build a greater level of self-confidence among the women (and men). Women also appear to have a lower sense of job security. This may be attributed to their lower product and sales confidence. As confidence in these areas grows, women can develop more confidence in the security of their jobs.

Women have the same desire for success and job advancement as men. Some differences have been found to exist in the rewards desired by men and women in selling. Saleswomen have less of an interest in pay than men and are more interested in the opportunity to meet different people and the chance for independent actions. This knowledge may be useful in recruiting saleswomen and designing a reward system for the sales force. Even though women expressed a lower level of interest in pay, this should not infer that this job reward should be neglected. It is still an important reward and motivational tool.

#### STEPS FOR THE FUTURE

To eliminate discrimination in the work force, managers need to reevaluate their own attitudes about saleswomen and look at the data that support their entrance into this field. Saleswomen and salesmen need to be provided with the necessary sales training to perform their sales roles effectively. Additionally, managers must accept the fact that some dimensions of men's and women's personality, such as emotionality, are different. Adjustments need to be made by management in dealing with this changing work force.

## SUMMARY

Industrial sales has long been recognized as offering a combination of high monetary rewards, a chance to learn about the company's technology, products and users, and a tradition of upward mobility to top management. Both salesmen and saleswomen deal with problems, such as long hours, extensive traveling, and often "not-so-polite" rejections on calls. Saleswomen, however, do face some different issues. Unwelcome sexual attention, lack of credibility, and a lack of helpful feedback are some of the special problems that they may encounter.

Sales is an excellent way for women to use their business potential to the maximum and realize visible results from their efforts. As marketing educators, we need to do our part, both in the classroom and through career advising, to make our better women students aware of the career opportunities in industrial sales. Further, to encourage them to aggressively pursue these opportunities, in spite of the perceived obstacles to their success.

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# THE INTEGRATION OF MICROCOMPUTERS INTO THE RESEARCH COMPONENT OF A MARKETING PRINCIPLES CLASS

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## ABSTRACT

Integrating computers into the curriculum has been an objective of the marketing discipline for years. This paper outlines an experiment conducted in the marketing research component of a principles of marketing class. The experiment produced results that conflict with some of the conventional wisdom in this area.

Marketing professors strive to be at the leading edge pedagogically. In keeping with this tradition there has been considerable effort in the past two decades to integrate computers into the marketing curriculum. Most recently this trend has focused on microcomputers (Dlabay 1986, Miller 1985, Ursic and Hegstom 1985, Gifford and Gifford 1984, and Fritzsche 1982).

## OVERVIEW OF THE STUDY

This paper describes an experiment conducted in the marketing research component of a principles of marketing course. The primary motive was to assess the viability of the microcomputer as a teaching tool. A secondary motive was to determine if the integration of microcomputers would attract increased marketing majors. The outcome of this experiment was sufficiently alarming that the authors felt the experience might be worth sharing with fellow marketing educators.

In addition to the aforementioned motives for engaging in this effort there were also several instructional objectives. A ruse billed as a bonafide research project would allow students to see a study initially from the consumer's point of view and subsequently from the perspective of the researcher. This exercise would provide a lead-in for a discussion of the problem statement, data requirements, various alternative data sources, and questionnaire design. Then the microcomputer and limelight projector dimension of the experiment, which is described in the next section, could be introduced. Since all students in the introduction to marketing course were required to have completed six semester hours of statistics it was felt that this approach would also afford an opportunity to review some of the inferential material in an applied fashion. In fact, the design of the ruse questionnaire was manipulated so as to ensure some statistically significant results. This allowed the researchers to relate the statistical analysis back to such things as market segmentation and general marketing strategy.

## METHODOLOGY

Two separate questionnaires were administered (one of them twice) to all students enrolled in the principles of marketing course. Questionnaire #1 (Appendix I) was administered first and only once. This was to be the source of the data

for a later in-class microcomputer/data analysis demonstration. Much of this instrument dealt with toothpaste packaged in pump-type dispensers. At the time of the study such dispensers were new to the marketplace and it was anticipated that many students would not be aware of this packaging innovation. The intent was to give an air of authenticity to the survey since a number of such dispensers were brought into the classroom. As can be seen in Appendix I, bipolar scales were used to tap attitude dimensions toward this package type. The instrument also checked awareness, usage, and purchaser and product innovator tendencies.

Beer was also introduced into the instrument as a second product to be evaluated. It should be remembered that the intention was merely to create a data set to which students could relate in order to facilitate the classroom demonstration.

The second questionnaire, as shown in Appendix II, was administered twice. The first time it was done in conjunction with the first questionnaire. Students were told that the second questionnaire was part of an unrelated study and that they were simply participating in a pretest. Students were requested to complete the survey, take it home and think about its structure and flow, and then bring it back to the next class period. Considerable effort was expended to give the second questionnaire the appearance of legitimacy. The actual intent was to create a pre- and post-measurement to assess the impact of the in-class microcomputer/research/statistics demonstration.

Following the class period in which the two questionnaires were first administered, the results from the phony product were coded and then punched into a statistical software package. Sample routines were then run to prepare for the demonstration in the next class period.

During the subsequent meetings of the principles class, the topics previously mentioned were presented and student input solicited. The actual hardware involved consisted simply of a Compaq personal computer, a limelight projector, and a projection screen.

Following the demonstration students were given a second copy of the second questionnaire and were required to complete it without referring back to their first copies. Both passes of the second questionnaire were then stapled together for each respondent providing the desired pre- and post-measures.

In all, three sections of the principles course were used in the study. By the time the study was completed, there was considerable attrition as is to be expected. For example, some students failed to attend the second session, others forgot to bring the first copy of the second questionnaire to the second class, and some questionnaires were incomplete or otherwise unusable. The final sample size was 54.

## FINDINGS

The first items investigated were the perceived information states as registered by respondents. Of the seventeen topics on page one of the "Curriculum and Career" questionnaire only five were actually being studied. The rest were there largely as a disguise. Those of interest were microcomputers, computer software applications, marketing research, the use of microcomputers in data analysis and computer applications in marketing research. Table 1 shows the results of dependent t-tests performed on the data.

TABLE 1  
Analysis of Perceived Information States

Topic	Hypothesized Difference	Mean Difference (d)	T-Value	Probability (One-Tailed)
Micro-Computers	.0000	+2.407	1.6374	.0537
Computer Software Applications	.0000	+3.148	2.1450	.0183
Marketing Research	.0000	+1.296	.8662	.1951
Use of Micro-Computers in Data Analysis	.0000	+0.185	.0859	.4659
Computer Applications in Marketing Research	.0000	+4.074	2.2843	.0132

It should be noted that the variables were entered into the software package such that pre-measures were subtracted from post-measures. In all cases the mean differences were positive indicating higher perceived information states subsequent to the classroom demonstration. However, while the first item (microcomputers) came close, there were only two of these (computer software applications and computer applications in marketing research) which actually were significant at the 0.5 level or better.

These results were somewhat disheartening; but, the real shock came when the numbers were analyzed relevant to the second motive of the study: recruiting marketing majors. These results are shown in Table 2.

In every area mentioned which involved a quantitative emphasis and/or computers, student attitudes toward careers therein actually declined! Two of these areas, including marketing research, were statistically significant at the 0.05 level and two others barely missed. Interestingly, in the area of banking there was essentially no change although finance teachers might find the negative mean somewhat disquieting. The sixth career area, personnel management, showed an amazing increase in student attitude.

TABLE 2  
Analysis of Student Attitudes Toward Careers

Career Attitude Toward:	Hypothesized difference	Mean Difference (d)	T-Value	Probability (One-Tailed)
Personnel Management	.0000	4.8885	5.72	.000
Banking	.0000	-0.1667	-0.29	.3865
Marketing Research	.0000	-1.2222	-1.92	.0300
Computerized Data Management and Analysis	.0000	-1.3704	-1.62	.0560
Tax Accounting	.0000	-2.0185	-2.43	.0090
Investment Counseling	.0000	-0.9074	-1.62	.0555

## DISCUSSION

There are probably some legitimate explanations for the results of this study.

Viewed from a marketer's perspective, the introductory course serves multiple segments. Clearly there are business students who intend to major in marketing. There are also business students with other intentions as well as business students with no firm intentions at all. One could conceivably consider these latter persons to be shoppers or perhaps brand switchers. Then there are non-business students seeking a minor. Another potential subset might consist of persons such as art or music majors who envision themselves opening a shop or gallery some day. Not to be overlooked either is the completely and totally undecided student. This segment could well be the richest and most productive to cultivate in terms of recruiting majors. A final group was the small business segment. Cutting across all these segments are persons who, previous to coursework and professional best efforts notwithstanding, remain frustrated if not downright terrorized by computers.

It has been obvious for years that computers have become permanent facets of everyone's daily life. Therefore, the authors feel that it would be irresponsible not to promote computer literacy in marketing majors. However, this study provides a new perspective regarding when and where this should happen. The matter is by no means closed to debate. It can now be reasonably argued that introductory marketing should emphasize something other than computers, leaving this to a later course with a more mature and single-minded coterie of students. The marketing research course itself would be a logical spot.

In order to be simultaneously introductory for majors and terminal for non-majors, the authors feel that the beginning marketing course should provide a comprehensive view of marketing emphasizing the following: 1) a broad view of the marketing functions within the marketing environment, 2) introduction to terminology and concepts (including research, segmentation and consumer behavior), 3) introduction to the marketing mix elements, 4) introduction to the nature and range of marketing problems and opportunities, 5) introduction to the broad array of analyses useful in the solution of marketing problems, 6) intro-

duction to the societal dimensions of marketing, 7) development of critical and systematic thinking with respect to marketing issues, and lastly, 8) cultivation of favorable attitudes toward the entire marketing process.

Questionnaires (Appendix I and II) are available upon request.

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## DISSECTING THE ANATOMY OF AN INTERCOLLEGIATE BUSINESS COMPETITION

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### ABSTRACT

The management of a national or international marketing competition is a relatively complex undertaking requiring a great deal of planning on a wide variety of issues. The University of Manitoba Marketing Students Association (UMMSA) has successfully run such a competition for the past 5 years. This paper outlines a number of issues faced by the University of Manitoba Marketing Competition (MMC) and the procedures used to deal with them. This discussion should be valuable to any school considering organizing or competing in a inter-school competition.

### INTRODUCTION

Marketing simulation games were first introduced in the early 1960's with the appearance of Marksim and the first edition of Ness and Day's - Marketing in Action. These games offered students the opportunity to experience, first-hand, many important business management concepts and tasks such as, (1) developing a strategy for their firm, (2) working with their peers to reach consensus on that strategy, (3) making the necessary operating decisions, and (4) observing the results of these decisions made under conditions of uncertainty. Such experiences were difficult, if not impossible, to duplicate in lecture or discussion formats and potentially very costly if attempted in the real world.

At present, there are about 10-12 marketing simulations available from the major publishers, each with somewhat differentiated/unique learning objectives. There are an even larger number of management and general business simulations.

The development of these challenging simulations has also increased the opportunities for national and international University-based competitions. Decisions and results can be efficiently compiled and delivered by telephone and computer so that such events can be held at a reasonable cost. The interaction and "friendly" competition between students of diverse backgrounds from various parts of North America provides for an exciting, enjoyable and valuable learning experience for all who take part. It was with such a spirit that the Manitoba Marketing Competition (MMC) was born.

The MMC is by no means the only inter-collegiate business game competition. What, to the best of our knowledge, were the pioneer marketing games were held during the mid-to-late sixties at Michigan State University. At the present time, Georgia Southern College, Emory University, The University of Nevada-Reno, Queen's University, and Manhattan College (New York) all sponsor

similar competitions, and there may be a number of others. However, the MMC is the only competition which focusses exclusively on marketing. The others use general business simulations such as The Business Management Laboratory, the Executive Simulation and The Business Policy Game as the basis for their competition.

Like the Phoenix, the MMC rose from the ashes of the Milwaukee Intercollegiate Business Game Competition sponsored by Marquette University and the University of Wisconsin-Milwaukee. The University of Manitoba had competed in the Milwaukee Game for many years and always regarded the competition as a very positive learning experience for the group of participating students. Faculty advisors also enjoyed going along to sample a few of the principal things that have made Milwaukee famous.

With the suspension or termination of the Milwaukee Game in 1982 we started to give serious consideration to launching a similar competition to enable a larger number of our students to participate in this positive experience. As a result, the MMC was initiated in the fall of 1983.

### MANAGING THE COMPETITION

#### Selection of Game

The selection of an appropriate simulation is a critical factor in the success of any "game-based" competition. The MMC considered a number of criteria or essential qualities that a simulation should possess to meet its needs. Among the most important attributes were:

1. that the simulation not be subject to easily duplicated strategies (steep learning curve) from play to play, since many participants may have played the game previously;
2. a decision could be made in a reasonable period of time;
3. the game would be challenging and operate in a manner consistent with accepted marketing concepts and principles and;
4. performance must be relatively simple to measure and evaluate.

Markstrat, one of the most popular marketing simulations currently in use has successfully met all of the requirements of the MMC. The game provides a comprehensive and fair challenge to the participants, is easily managed by the competition organizers and can be generally evaluated by people with business backgrounds who are not intimately familiar with all the details of

evaluation. Judges select a "winner" from each industry by evaluating each firm's financial performance (50% weighting) and a presentation of their marketing strategy and plans made to the judges who act as an independent Board of Directors (50% weighting). All teams within an industry present to the same Board which is typically composed of five people.

For the second phase each of the industry winners formally present their marketing strategy again the following day. A different Board of Directors judges this presentation and has the opportunity to question each team about their performance and the rationale for their strategy. This final presentation and questioning is the sole basis for determining the overall competition winner.

A second issue concerning the judging involves the selection of judges. Should they be academics, business people or some combination of the two? The MMC requires a total of approximately 30 judges; teams of 4-5 for each of the industry evaluations and a panel of 10-12 for the finals.

Most of the judges are representatives of organizations who have sponsored the competition or senior business executives from the community. One member of the Faculty of Management is on each of the five person judging panels. In addition, a faculty member and the Dean of the Faculty sit on the Board for the final presentations. While some participants have expressed concern on occasion with some aspects of the judging - notably that financial performance tends to be discounted in the finals - most find the system of evaluation quite equitable.

All participating students receive a certificate of participation for competing in the simulation. Members of the winning team in each industry also receive individual plaques, while the overall winning team receives a travelling trophy which it retains for a year, a large plaque which the school gets to keep and special prizes for each team member and the faculty advisor - Cross pen sets, Eskimo soapstone carvings or leather briefcases.

#### Funding/Sponsors

Each competing team pays a registration fee of \$150 to partially offset some of the expenses in administering the game. In addition they are responsible for their own transportation to Winnipeg and their accommodation during the finals' weekend. All other expenses are covered by the competition and its sponsors.

The total budget for the competition is something in excess of \$17,000, over half of which is incurred for the Awards Banquet and other activities of the finals weekend. Other significant expenses include postage, telephone and courier charges, and awards for the judges and competitors. Most of these funds are raised from local sponsoring firms who contribute from \$100 to \$3,000. each to the cause. Last year 18 organizations supported the competition. In addition, we were also able to obtain a commitment from the President of the University's Academic Develop-

ment Fund for a significant level of support over a three year period. This actually enabled the competition to generate a surplus which is carried over to the following year.

The teams obtain their support in several ways. In some cases they have been able to obtain private sponsors. For the most part, however, their expenses are covered by their Department or School. Obtaining the money to participate does not seem to have been a problem.

#### THE RESULTS

Eighteen teams from fifteen different colleges and universities competed in the 1986/87 competition. They included Acadia University and the University of Moncton from Eastern Canada, the Universities of Saskatchewan and Alberta from Western Canada and Florida Atlantic University and St. Leo College of Florida from the Southern United States. In the final presentations Bowling Green State University came out on top for the second consecutive year while the University of New Brunswick captured second place. Teams from the University of Manitoba and Acadia University were also among the finalists.

#### CONCLUSION

Since its inception, the competition has provided a number of benefits to the U of M Marketing Students Association (UMMA), the participating team members, the local business community and the U of M.

The MMC has grown to become the keystone event in UMMA's annual program and the competition's popularity has contributed a great deal to the overall success of the organization. Managing the MMC gives the marketing students an opportunity to put into practice many of the skills they learn in the classroom. Some, like developing and implementing strategic plans cannot be effectively dealt with in a traditional lecture or discussion format.

The MMC offers a rich learning opportunity for local and out-of-town game participants. The process of developing, implementing and presenting marketing strategies within a competitive environment as well as the business related seminars contribute to the educational aspect of the competition. There is also a strong social component to the MMC. Competitors are given a chance to meet and socialize with fellow students who come from a variety of backgrounds and geographic locations. This is especially valuable to students whose schools are physically isolated from other business schools.

The local business community which participates by sponsoring and judging the competition are also "winners." They get to meet and observe students in an atmosphere far removed from the job interview environment. This allows them to get a better grasp of the character and capabilities of today's marketing students as well as simply enjoy the presentations.

Finally, the U of M, and more specifically the Faculty of Management, enhances its reputation and the quality of its programs by hosting an event which, to date, has been extremely successful.

#### EXHIBIT I

#### Information on Computerized Marketing Simulations

##### Commercially Published

1. Markstrat: A Marketing Strategy Game  
Jean Claude Larreche and Hubert Gatignon  
The Scientific Press  
The Stanford Barn  
Palo Alto, CA  
94304  
  
- this is the address for the Participant's Manual and the computer program for the mainframe version of the simulation.  
  
- a micro computer based version is also available under license from:  
  
STRAT\*X S.A.  
73 Rue Victor Hugo  
77250 Veneux Les Sablons  
France
2. Marketing Simulation: Analysis for Decision Making  
Bob Brobst and Ronald F. Eush  
Harper and Row Publishers, Inc.  
10 East 53rd Street  
New York, New York  
10022
3. Marketing in Action: A Decision Game  
Thomas E. Ness and Ralph L. Day  
Richard D. Irwin, Inc.  
Homewood, Illinois  
  
- both a mainframe and a micro computer version are available.
4. Compete: A Dynamic Marketing Simulation  
A.J. Faria, R.O. Nulsen, Jr., and D.S. Roussos  
Business Publications, Inc.  
Plano, Texas  
  
- a micro computer version is available as:  
  
Micro-Compete  
D.S. Roussos  
Business Publications, Inc.  
Plano, Texas
5. The Marketing Game  
Charlotte H. Mason and Wm. D. Perrault, Jr.  
Richard D. Irwin, Inc.  
Homewood, Illinois
6. Paintco: A Computerized Marketing Simulation  
J.C. Galloway Jr., J.R. Evans and E. Berman  
Macmillan & Co.  
New York, New York

7. BRANDMAPS: The Competitive Marketing Strategy Game  
Randall G. Chapman  
Prentice Hall  
Englewood Cliffs, N.J.  
07632
8. INDUSTRIAT: The Strategic Industrial Marketing Simulation  
Jean-Claude Larrech and David Weinstein  
Prentice Hall  
Englewood Cliffs, N.J.  
07632
9. Laptop: A Marketing Simulation  
A.J. Faria and John R. Dickinson  
Business Publications, Inc.  
Plano, Texas  
75075
10. Marketing Dynamics: Decision and Control  
Charles L. Hinkle and Russell C. Koza  
McGraw-Hill, Inc.  
New York, New York  
  
- may be out of print
11. Operation Encounter: Marketing Decision Making in a Changing Environment  
Ben F. Doddridge and J. Rodney Howard  
Goodyear Publishing Co., Inc.  
Pacific Palisades, California  
  
- may be out of print
12. Marketing Strategy: A Marketing Decision Game  
Louis E. Boone and Edwin C. Hackleman, Jr.  
Charles E. Merrill Publishing Co.  
Columbus, Ohio  
  
- may be out of print

##### Not Commercially Published

1. COMPUTYPE: A Strategic Marketing Game  
Peter W. Pasold  
Faculty of Commerce and Administration  
Concordia University  
1455 De Maisonneuve Blvd., West  
Montreal, Quebec  
H3G 1M8
2. The Market Place  
Ernest R. Cadoote  
College of Business  
University of Tennessee  
Knoxville, Tennessee

## ABSTRACT

### SURVAN: SURVEY ANALYSIS SOFTWARE FORMARKETING RESEARCH STUDENTS

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#### OVERVIEW

A user-friendly statistics software package for microcomputers is introduced. The purpose of the software is to make teaching the data analysis section of the marketing research course more satisfactory for both the educator and the student. The amount of time required to teach a computer package is reduced, allowing the time to be devoted to coverage of marketing research topics, statistics concepts and the meaning of analytical results. Student anxiety with statistics and computers is also reduced by its friendliness and its use of an expert system.

#### INTRODUCTION

The problem we marketing research educators face is that we have multiple objectives to achieve in a situation where the learning is quite complex and there are several constraints. In short, we need to find ways to stay focused on the task of developing marketing research competency.

Many of us find this endeavor jeopardized when students become unduly embroiled in the mechanics of computer operations and statistical calculation. The level of student anxiety is high enough without the extra requirement of learning a sophisticated statistical software package. In addition, class time is precious and may be better used in covering the important concepts of the course, namely, how to use statistics appropriately and how to attach meaning to marketing research results. This paper discusses a strategy which may help alleviate this problem.

#### A Strategy for Data Analysis

Dandurand (1986) advocates that marketing educators should attempt to prevent their marketing research students from becoming frustrated with the means of analyzing marketing research at the expense of achieving the course's central purpose. His strategy for focusing on relevant marketing research and statistical concepts was to utilize a friendly microcomputer data base program for data analysis. Shifting to microcomputers and to more user-friendly software packages may be effective in mediating student anxiety improving their satisfaction with the course. It may also reduce the amount of teaching time devoted to the analysis technology.

There are many options available to marketing educators who agree that this teaching strategy has merit. The remainder of this paper discusses a new software package, SURVAN, for consideration as a teaching tool which fits this approach.

#### DISCUSSION

SURVAN is similar to a recently popular, inexpensive package called MARKSTAT. The primary difference is that SURVAN is even more user oriented in terms of its operations. SURVAN is designed for use by non-quantitatively oriented students.

#### Operating SURVAN

SURVAN requires an IBM-PC, or compatible, with two disk drives and 640k of RAM. The self-booting program asks users to make menu selections and use simple keystrokes to issue operating commands.

SURVAN uses a spreadsheet for data entry. There are several editing and transformation options available from the data management menu, including the construction of Likert scales. There is also a help screen with the spreadsheet.

Tabulation, t-tests and ANOVA are available from the data analysis menu. Each of the analytical operations lists the variables in the file in a manner visually similar to the LOTUS 123 command line. The cursor keys are used to select the variables for study.

A simple keystroke performs the analysis and the presentation-ready results, including graphs, appear on the screen. The user may opt to print them on paper too.

An important aspect of SURVAN is a built-in expert system which helps ensure the appropriate use of the analytical procedure. For example, if the user wanted to perform a t-test and selected a nominal variable for study, the program would inform the user that a t-test requires variables that have means. The user is then asked to make a new selection.

#### CONCLUSIONS

Microcomputer based data analysis with programs such as SURVAN may reduce student anxiety. This benefit and the expected low-cost investment suggest that this strategy merits consideration.

## ABSTRACT

### CONSUMER FRUSTRATION AND MARKETER'S OPPORTUNITY IN CENTRAL PACIFIC: A SURVEY OF 885 CONSUMERS IN A SAMPLE OF 6 ISLAND STATES

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#### INTRODUCTION

The lure of the larger markets of the Pacific Rim has diverted the attention of international marketers from the Central Pacific. This paper discusses the findings of a survey of consumer expectation from the marketing system and the marketer's response in the sample of 6 island states during June-August 1986, with a follow-up in July-August 1987. Eight hundred and eighty-five adult consumers were interviewed in their native languages in the islands of American Samoa, Niue, Rotuma (Fiji), Tokelau, Tonga, and Tuvalu. Suppliers' institutions were also visited, their records examined, and their executives interviewed.

The research objectives were: 1) to measure the extent of the "Marketing Gap" in the small and remote markets of the Central Pacific; 2) to provide the international marketer with approaches to profitable exploitation of these markets; and 3) to increase the awareness of marketing educators and students about the characteristics of the Central Pacific markets in contrast to the large markets of the Pacific Rim.

"Marketing Gap" in this context refers to the difference between the level of a community's shopping needs and the level of satisfaction provided by the marketing system in terms of availability, quality, affordability, and serviceability of the needed products. Product availability involves two criteria: carrying the type of products demanded and having those products in stock at the time of demand. The marketing gap would be eliminated only if all the products which are needed by the shoppers are made available to them at the time they are demanded, and at a quality and price that are acceptable to the buyer.

The research method was that six independent samples of households were selected from a sample of six islands in the Central Pacific. The population of the islands in the sample ranged between 1,800 (Tokelau) and 104,000 (Tonga). A total of 885 completed interviews were conducted among the six islands. That represented an average of 92% of the target respondents in all independent samples.

An interview form was designed with the assistance of the islands' marketers to measure consumer attitudes and behavior toward product availability and quality, general level of prices, sources of product information, weekly expenditures at the market, and sources of satisfaction and dissatisfaction with the marketing system.

Analysis of the survey results indicated that only 60% of the time the desired products were

available at at least one store. The marketing gap was 40%, which was deemed by the respondents to be high and frustrating. Male or female shoppers had equal rates of frustration.

Dissatisfaction with product quality amounted to 42%, a level much above the 20% rate allowed for externalities.

The survey results, supported by the comments of store managers (those who made purchase and order decisions), suggested that the marketing system provides product quality satisfaction to middle-aged people at the cost of shifting resources from both younger and elderly segments of the population.

While the mode for the perceived level of prices was "very high," the mean was 1.5 (between high and very high prices) and had a low standard deviation of 0.1. There seems to be a general agreement among the consumers of all Central Pacific states that the prices of consumer goods are much above their perceived value.

On the average, 57% of all respondents are informed about the product by visiting the store. The range is between 34.8% for consumers in Tokelau and 78.7% for Rotumans. Advertising also produced a wide range of utilization, from 5.3% in Rotuma to 46.5% in Tuvalu. One explanation is the lack of local newspapers in Rotuma and Tokelau. Another reason is that the cooperative stores in both islands have either a monopoly or near monopoly over the distribution of consumer goods and thereby do not feel a need for advertising. Sales people were counted as a source of product information by 34.1% of the consumers in all 6 islands.

#### RECOMMENDATIONS

The paper provides the international marketer with a few approaches to entering and cultivating the Central Pacific markets, which include 1) establishing supply centers in the markets of the administering powers in order to speed up the bureaucratic process for access permits, 2) utilizing distribution channels of the existing co-op stores to overcome local monopolies, 3) analyzing the available ordering, shipping, and sales records of the co-op stores to plan for an efficient inventory system, 4) to supply a better quality product line than those offered by existing suppliers, and 5) to target both children and the elderly consumers as these two segments have been neglected by present suppliers.

A list of references is provided.

## ABSTRACT

### INTERNATIONALIZING THE MARKETING CURRICULUM: THE CANADIAN CONNECTION

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Internationalization of the curriculum has become a watchword for the AACSB and many American business schools. Yet AACSB schools have only made modest progress in this area, especially in preparing faculty for teaching with an international perspective (AACSB Newsline, 1987). Ironically, a first step towards internationalization may not be so difficult as it appears and does not have to involve an understanding of Asian or European languages, culture, or business methods. A much easier, though less exotic, case is Canada. While exhibiting similar cultural characteristics and business practices, Canada provides a very different market than the United States with its own political/legal system, cultural diversity, and a partial language barrier. Moreover, it is not commonly appreciated that Canada, not Japan, is America's largest trading partner. Recent developments towards a free or enhanced trade agreement between Canada and the United States emphasize the need for a greater understanding of North American trade patterns and marketing practices.

Canada, with a population of only 25 million, has the seventh largest economy in the western world. Significantly, Canada buys twice as many goods as America's next largest trading partner, Japan, and over three times that of the third partner, Mexico. Approximately 20% of America's world exports go to Canada. On the import side, Canada is still America's major trading partner. However, imports from Japan are at approximately the same level. As a result, Japan's trade surplus with the United States is much larger--a major reason Japanese trade attracts so much more attention than Canadian.

The trade picture between Canada and the United States is more complete when the services sector is considered. In this sector (travel, shipping, business services, government transactions, investment income, transfers), the United States runs a consistent surplus with Canada (approximately \$9 billion in 1985).

Internationalization of the curriculum goes beyond an appreciation for a single foreign market. Nevertheless, much can be gained by a more intensive understanding of major trading partners. Some advantages of studying trading patterns and marketing in Canada are:

a) Accessibility/proximity. While it is difficult for North Americans to visit extensively in Europe or Asia, let alone understand business practices, Canada is close and accessible.

b) Similar yet different. The Canadian market is similar to the American market but also presents many differences that demonstrate the increased complexity of international marketing.

c) World's largest bilateral trade relationship.

d) Trends in world marketing towards freer trade. The Canadian/American trade relationship focuses on issues of freer trade with elimination of tariffs, reduced non-tariff barriers, government procurement, and the growing need for multilateral rules on trade in services. An enhanced trade relationship between Canada and the United States may be a model for future GATT negotiations especially concerning non-tariff barriers and services. This provides a mutual basis for curriculum development, student and faculty exchanges, etc. An enhanced relationship between Canadian and American schools is less dramatic but perhaps a more achievable first step towards internationalization.

# THE CHALLENGE OF TEACHING CONSUMER BEHAVIOR, A CHALLENGE TO SCHOLARLY RESEARCH PRACTICES

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## ABSTRACT

This paper summarizes a review of selected sources of material available on the pedagogy of consumer behavior. Comparatively little published work is available to aid instructors. Contrasting explanations are proposed: (a) absence of material indicates absence of need and (b) pedagogical publications reflect a production orientation.

## INTRODUCTION

As professional marketing educators, most of us are comfortable with our abilities and performance in teaching marketing courses. Consequently, we may do less self-examination of our teaching methods than is appropriate. Typically, we find it easier to be objective about the performance limitations of others, for example in grading students' work, than we are about our own deficiencies. This paper is the result of a conscious effort on the authors' part to confront an admitted weakness in our instruction of consumer behavior and our attempt to deal with it. The result is not a paper in the mode of "let us share with you our solution to a problem." It is instead in the mode of "let us share our problem with you. Perhaps you can help us solve it."

In the simplest form, the problem is dissatisfaction with course structure and pedagogy in the consumer behavior class. This dissatisfaction is not a function of inexperience. The authors have combined experience of teaching consumer behavior more than 20 times in class sizes ranging from 7 to 65 students at both the undergraduate and graduate levels. The presence of frustration in the face of this experience led to a tentative hypothesis which is receiving its first informal test in the reaction to this paper. The hypothesis is: we are not alone; others share our frustrations with teaching consumer behavior. Parenthetically, this frustration is limited to consumer behavior instruction. The subject and content of consumer behavior are viewed as both vital and interesting, a condition which undoubtedly adds to the frustration.

If successful instruction is difficult, as we propose, several factors may contribute. Among them are the theoretical nature of the discipline, the interdisciplinary character of the discipline, and the absence of consensus about a comprehensive organizational framework.

## THEORETICAL NATURE

As almost any instructor of consumer behavior can testify, a frequent complaint among students is the theoretical nature of consumer behavior. Even

among undergraduates, prior exposure to the theories of the social sciences is common. A reappearance of these theories in a consumer behavior class adds little unless it is accompanied by "real world examples" of application. The examples are sometimes hard to produce. The theory underlying the study of motives is, for instance, intuitively appealing. However, the actual process of determining motives and then translating them into a feasible marketing strategy is another story. Like the broader field of marketing itself, there appears to be a disparity between basic academic research and the applied research of practitioners. Students are frequently left wondering if anyone in the "real world" really uses the theories discussed in class. Having a professor well versed in the academic literature does not guarantee the student a supply of good field examples.

A related source of frustration for students is the lack of definite answers to typical consumer behavior questions. This is characteristic of many marketing courses, but it seems to be more pronounced in consumer behavior. Even the most rigorous research usually offers potential solutions at best, and contradictory results from different studies are not unusual. The youthfulness of the behavioral sciences provide a source of excitement and discovery to researchers and instructors. But the applied orientation of students, which faculty nurture in other courses in the curriculum, makes them a rightfully skeptical audience.

## INTERDISCIPLINARY CHARACTER

The focus on purchase and consumption processes which defines the consumer behavior course makes an interdisciplinary approach necessary. It is this requirement which makes such extreme demands on the instructor's subject matter knowledge. It is difficult to acquire, much less maintain, an adequate understanding of each of the diverse academic fields which contribute to and in fact constitute the field of consumer behavior. We live in an age of specialization, and marketing professors are no exception. We have been encouraged to specialize our areas of expertise in both instruction and research in order to be more productive. But a good consumer behavior instructor should be equally comfortable lecturing about and leading class discussions on, for example, (a) sociological topics such as social class or family dynamics, (b) psychological theory used in the study of personality or motivation, (c) anthropological studies of culture and subculture, or (d) semiotic analysis of hedonic purchases. Few instructors possess the expertise to move confidently through the wide variety of material in the consumer behavior literature with uniform

proficiency.

#### MISSING FRAMEWORK

Adding to the challenge of instruction in consumer behavior is the lack of consensus about an overarching theory or organizational framework for the unfolding of the course's content. Development and presentation of material in the principles courses, by contrast, is facilitated by a common framework incorporating the marketing mix, external environmental relationships, internal business function relationships, and tools of analysis. Not only is this simple framework convenient for the organization of textbooks, but it becomes a logical outline for classroom instruction and insures a logical progression for both student and instructor.

The framework closest to a standard in consumer behavior is the Engel-Blackwell model which was, in fact, originally designed to be a pedagogical tool. It appears that as the field has grown and textbooks have proliferated we are moving farther away from rather than closer to a standard. The popular Engel-Blackwell model is now just one among many alternative approaches in textbook form. And instructors face a full range of course planning choices because there is no commonly agreed upon core for the consumer behavior course.

#### REVIEW OF LITERATURE

The authors have reported (a) personal dissatisfaction with the consumer behavior course and (b) a

belief that the source of much of the dissatisfaction lies in nonpersonal factors independent of and external to the instructor. If (b) has any basis in fact, it follows that other instructors have encountered similar frustrations. Successful responses to instructional problems should be accessible in the literature, particularly in the Journal of Marketing Education.

The articles published in JME were reviewed to establish the relative emphasis that authors and editors place on the problems of teaching consumer behavior and other marketing courses. The results of an informal content analysis of the titles of JME articles from 1979 to 1987 are displayed in Table 1. Articles were classified into topic areas based on the subject matter included in the title. In cases where an article title contained two topics, such as service and nonprofit, the article was counted in both topic categories.

In fact, articles pertaining to principles and marketing research courses dominate the journal contents. Few titles (six to be exact) emerge as relevant to consumer behavior pedagogy. A detailed review of the six articles relevant to teaching consumer behavior reveal a surface skimming of the topic at best. One was a film review (Yudelsohn 1984). A second focused on content issues rather than pedagogy (McNeal and McDaniel 1981). A third reported survey results on marketing teachers' attitudes toward the importance of consumer behavior courses (Taylor, Walters, and Perry 1981). Pedagogical issues were not addressed in this article, but one finding was noteworthy for our purposes. Consumer behavior was judged to be less important than principles of marketing and market-

TABLE 1

#### COURSE RELATED ARTICLES IN JOURNAL OF MARKETING EDUCATION

COURSE/TEACHING ISSUE	1979		1980		1981		1982		1983		1984		1985		1986		1987		Total
	Apr	Nov	Spr	Fall	Spr	Fall	Spr	Fall	Spr	Fall	Spr	Fall	Spr	Fall	Spr	Fall	Spr	Fall	
Principles	4			3	1		1	1			1	1	1	1	1	1	1	2	20
Marketing Research				1	4	2			1				1		2		3		14
International		2	1					1	1		1	1						1	8
Marketing Management	1			1				1			1			1		1	1		7
Advertising								2		1	1	1	1	1					7
Consumer Behavior		1	2					1		1			1						6
Sales	2				1						1						1		5
Industrial					1			1		1			2						5
Retailing						1			1		1	1			1				5
Nonprofit			1	2															3
Distribution		1					1								1				3
Pricing							1	1		1									3
Procurement													2						2
Services			1																1
Direct															1				1
Public Policy			1																1
Public Relations											1								1

ing research, equally important to marketing policy and promotion/advertising, and more important than all other marketing courses. A fourth article was a comparative review of consumer behavior texts (Finn 1985). Pedagogical problems were not directly addressed since the emphasis was placed on the content of subject matter and the quality of the treatment. Only two articles proposed specific methods to improve instruction (Schewe 1980 and McCuen 1983). It is significant that Schewe emphasized the same points about the difficulty of instruction, and McCuen noted the paucity of literature on content teaching methods.

A review of articles in the American Marketing Association proceedings reveal an equal lack of material. McCuen was able to identify only one paper on teaching consumer behavior in the proceedings of the American Marketing Association annual conference for education between 1971 and 1981. A check of the five years from 1982 to 1986 reveals no additional papers.

The Association for Consumer Research focuses almost entirely on consumer behavior content questions to the exclusion of instructional issues. The Association's proceedings, Advances in Consumer Research, last show a track on instruction in 1977. Since then, the subject is virtually invisible.

The last source reviewed, proceedings of the annual Western Marketing Educators Association conference, shows slightly more activity but much of it is preliminary in nature. In addition its accessibility is much more limited in library holdings.

In summary, reviewing the literature on consumer behavior instruction leads one to the conclusion that the body of knowledge in consumer behavior is continuing to grow at a rapid pace. But there is a dearth of material dealing with instructional issues.

#### TENTATIVE EXPLANATIONS

Where does this leave us? As we stated earlier, the purpose in writing this paper was not to offer a solution but to pose the question, "Are we alone in our discomfort with our current pedagogy in consumer behavior?" The few published papers on the topic suggest that at least we have some company in our discontent.

Obvious

The question remains, why are there so few publications or conference presentations devoted to the topic of consumer behavior instruction. Of course the most obvious answer is that, in fact, we may be wrong and that the majority of consumer behavior instructors feel quite satisfied and comfortable with their current teaching methodology. This suggests that the problem of consumer behavior instruction lies with the authors alone. However, in self defense, the few articles discussing the teaching of consumer behavior enumerate many of the same problems we are encountering. The unknown is the number of instructors experiencing the same frustrations.

#### Provocative

But the more challenging explanation for the lack of material on consumer behavior instruction is the possibility that scholarship in marketing pedagogy has become production oriented. This is to say, the need for more information on consumer behavior instruction exists. However, as scholars, we prefer to write (produce) publications on topics about which we feel much more comfortable such as marketing research and marketing principles. Our experience indicates that the typical principles of marketing course or marketing research course poses far fewer challenges and difficulties than a consumer behavior course. Nowhere in the traditional system of research, writing, submission, and editing (borrowed from older disciplines) do we see an assessment of need to any degree other than an intuitive basis. The result is equivalent to a strategy of emphasizing strengths and ignoring weaknesses. This approach may be appropriate for businesses in certain situations but it seems inappropriate for the needs of marketing students.

#### IMPLICATIONS

The irony of marketing educators being seduced by a production orientation is apparent. The cure, of course, lies in the practice of marketing principles, that is, focusing on market needs and employing appropriate analytic tools to clarify and respond to them. A study of the needs of marketing instructors would be a good starting point.

#### CONCLUSIONS

Our search through the literature on marketing pedagogy produced a disappointingly small body of work to aid in dealing with instructional problems in consumer behavior. One interpretation is that frustration with teaching consumer behavior is rare and that the limited number of works indicate a limited need. Alternatively, it may be argued that publications indicate solutions rather than needs and that a limited number of solutions have been devised. It is proposed, ironically, that a production-oriented research and publications system is a contributing factor to this lack of attention in the literature.

While we did not answer any questions in this paper, we hope we raised a few important questions, and by doing so, have prompted our colleagues to explore the teaching of consumer behavior with us. As educators, we need to exemplify the use of our marketing tools. If we do we will help everyone in the profession with marketing instruction.

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## A DISCUSSION FRAMEWORK FOR TEACHING ABOUT ADOPTION/DIFFUSION IN MARKETING

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### ABSTRACT

The adoption process is presented in most marketing principles texts. Here, the classic marketing adoption/diffusion literature is reviewed and updated. From this analysis, a discussion framework for use in marketing classes is developed.

### INTRODUCTION

Marketers have long been interested in identifying the characteristics of the earliest buyers of new products. The proliferation of so-called new products has provided many opportunities for such studies. Researchers have tried to isolate the generalized innovator, the person who is prone to be first to try new items from several product classes (Ostlund 1972; Summers 1971; Green, Langeard, and Favell 1974; Martilla 1971). Different stages in the adoption process have also been examined (Uhl, Andrus, and Poulsen 1970; Ozanne and Churchill 1971; Reynolds 1971).

Many attempts have been made to relate innovative buying behavior with other factors, including trial use (Donnelly and Etzel 1973; Lambert 1972; Shoemaker and Shoaf 1975), personality types (Coney 1972; Robertson and Kennedy 1968; Jacoby 1971; Donnelly 1970; Robertson and Myers 1969), socio-demographic characteristics (Feldman and Armstrong 1975; Kegerreis and Engel 1969), information sources (Berning and Jacoby 1974; Schiffman 1972), attitude change (Ginter 1972; Lancioni 1972), and product perceptions (Ostlund 1969, 1974).

Overall, then, marketing's diffusion tradition has developed steadily, coming into its own in the 1960s. Marketing has relied heavily on earlier diffusion work, especially that conducted by rural sociologists (Rogers 1983) and geographers (Brown 1981). This is not surprising when one realizes that many rural sociology studies dealt with agricultural innovations. During marketing's formative years "distribution" and "marketing" were often used interchangeably, and early marketing studies focused on the distribution of agricultural products. Hence, agriculture has provided a substantial common ground between marketing and rural sociology.

Yet conflicting findings and questionable assumptions have hindered the development of substantial generalization to assist the marketer introducing introducing new or revised products. The reasons underlying these inconsistencies must be explored in detail. To overcome these problems, several scholars have developed research frameworks to guide innovation research (Bigoness and Perreault 1981; Gatignon and Robertson 1985; Mahajan and Muller 1979). These schemes have provided recent diffusion researchers with guidance as they develop their methodologies and provide empirically-based findings.

Such frameworks, however, are difficult to explain to undergraduate business students who do not have the backgrounds necessary to appreciate the implications and subtleties. Thus the purpose here is to review diffusion theory, with emphasis on a comparison between marketing and rural sociology, to point out the inherent research difficulties. Ultimately, the research issues and a teaching/discussion framework are suggested for presenting diffusion material to students.

### REVIEW OF EXISTING DIFFUSION RESEARCH

Relying on previous research as a point of departure is standard practice in all disciplines, especially applied areas such as marketing. The crucial factor is knowing when to utilize other findings as is and when these earlier studies are not appropriate unless modified. Marketers may have leaned too heavily on the opinions of diffusion researchers in other fields (Boker 1987). Marketing analysts have not recognized the dissimilarities, in terms of both the underlying theory and the situation-specific issues, between the diffusion of new goods or services and innovations in other spatial-temporal settings (Black 1983).

The fundamental elements in the diffusion process serve as a basis for comparing marketing diffusion studies with others (Rogers and Shoemaker 1971): (1) the innovation, (2) communication channels, (3) time, and (4) the social system. Robertson (1971) first suggested such a comparative base. The following analysis of diffusion research across these four components reveals that marketers will encounter difficulties if they do not modify the foundations of better-established, yet different, diffusion traditions. Beyond this, certain of the assumptions underlying existing diffusion theories may not be entirely reasonable. The combination of these two types shortcomings has impeded the synthesizing of a consistent diffusion theory in marketing.

#### Innovation

Diffusion theorists define the innovation as an idea, practice, or object perceived as new by the individual. The marketing innovation has, however, included mainly the physical product and such intangible attributes as product image, brand name, and warranty. Services have been examined only on rare occasions (Robertson and Gatignon 1986). The study of diffusion of ideas, even though conceptually interesting, does not seem to intrigue marketers in a practical sense (LaBarbera 1983). Marketing innovations which have been analyzed to date have almost always been objects, have sometimes resulted in broad generalizations, and have rarely been purely ideas or concepts.

The problem is that marketers have extrapolated from studies of innovations in other fields which

are often ideas or practices. Thus, marketing innovations tend to be much more tangible than those analyzed in other disciplines.

The new product is usually exchanged for money or a binding promise to pay. This represents a commitment on the part of the consumer. A broader concept of innovation, however, does not imply anything about monetary cost to the receiver/user of the innovation. Most innovations involve some form of psychosocial cost. But is the diffusion of a new product, acquired through the exchange of money and psychological involvement, comparable to the diffusion of new agricultural practices in an underdeveloped country? Exchange implies commitment, but the monetary commitment may have added impact and needs to be discussed and researched more fully.

Another difficulty in studying marketing innovation is newness. Diffusion studies in all disciplines have wrestled with describing relative newness. Researchers seem to agree that newness is determined in the minds of the perceiver (Baumgarten and Summers 1975). Like product marketers, marketing diffusion researchers have also been arbitrary at times in assigning the label "new" to a product under study without polling consumers on the issue (Downs and Mohr 1976).

Sometimes the innovation is obviously new, but marketing researchers should, as a rule, ask for consumers' opinions. To clarify this ambiguity, Robertson (1971) has prescribed a newness continuum in terms of the effect of the innovation on established consumption patterns:

1. Continuous innovation: has the least disrupting influence on established consumption patterns. Alteration of a product is almost always involved, rather than the creation of a new product. Examples include fluoride toothpaste, menthol cigarettes, and annual new-model automobile change-overs.
2. Dynamically continuous innovation: has more disrupting effects than a continuous innovation. Although it still generally does not involve new consumption patterns, it involves the creation of a new product or the alteration of an existing one. Examples include electric toothbrushes, electric hair-curlers, and the Mustang automobile.
3. Discontinuous innovations: involves the establishment of new consumption patterns and the creation of previously unknown products. Examples include television, computers, and cars.

Under this scheme, most new products would be classified as continuous innovations. But many classic diffusion studies, which have provided the foundation for marketing diffusion studies and which have been studied by marketing scholars, deal with discontinuous innovations. Water boiling is a discontinuous innovation in certain less-developed countries; indeed, such an innovation may actually lengthen life-spans. Unfortunately, U.S. consumers are not peasants, and a new toothpaste container does not enhance the quality of life here as boiling water does elsewhere.

This lack of cross-cultural comparisons due to the disparity between continuous and discontinuous innovations should be expected. The global firm has learned through trial-and-error that U.S. marketing practices are not simply transferable to other countries. Naturally there are similarities among countries which, when summarized, lead to higher-ordered generalizations. But such generalizations are not readily operational; they give only broad guidance to the marketer.

The final innovation-related comment deals with the competitive nature of marketing. If three firms introduce their own versions of the latest razor-blade technology, how is the innovation defined? Are there three innovations, or only one unbranded one? Many companies are remarkably skilled at quickly copying competitors' offerings. The consumer's decision is not "A or not A," but "A or B or C or . . . or some substitute product . . . or nothing at all." Most nonmarketing diffusion studies have not had to consider this competitive dimension.

#### Communication Channels

Communications channels are not an area of major conceptual disagreement when comparing diffusion research in different disciplines. Mass or interpersonal channels are the two basic options. In less competitive environments, potential adopters are not bombarded with so many claims and counter-claims. The basic difference is, the, that communications channels through which consumers learn about new products are more numerous and more contradictory (competitive) than communications channels which are operational in studies conducted by researchers in most other fields.

#### Time

The time dimension is another traditional element of the diffusion process which marketers, and perhaps diffusion researchers in general, have not treated adequately. Two specific areas merit attention: adopter categories and definition of adoption.

Researchers assume that adoption dates for a given item, if arrayed on a time continuum, are normally distributed according to the widely-used innovator-early adopter-early majority-late majority-laggard scheme. Innovators have often been defined as the first x% of the adopting population or all those who adopt the product within a specified time period following its introduction. Both approaches provide analytical convenience and facilitate comparisons between studies, but both are conceptually ambiguous.

The underlying assumption of normality has been questioned before. To say that the adoption pattern over time is normally distributed for every innovation is to ignore the individuality of each new product (Peterson 1973; Morgan 1977). Different factors may have varied degrees of influence from one situation to another, and certain variables may be important in one case and inoperable in others (Eckrich and Peter 1975; Darden and Reynolds 1974).

Adoption has been defined in a variety of ways,

but it is typically synonymous with one or more purchases of the new product (Andrus, Knutsen, and Uhl 1971; Morgan 1978). Again operational convenience has been the definitional guideline. Comparisons between studies are difficult when one researcher defines adoption as a single trial and another analyst insists on three or more purchases. Consumption patterns for an innovation over time are rarely examined in marketing diffusion research.

#### Social System

Two of the important roles taken by individuals within the social system are that of opinion leader and change agent. Opinion leaders have been identified for a large number of products and have been compared across several product classes (Corey 1971; King and Summers 1970). The consensus is that there is no generalized opinion leader across all, or even most, product categories (Schiffman and Gaccione 1974). Within a group of related products opinion leader types have been isolated.

The change agent, according to most experts, is the person who is attempting to bring about certain behavioral changes within a specified group of people. This person is a kind of benefactor in this role of influencing behavioral changes. While failure of the innovation may reflect negatively on the classical change agent's efforts (because of the involvement with or commitment to the innovation's success), the change agent's income and job are not usually endangered. The marketer's livelihood is directly related to his/her abilities to penetrate a large market and to retain a share.

The unique position of the marketing change agent can be further dramatized by examining the paradigm of types of social change presented by Rogers and Shoemaker (1971), as shown in Table 1.

In actuality, many new items are nothing more than attempts to match competitors' offerings. And accompanying every marketing innovation is a marketing plan, either stated or implicit, detailing the nature and timing of specific marketing tactics to facilitate the product's acceptance. So new products are planned changes, and exposure to them is not an uncontrolled occurrence. Generally the marketing innovation is a contact change, but the idea for the product may have originated with an inquisitive, helpful, or even irate consumer. The new product does not fit neatly into any of the categories of social change. It has characteristics befitting its inclusion in all categories.

#### SYNTHESIZING A MARKETING FRAMEWORK

Two conclusions can be drawn from the previous analysis. First, certain unique aspects of the marketing diffusion process must be recognized in the discussion of new product diffusion. Second, various procedures and assumptions of traditional diffusion research must be altered to conform to the needs of the marketer.

Marketing differs with respect to the traditional diffusion process in two fundamental and important

TABLE 1  
SOCIAL CHANGE PARADIGM

Recognition of Need for Change	Origin of the New Idea	
	Internal to Social System	External to Social System
Internal: Recognition is by members of the social system	Immanent change	Selective con- tact change
External Recognition may be by change agents outside the social system	Induced immanent change	Directed con- tact change

Immanent change: occurs when members of a social system with little or no external influence create and develop a new idea (that is, invent it), which then spreads within the system.

Selective contact change: results when members of a social system are exposed to external influences and adopt or reject a new idea from that source on the basis of their needs. The exposure to innovation is spontaneous or accidental; the receivers are left to choose, interpret, and adopt or reject the new idea.

Directed contact change: or planned change, is caused by outsiders who, on their own as representatives of change agencies, intentionally seek to introduce new ideas in order to achieve goals they have defined. The innovation, as well as the recognition of the need for the change, originates outside the social system in the case of the directed change.

ways: the presence of competition for the innovation and the active role taken by the marketer/change agent. The extent of competition is shown in terms of similar new products introduced at about the same time, incompatible messages sent through a variety of communications channels, pricing policies designed to influence the adoption rate or to reflect the limited supply, and the everpresent shadow of legal and ethical considerations. All of these factors cloud comparisons between marketing diffusion studies and other diffusion research carried out in non- or less-competitive environments.

Likewise, the activist marketer must be acknowledged as the driving force behind the new product. Rather than prescribing change, the marketer interprets latent and overt signals from the marketplace. If this forecast is correct and the planning thorough, the success of the item becomes more likely. The marketer is inextricably tied to the sponsored innovation.

This second conclusion, however, is quite operational and cannot be dismissed with only a warning about its significance. It is the basis for systematically examining the diffusion of new products, and it implies the need for a two-part framework:

1. an innovation classification scheme and

2. an adopter classification scheme.

#### Innovation Classification

New products vary considerably across studies in terms of their attributes and their impact on potential consumers. To facilitate comparisons, new products should be classified or grouped according to the same set of rules. While other criteria may be relevant at times, these four have often been used by marketing diffusion researchers:

1. effect of the product on existing consumption patterns,
2. price of the product,
3. conspicuousness of the product, and
4. trialability of the product.

The first standard is basically that suggested by Robertson (1971). The extent to which a new product is unlike anything else currently available should be verified by soliciting consumers' opinions. One study noted newness on a scale from one ("exactly like existing products or brands") to ten ("unlike anything else available on the market today") (Morgan 1977). Another approach is to have a panel of judges or experts rate the products independently of consumers' rankings. A series of questions, each aimed at a specific aspect of a multiattribute new product, could be used with the result being a weighted aggregate response.

The price of the new product is the simplest of the factors to obtain. Price can be used as a surrogate for degree of consumer commitment. As the price increases, the importance to the customer of the decision to try the new product increases also. An alternative consideration is to relate the price to income or wealth levels so that the relative significance of the purchase to each individual can be assessed. Buying new product A, priced at \$100, would probably entail more analysis than buying new product B, priced \$5. But if the consumer who was considering A earned \$50,000 per year and the potential buyer of B earned only \$2,000 annually, then B's decision may actually be relatively more critical to B than A's decision is to A. Knowing price-to-income ratios would greatly enhance comparative analysis of innovations.

Conspicuousness and trialability are attributes which have been proposed by others, but have never been fully implemented by marketers. Conspicuousness could be evaluated by the marketer or a group of experts; however, the consumer is once again the ideal source of information. As in the case of product newness, conspicuousness could be tied to a single scale or a multidimensional index.

Trialability refers to the degree to which the product lends itself to sampling or trial use. Is the product available in several package sizes? Can it be sampled, like many food items which come in very small packages? Or, once purchased, is the product long-lived. What product return policy accompanies the purchase? The answers to these questions can be translated into a trialability

rating, a measure of commitment to the item.

#### Adopter Classification

Instead of the arbitrary definitions of product adoption and innovators, the grouping scheme proposed here has two basic dimensions: time of first purchase or trial use and consumption patterns or usage intensity. Trial date incorporates a time benchmark into the classification system; however, it is not the only variable.

Usage intensity describes the extent to which consumers have co-opted the innovation into their lives. This dimension is product specific; thus, a definitive unit of measure cannot be given. As an example, usage of a video camera could be assessed in terms of number of film cassettes bought in a time period. Other product/services will require other measures.

A further refinement of traditional adopter research is to group consumers on the basis of similar trial dates and usage patterns. Any of several algorithms can be used to cluster the data. These two dimensions can be combined into a complex grouping base. Better yet, trial date can be kept separate to see if usage intensity varies according to time of first usage. In either case consumers are clustered according to data homogeneity, not according to convenient, arbitrary, temporal scales.

#### CONCLUSIONS

The framework developed in this discussion does not solve all problems confronting marketers studying the diffusion process. Issues such as accuracy of self-designated innovativeness, reporting of consumption data by respondents, determination of sample size, and scaling of the various indexes are not resolved. Research methodology is, thus, a separate matter.

Also, no attempt is made to classify the nature of the competitive environment within which new product diffusion occurs. Industry structure, including the number and size of competitors, legal restrictions, and currently accepted marketing practices would all have to be considered. However, the effect of competition, when comparing marketing diffusion studies with similar research in other disciplines, has been noted. The dynamic nature of a competitive setting diminishes the value of interdisciplinary comparisons for the marketer.

This systematic organizational scheme will permit marketers engaged in diffusion research to relate to similar research conducted by other analysts. The result will be the development of a consistent theory of diffusion for marketing, founded on consumers' participation in the classificatory process. Students should thus be able to appreciate the difficulties inherent in diffusion studies, making the adoption process a more meaningful notion.

References available upon request.

THE USE OF ACADEMIC MARKETING ARTICLES IN THE  
MARKETING RESEARCH COURSE: RATIONALES AND REACTIONS

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ABSTRACT

The authors describe how the intimidation surrounding the reading of articles in academic marketing journals can be lessened for undergraduate students in the marketing research class. By choosing one relevant article and devoting the entire semester to the discussion of the research principles and data analysis described in it, students should not be so reluctant to pursue other academic articles in the future. This paper describes the related pedagogical technique used in the marketing research class, the rationale for it, and what the student reactions are to the process.

INTRODUCTION

Chapters covering the use of secondary information in marketing research texts usually mention the top journals in the field (i.e., Journal of Marketing and Journal of Marketing Research) as important sources of information. However, when attempting to compile library sources for a research project, students tend to shy away from these journals because they are "too theoretical" or "too difficult to understand (Clark and Geisler 1986)". They will be much more likely to pursue articles appearing in Advertising Age, The Wall Street Journal, and Sales and Marketing Management than other more academic publications. Many times, outside reading assignments are necessary to force students to obtain experience with the feared journals.

The purpose of this article is to describe how using one well-chosen article from the marketing literature can serve several teaching purposes in the marketing research class. Also, student reactions to such a classroom technique are explored. It was thought that by concentrating on one major research-oriented academic article throughout the entire semester of a research course, the students would have more than sufficient time to understand the principles described in that article. Maybe then, they will not adopt such a negative view of the research course, which is often the case when high levels of effort must be exerted to understand required readings (Razek and Cone 1981). Also, since empirical articles present findings and statistical results, these topics can be covered at length while exploring the application of statistical techniques during the semester. The use of the major article also allows students to review an example of what is considered to be fairly good research by members of the marketing community. If the teaching article is chosen well, a wide range of research topics can be covered by allowing the article to serve as a focal point. Topics such as the necessity for a

thorough secondary search, formulating research objectives, choosing a sample, exploratory research, pretesting, administering a survey, and the reporting of findings are all covered in a good empirical piece. If an article can be found that describes how a summed index was constructed, then the students are able to obtain additional information about the research process. A good journal article serves as a nice supplement to the traditional research text.

From an instructor's point of view, the optimal article would address all of the above mentioned stages of a research project. For the chosen article to be relevant to the learning process, however, the article must be of interest to the students. An article exploring consumers' reactions to general marketing practices (e.g., sex roles in advertising) would be of more interest than one exploring the relationships among channel members. Also, the article must make use of statistical analysis of which the students are familiar.

Most statistics students admit that they quickly forget the material they learned after the semester is over. It is very unlikely that they will remember the intricacies of analysis of variance or regression when reading an article that makes use of these techniques. However, it is important that they at least recognize that at one time they did know a little about the procedures that are mentioned in the article. Therefore, an article which makes quite extensive use of LISREL or say, conjoint analysis, will probably not aid in the students' learning process. On the other hand, exposing the students to one or two new but less complex procedures or techniques with which they might not be familiar could expand their knowledge of statistical applications in a marketing research environment.

An additional nicety would be that the authors of the article have included a copy of the instrument they used to collect data. The copy of the survey serves as a helpful learning device in several ways. Students can critically evaluate the format and makeup of the items that appear on the survey. Also, copies of the instrument are made and students are asked to respond to the survey themselves. Afterwards, the student responses are entered into a data base and are subjected to data analysis assignments for the remainder of the semester. The idea here is that students would rather run assignments on data they themselves generated than on some data base that they had no role in creating. Comparisons can be made between the responses generated by the students and the findings reported in the article with the students attempting to explain any discrepancies.

## SUGGESTED ARTICLES

One recent article that has been used successfully in the marketing research class as a semester focus is by Gaski and Etzel (1986). The article explores the American public's feelings of consumer sentiment toward marketing practices. The scale construction stage of their instrument is discussed, along with reliability and validity properties of their measure. This discussion complements the sections of chapters in most research texts on the necessity of instrument validity. The Gaski and Etzel article discusses Cronbach's alpha, a technique which is certainly important in validity discussions, but rarely presented to the typical undergraduate student.

The article also engages in a thorough discussion of how to score and sum their Likert measure. Therefore, all the students have to do is carefully follow instructions contained in the article and they should be able to calculate their own "consumer sentiment" score. Most of the statistical analysis is very straight forward and should be familiar to the students. The authors discuss their findings in terms of means, correlations, and t-tests.

A point should be made that it is not very easy to find an appropriate article from the literature to use in the research class. One wants an article which is "meaty" enough without being overbearing. Presumably, the professor would want to use a publication from the last few years, so the number of potential articles to use is strictly limited.

As many professors can envision, most Journal of Marketing Research and Journal of Marketing articles would not be appropriate for undergraduates to read. If one is having difficulty finding relevant journals in these "top tier" publications in our discipline, then perhaps articles from the Journal of the Academy of Marketing Science should be considered. While concentrating on sound empirical works, the articles here do not appear to be so intimidating to students.

Ezell and Russell's (1985) "Single and Multiple Person Household Shoppers: A Focus on Grocery Store Selection Criteria and Grocery Shopping Attitudes and Behavior," was selected as an alternative article to use for the marketing research class. The article was chosen because it describes many aspects of the research process. The topic is general and interesting enough for any marketing student. Also, the authors used various statistics techniques such as t-tests and chi-square analysis for the study. The marketing research students should be fairly familiar with these techniques already and be able to understand the study. Finally, the article includes the actual survey, to which the students can respond and use in learning the applications of statistical techniques.

## ADMINISTRATION SUGGESTIONS

Perhaps the ideal way of beginning this project is to have a copy of the instrument taken from

the chosen article available for students to complete the first day of class. In addition to the instrument, questions such as age, previous computer and statistical experience, and a self analysis of skills considered important to the research process can be included. This survey is an ideal way of obtaining practical information such as a student's address and phone number.

From the start, students should be informed of the purpose of the survey. We have found that the students tend to take the project seriously if they know they are generating data that they will be working with later in the semester. Therefore, the article can serve as a discussion framework for the part of the semester covering secondary research, writing of questions, choosing samples, and writing reports. Next, the students use a statistical analysis package to produce frequency tables and conduct hypothesis testing based on their own data, and they interpret all computer findings. Then, at the end of the semester, they are to describe why their findings may differ from those of the authors of the article and from previous semesters of students in marketing research classes.

## CLASS CONSUMER SENTIMENT FINDINGS

The following is a description of the findings obtained by two semesters of marketing research students concerning the results generated from their data, a comparison to the article by Gaski and Etzel, and a summary of their reactions to the process.

Gaski and Etzel report a possible range of consumer sentiment scores of 200 to +200. They found a mean of -14.85. The mean consumer sentiment scores for two semesters of marketing research are +23.91 and +27.07. The positive mean scores, which are significantly different from a neutral score of 0 in both cases, reflect that the students have positive attitudes toward marketing. Since most of the students in the marketing research class are either majors or are interested in marketing, it is not surprising to obtain such high mean scores. Students are usually interested in whether there are relationships between consumer sentiment and age or one's GPA. While usually not significant, these possible relationships serve as exercises to demonstrate the correlation commands in the adopted statistical software package.

Also, consumer sentiment scores are correlated with the "marketing in general," "satisfaction," and "how infrequently consumers have problems" sections as used by Gaski and Etzel to establish convergent validity. As in the Gaski and Etzel article, consumer sentiment is significantly correlated with all alternate measures of feelings about marketing.

## Comparison to Gaski and Etzel's (1986) Findings

The Gaski and Etzel results and the classroom survey results differ in three ways. First, their consumer sentiment mean score is negative

while students' mean sentiment scores are positive. The difference is easily attributed to the difference in samples as discussed earlier. The research class students are favorably disposed toward marketing compared to general consumers. As a result, the classroom surveys have high positive mean scores in consumer sentiment.

In addition, Gaski and Etzel's study shows that male and female respondents have significantly different attitudes toward marketing. However, in our classroom survey, a t-test revealed that there are no significant differences between male and female students regarding consumer sentiment scores.

Finally, Gaski and Etzel have stated that consumer sentiment toward marketing has improved in recent years. Although there is an increase in the sentiment scores for the most recent semester's class, there are no significant differences between the two classes; and we do not have sufficient data to support the trend of attitude improvement. Future surveys in the marketing research classes are needed for further analysis.

#### Student Reactions

How did the students like the idea of using an academic journal article as supplementary material for a class? Students' responses were mostly positive. The consumer sentiment article gave students a larger picture of what marketing research is all about. Students obtained knowledge of the whole process of survey research including designing, implementing, analyzing, and evaluating an actual survey.

Due to the increased use of market surveys, it is very possible that students have been asked to fill out surveys before. Being survey subjects, students may find themselves very concerned about how others evaluate their responses or may feel frustrated because they are being "studied" by someone. The fact that students can actually fill out the consumer sentiment survey at the beginning of the semester and then analyze the results provides students an opportunity to look at the study from two standpoints, as a subject and as a researcher. Students then are more knowledgeable about both the respondent and the researcher's role in the research process.

Not only does the article provide a chance for students to discover how they feel about marketing, it also provides information about general customers' attitudes toward marketing in the United States. Knowing how U.S. customers feel about product quality, product price, advertising, retailing, and marketing in general, students will be able to identify, analyze and solve marketing problems when they enter the business world and begin their marketing careers.

The major frustration students had about the article was from the "unfamiliar" marketing and statistics terms. Although students were required to have statistics classes before they could take the research class, they might have taken them a couple of years earlier and for-

gotten most of the statistical techniques and terms. Also, many statistical terms such as "coefficient alpha" which are familiar to academic researchers are not covered in most beginning statistics books. The frustration may be reduced if the students are assigned readings which review certain statistical techniques before the article is presented to them.

#### SUMMARY AND LIMITATIONS

Using one academic marketing journal article as an example of how to formulate and implement a market research project provides a number of benefits. First, students usually will not approach an academic journal because it is considered to be difficult to read and understand. When only one article is used in a semester, students can devote more time to understanding the article in depth, and may be less intimidated with reading academic journals. Second, the article presents the materials from which the students can find out what they can expect to learn from the marketing research class. Finally, the article provides an overall picture of marketing research.

However, educators should not neglect the limitations of implementing the proposed method. The fact that only one article is being used creates several problems. Students do not gain exposure to a variety of research studies where different methodologies are used. Although having an entire semester to discuss the chosen article is beneficial, an additional suggestion is that students be given one academic and one business consulting report to enhance their learning. Then they would receive a broader view of both the academic and practitioner worlds.

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## ABSTRACT

### MARKETING ACROSS CULTURES THE PROJECT HEAD AS PILOT MAN OVERSEAS

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Arab, African and Asian business methods have endured for centuries, often due to their sophistication; yet rarely have Americans regarded them as sources of instruction. Most U.S. firms prefer to conduct international business ventures along familiar Western lines. We grow less certain when foreign counterparts use local methods. Often we react in ethnocentric terms, defining indigenous commercial tactics as devious or dishonest. One obvious alternative is to examine and make use of them.

This article explores the viability of using "third world" (Asian, Arab, African) cultural and commercial strategies to enter selected third world markets. Those chosen for analysis apply particularly to problems faced by "project heads" (field representatives, country managers, etc.) from small U.S. firms, when launching business ventures in non-Western nations.

Three of these strategies focus on the need to develop key foreign contacts as company allies. Western businessmen often ignore this step, preferring to focus on presentation of their product from the moment they arrive. Non-Western businessmen, in contrast, may place product presentation to one side. Instead, they focus first upon the new environment in which their product will be launched, learning both the local rules and which players can be of greatest use. This requires mastery of three third world recruiting tools: enlisting on-site allies, "collective" visiting and the "focused" business favor. Each of these is analyzed in terms of impact in non-Western business circles.

Two further strategies focus on development of at least one sample clientele, to serve as an initial testing center for the product. To reach such groups, however, project heads must solve three daunting problems: whom to contact, cultivation once contact is made, and linking sample clientele to product lines. This article explores solutions to these problems through using third world forms of cause-related ("social") marketings.

In the U.S., firms use "donation strategies" to tie philanthropy to profit, increasing sales by linking them to worthy causes. In most non-Western nations, a "donor strategy" proves more effective. This means the U.S. firm takes on a Patron's role towards sample groups it feels may prove receptive to its product, by providing goods and services to meet collective needs. One purpose is to transform its corporate image from "foreign" (thus suspect) to a "fatherly" (thus welcome) local presence. The second is to create

brand loyalty among sample group members by generating cause-related obligations to the firm.

The final strategy examines the need to expand beyond initial clientele into related markets. One method is to use individual group members in ways that benefit the firm, whether as problem solvers or living advertisements for the product. A second is to use the institutions to which sample groups belong (temples, guilds, youth wings, etc.) as the initial channels through which to spread the company message. A third is to reshape the sample clientele in such fashion as to meet future corporate needs.

Few U.S. project heads take time to use non-Western business methods, though weeks or even months can profitably be spent in cultivating key relationships before promotion of the product. Pre-launch preliminaries can disturb aggressive U.S. marketers who feel business should begin as they arrive. It may also aggravate home offices, where supervisors may feel that using time to build relationships may be unbusinesslike and thus unprofitable.

The use of time on local terms, however, might not surprise non-Western contacts. In Ethiopia, the more time spent on a problem, the greater its importance. In Indonesia, deadlines are defined in terms of "jam karet" (rubber time), those moments that most suit the needs of all concerned. Japanese perceive the time pre-launch preliminaries require as routine. One firm is said to have instructed key executives to spend five years researching business practice in the American Midwest, before launching a single product in that region.

What could our project heads achieve if given "years" (or even months) to study local methods? It seems unlikely that our business strategies would stay unchanged. Perhaps the time to start such studies is when sent as pointmen overseas, when on-site knowledge suddenly grows critical to those who launch new ventures. Recent studies state that more than one-third of U.S. corporate profits come from overseas activity. Nonetheless, 250 U.S. companies account for 80% of the volume, while only 20,000 others export at all. Another 20,000 smaller firms possess capacity to enter foreign markets but hover on their brink, uncertain how to actually begin. Perhaps examination of selected third world business concepts may suggest practical alternatives.