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The premise for this textbook is that because business students are not exposed to the rigorous materials of marketing at the right time of their formal education, they, as students now and as executives later on, do not appreciate the complexities marketing encompasses. Hence, many students and executives alike view marketing as easy, intuitive or amenable to natural learning and as a subject that does not require much formal training. The consequence of this perception is that marketing is not practiced in organizations with the right level of rigor or by individuals with the right level of expertise. Marketing decisions are made by the seat-of-the-pants by individuals with minimal formal training in marketing.

The premise for this textbook is that the very first course in marketing for MBAs should contain sufficient exposure to the rigorous and quantitative components of marketing besides the conceptual components of marketing. This additional exposure will draw appropriately talented students to the electives that cover the topics more completely. This textbook is also targeted for the capstone course for undergraduate seniors. They would by their final year have enough background in basic marketing and quantitative courses to absorb the materials of this textbook.

Currently there are no textbooks that do justice to both the conceptual issues and methodologically rigorous issues of marketing. It is this void that Essential Marketing Knowledge ... And Wisdom intends to fill.

### The Two Components of Marketing – Strategy and Operations

Marketing may be considered to be made up of two streams or components – the strategy stream and the operations stream. The strategy component of marketing comprises the philosophy that professes that the basic approach of conducting business should be based upon satisfying the needs of customers – whether current or future and whether expressed or latent. It claims that such philosophy assures the long term financial viability of a business. The first component incorporates macro issues such as target segments, positioning, value propositions, and so on. It entails knowledge that, to a large degree, is tacit and involves the right-brain creativity processes more than the structured left-brain processes.

The operations component of marketing is the part that involves the all important details of every one of the marketing functions and marketing know-how, e.g., how to listen to the voice of the market, how to research advertising effectiveness, how to measure brand equity, how to develop pricing strategies, how to develop and test optimal promotional strategies, how and when to establish relationships, and so forth. All these relate to and provide answers for an organization's day-to-day operations. Marketing models (quantitative, behavioral, or others) and research techniques constitute a significant part of this component. Knowledge in this component is mostly explicit and involves the left-brain processes more than the right-brain creative processes.

### Teaching the Two Components

In disseminating marketing knowledge, marketers err on two dimensions. Firstly, in their pedagogical approach, they do not differentiate enough between the strategy and operations components of marketing. Rather, they incorporate the two components into one unit and then treat that unit either as a science or as an art, neither of which is a perfectly accurate approach. Secondly, in teaching the operations component, marketers do not cover the necessary materials in sufficient detail to guard against their potential misapplication. Topics belonging in the realm of this second component are not taught with all the caveats spelt out. Nor are they comprehensively covered from all angles to provide solutions for all product-market nuances. Because of such treatment, many solutions that are proposed in marketing are either discarded all together or applied erroneously.

It is proposed that marketers consider it essential to delineate the strategy and operations components of marketing in teaching courses and in other methods of dissemination of marketing knowledge. As already mentioned, the knowledge-base represented by the two components is quite different – tacit in strategy and explicit in

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operations.

The strategy component of marketing, given its tacit nature, should be taught as much like an art as a science. A close analogy to this might be found in cooking, where a master chef needs to gain expertise about the science of food and also needs to master the art of cooking.

As far as the operations component of marketing is concerned, both the breadth and depth of what is imparted by academic marketers in its education can be improved, with the potential caveats and pros/cons in its practical application pointed out more effectively and thoroughly. As mentioned earlier, this component has heavyweight contents – quantitative and other models, research, simulation, and decision support systems, to name a few, to aid in marketing decisions. For any meaningful learning to occur in this regard, students ought to be *actually* engaged in real operational steps and processes, examples of which include: allocating and buying media for the dollar amount budgeted by a particular advertising strategy, writing story boards, conducting research to test the effectiveness of a message, learning and applying different advertising response models and reviewing their pros and cons, testing the effectiveness of various promotional strategies and campaigns, designing measurements systems for customer satisfaction and its drivers, and segmenting a particular product market with real data in a real competitive landscape. The point is that it is not sufficient for students to know, for example, only the hierarchy of effects and other psychological components of advertising. There is more to advertising in the business world than its scientific basis. The same is true for other areas of marketing.

The operational component of marketing should be taught as a series of electives each supported by a textbook. The structure of marketing electives generally presents ample scope and time for allowing incorporation of the aforementioned details. Marketing courses for MBA and undergraduate are generally less demanding and exacting than courses in subjects such as finance.

This textbook will provide a broad-brush coverage of both the components of marketing with supporting materials to teach each of the components in the appropriate manner. It will provide a flavor of all that is to come in the electives that follow. The textbook will also take stock of existing marketing knowledge and outline where all marketing knowledge is deficient and which information is still missing at this juncture. This would be helpful to students as it would point out what and how to practice and where to be careful.

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