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A Description and Analysis in Terms of Kotler's  
Marketing Orientation of Selected University  
Marketing Agencies Which Sell Faculty-Developed  
Non-Print Materials  
presented by

Betty L. Decker

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A DESCRIPTION AND ANALYSIS IN TERMS OF KOTLER'S  
MARKETING ORIENTATION OF SELECTED UNIVERSITY  
MARKETING AGENCIES WHICH SELL FACULTY-DEVELOPED  
NON-PRINT MATERIALS

By

Betty L. Decker

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## ABSTRACT

### A DESCRIPTION AND ANALYSIS IN TERMS OF KOTLER'S MARKETING ORIENTATION OF SELECTED UNIVERSITY MARKETING AGENCIES WHICH SELL FACULTY-DEVELOPED NON-PRINT MATERIALS

By

Betty L. Decker

This study was undertaken to identify and describe the characteristics of university Marketing Agencies in terms of the marketing orientation model. The model was used to explain relative marketing effectiveness through the use of the Marketing Effectiveness Rating Scale (MERS). The description of the characteristics of existing Marketing Agencies and the rating of their relative effectiveness as explained by the model would be useful for existing Agencies as an evaluative tool. It could also be used by universities which are interested in establishing a Marketing Agency. In addition, the perceived hindering and facilitating characteristics of the university setting were identified. Questionnaires were sent to all seventeen Marketing Agencies identified in the search for members of the population. A follow-up telephone interview was used to answer any questions which the respondents might have, and to ensure the return of all questionnaires.

Frequencies and percentages were calculated for the data collected. Medians and ranges were reported for financial data. MERS scores were calculated using the scoring system.

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Analysis of the results showed general support for the marketing orientation model. Those Agencies which scored most highly on MERS also reported greater financial success; fourteen Agencies (82%) had listed revenue generation as their primary goal. The two hindering characteristics listed by the Agencies were their exclusion from the new product development process and restrictions on advertising by the university. Facilitating characteristics included lower cost services, the prestige of the university's name, the ability to market "slim market" materials, and the availability of the faculty for assistance.

A series of conclusions and general recommendations were formulated for Marketing Agencies to use to become more effective marketers. Since these recommendations were quite extensive, a first year action plan was also formulated based on three general marketing plans, i.e. intra-Agency, intra-University, and off-campus.

To my mother,  
Beatrice Joyce Hill

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## CHAPTER I

### THE PROBLEM

The purpose of this study was to gather sufficient information to accurately describe marketing organizations within universities which sell the non-print materials developed by the institutions' faculty and staff. Marketing Agencies were then analyzed in terms of a general marketing model. The model was used as a basis for explaining the relative level of effectiveness of the Marketing Agencies in reaching their goals. This study also identified particular variables which acted as constraints on the Agency's performance because of the university environment in which it operated. Finally, the study offered a set of recommendations against which existing Marketing Agencies can compare themselves and which universities establishing new Marketing Agencies can use to make the decisions about policies and procedures under which the Marketing Agency must operate.

#### Statement of the Problem

The marketing of university admissions, academic programs, and services has been researched but little has appeared about the characteristics of university marketing agencies, hereafter called Marketing Agencies, which sell the non-print materials developed by the faculty and staff.

The Marketing Agencies examined in this research were units which act as the central marketing outlet for non-print materials such as computer software, video, slide/tape, audio/print, and other forms of media developed as instructional materials primarily by the university's faculty and staff.

There are two problems. First, little is known about Marketing Agencies. Information is lacking about organization, policy, funding, types of materials offered, marketing strategies used, and their relative level of success. Secondly, there seems to be no criteria or model against which the performance of a university Marketing Agency has been evaluated. Without such criteria, efforts to improve the effectiveness of an Agency must be by trial and error and without specific direction.

#### Purpose of the Study

The purpose of this study was to gather sufficient information to accurately describe and analyze university Marketing Agencies. This analysis provided the basis for a set of recommendations which could be used by existing Marketing Agencies to improve their effectiveness or by universities to establish new Marketing Agencies. This study also identified hindering and facilitating characteristics of the university environment on the operations of the Marketing Agency.

The recommendations generated for analyzing and improving Marketing Agencies were based on comparison with the marketing orientation as developed by Kotler (1975 & 1982). This descriptive model has been used by Kotler to rate the overall marketing effectiveness of organizations engaged in marketing activities. Marketing is defined as:

"the analysis, planning, implementation and control of carefully formulated programs designed to bring about the voluntary exchange of values with target markets for the purpose of achieving organizational objectives. It relies heavily on designing the organization's offering in terms of the target market's needs and desires, and on using effective pricing, communication and distribution to inform, motivate and serve markets (Kotler, 1982:6)."

According to Kotler, the marketing orientation is only one of five orientations which organizations may demonstrate. The particular emphasis of each of the five orientations and their basic assumptions are described in Kotler's Principles of Marketing (1980:20-6). The other four orientations are: production, product, sales, and societal. Each is described in the following paragraphs.

### Kotler's Model

#### Organizational Orientations

The marketing orientation is the orientation which Kotler contends will make an organization most successful in achieving its marketing goals. An organization which favors the marketing orientation believes that the key to achieving its goals consists of determining the needs and wants of target markets and adapting the organization to deliver the

desired satisfaction better than the competition. The underlying premises of the marketing orientation are as follows: First, consumers can be grouped into different market segments by their needs and wants. Second, consumers in any market segment will favor the offer that best meets their needs and wants. Third, the Marketing Agency's task is to research and choose target markets and deliver effective offerings and marketing programs as the way to attracting and holding customers. As part of his own research, Kotler (1977) developed a questionnaire which he used to rate an organization's marketing effectiveness in terms of the marketing orientation. Later, he published an operational plan which organizations could use to become more marketing oriented (Kotler, 1979).

The production orientation assumes that the customer will favor products which are available and affordable. Therefore, the main tasks of marketing agencies are to pursue improved production and distribution efficiency. There are four implicit assumptions for the production orientation. First, consumers are primarily interested in product availability and low price. Second, consumers know the prices of competing products. Third, non-price differences are not important to consumers. Fourth, the marketing agency's task is to lower prices by improving production and distribution efficiency as the method for attracting and holding customers.



Organizations which favor a product orientation assume that the consumer will prefer those products which offer the most quality for the price. Therefore, the marketing agency should devote its energy to improving product quality. There are five implicit assumptions in the product orientation. First, consumers buy products rather than solutions to needs. Second, consumers are interested in product quality. Third, consumers know the quality and feature differences of competing products. Fourth, consumer choice is based on the most quality for the price. And fifth, the marketing agency's task is to keep improving product quality as the way to attract and hold customers.

The organization which guides its exchange activities by a sales or selling orientation believes that consumers will either not buy or not buy enough of the seller's products unless a significant effort is made to stimulate customer interest in the seller's product. There are three implicit assumptions in the selling orientation. First, consumers have a normal resistance toward buying most products which are not necessary. Second, consumers can be persuaded to buy more through various sales strategies. Third, the marketing agency's task is to organize a strong sales department as the way to attract and hold customers. In the sales orientation, any flaws in the product are hidden from the potential customer because the emphasis is with sales and not with customer satisfaction. Such agencies

concentrate on hard-sell sales tactics and slick promotion while de-emphasizing other aspects of marketing.

The last of the five orientations is the societal marketing orientation. The organization which practices this orientation believes that the marketing organization has two main tasks. The first is to determine the needs, wants, and interests of target markets, and to adapt the organization to meet those needs better than the competition. The second task of the organization is to accomplish the above only in ways which preserve and/or enhance the consumer's and society's long-range well being. For example, if the auto companies were practicing a societal marketing orientation, they would have developed products which satisfy customer needs and wants which did not pollute the atmosphere, can not be driven by an intoxicated person, and would not rust or otherwise harm the environment or the quality of life. There are three implicit premises in the societal marketing orientation. First, consumers' wants do not always coincide with their own or society's long-run interests. Second, consumers will increasingly favor those marketing agencies which show a concern for the consumer's and society's long-range well being in products which meet the consumer's wants. Third, the marketing agency's task is to meet consumers' wants in a way that satisfies the consumer but also has long-range individual and societal benefits as the way to attract and hold customers. There is growing support

for this perspective in the field of marketing (Lavidge, 1970; Dawson, 1971; Kotler, 1972).

Of the five orientations of production, product, sales, societal, and marketing, Kotler contends that the marketing orientation will enable an organization to be most successful in achieving its marketing goals. To be marketing oriented, an organization must exhibit five characteristics to a high degree. These characteristics are customer-centered philosophy, adequate marketing information, integrated marketing organization, strategic orientation, and operational efficiency. Figure 1, presents a schematic of this researcher's conceptualization of Kotler's marketing orientation.

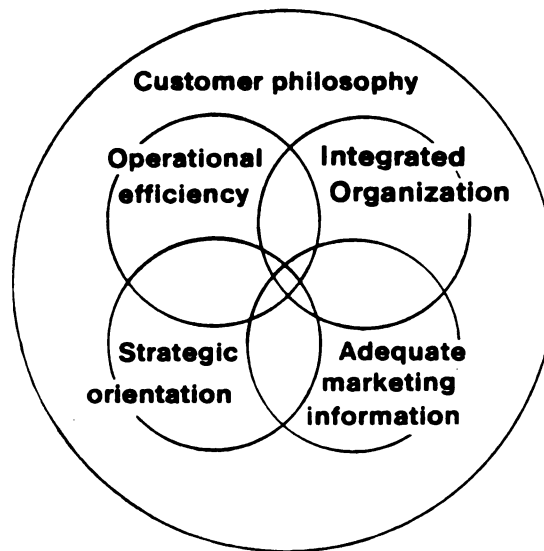


Figure 1. Conceptualization of Kotler's marketing orientation.

In the marketing orientation, Kotler describes the characteristic of client-centered philosophy as being the base which encompasses the other four characteristics. The client-centered philosophy is the key to more effective marketing and is the single characteristic which separates the marketing orientation from the other less effective orientations of production, product, sales, and societal.

#### Marketing Orientation Characteristics

The marketing orientation has five characteristics. According to Kotler, organizations which possess all of these characteristics to a high degree are predicted to be more successful in reaching their marketing goals than those organizations which concentrate on only one or two of the characteristics. All organizations may possess some or all of the characteristics to some degree. The characteristics of the marketing orientation are as follows:

To rate highly on the characteristic of customer-centered philosophy, the organization must acknowledge that the marketplace's and consumer's needs and wants are the most important factors in shaping organizational plans and operations. To be customer-centered, the organization must study the marketplace continuously, select the best parts of the market to serve, and shape the organization to offer superior value to the chosen customers in terms of their needs and wants. This includes not only customers, but also

suppliers, supporters, distributors, and others who can have an impact on the success of the organization.

The characteristic of adequate marketing information consists of the kind and quality of information which the organization needs to conduct effective marketing. Effective marketing requires that decision makers have enough information for planning and allocating resources to different markets, products, and marketing tools. Marketing tools consist of the 4 P's of product, price, place, and promotion/communication (McCarthy, 1968:31-3). Such information would include recent studies of consumers' preferences, perceptions, buying habits, and information which monitors both direct and indirect competition. It would also include good information regarding the sales potential and profitability of different market segments, products, channels, order sizes, and an accounting system which gives profit by line item so that the results of marketing expenditures can be evaluated.

The characteristic of integrated marketing organization requires that the organization be staffed so that it will be able to carry out marketing analysis, planning, implementation, and control. The organizational structure must reflect the client-centered philosophy through the various marketing positions which are designed to serve the needs of important market segments, territories, and product lines. Marketing management must be able to effectively work with other departments within the organization in a way which

earns both respect and cooperation. Finally, the organization must have a well-defined system for developing, evaluating, testing, and launching new products because these form the basis for the organization's future.

To rate highly on strategic orientation, the organization must generate innovative strategies and plans for long-run growth and profitability if these are the agency's goals. The strategies are based on the organization's philosophy, organization, and information resources. This requires a formal system for annual and long-range planning. The plan leads to a core strategy that is clear, innovative, and data-based. It must look ahead for contingent actions which might be required by new developments in the marketplace. However, regardless of the amount and quality of market planning, marketing effectiveness cannot be achieved unless plans are efficiently carried out at the various levels of the organization.

Operational efficiency is achieved when marketing plans are implemented in a cost-effective manner and results are monitored for quick corrective action. For the organization to be operationally efficient, all employees must act as though the client's interests are most important. Adequate resources must also be available to do the various marketing activities; and organizational systems must be able to react quickly and intelligently to on-the-spot developments in the marketplace.

Organizations which demonstrate high levels of competence on the five characteristics of client-centeredness, adequate marketing information, integrated marketing organization, strategic orientation, and operational efficiency can be described as following Kotler's marketing orientation. Kotler (1982) contends that organizations with a marketing orientation will be more successful in reaching their marketing goals than organizations which follow any of the other four orientations of production, product, sales, or societal. Obviously all Marketing Agencies will perform some of the activities which comprise each of the characteristics of the marketing orientation. However, Kotler contends that to be truly effective, agencies must pursue all of the characteristics to a high degree. From the research generated by Kotler's Marketing Effectiveness Rating Scale (MERS) (1977), a scoring system has been developed for measuring an organization's marketing effectiveness. The data collected and the score from the MERS are used as basis for working with members of an organization to improve the organization's marketing orientation and effectiveness.

#### Need for the Study

The results from this study can fill a number of current needs. First, it will provide a comprehensive description of university Marketing Agencies; there is no such description currently available. Second, it will provide a listing

of major university Marketing Agencies which can be used to locate finished materials on particular topics. Third, it will provide a set of recommendations which can be used by universities interested in establishing new Marketing Agencies. There is some interest within universities in the revenues which such Agencies can generate. Fourth, the recommendations are based on a marketing model and could be used by existing Marketing Agencies to compare their present marketing procedures/policies and make decisions concerning improving their marketing efforts. Fifth, this study will identify characteristics within the university setting which may act to hinder or facilitate the Marketing Agency's ability to act as an effective marketer. Having been identified, universities can make decisions to minimize hindering characteristics and optimize facilitating characteristics in view of the expected performance of the Marketing Agency as a marketer. Sixth, accessible information about established Marketing Agencies could save institutions of higher education money in terms of new materials development. Costs could be lowered if materials are purchased and adapted rather than developed from inception. Seventh, the application of the marketing research segment of the marketing model would allow institutions to establish planned programs for materials development by matching their own needs with segments of the educational market for which materials have not yet been developed, but for which a need can be established.



### Value of the Study to Educational Technology

Information from this study can be useful to instructional development professionals. It would provide a listing of university Agencies which sell developed instructional materials. This could save time and money expended in duplicating developmental efforts already completed at other universities. The developer's efforts could then be concentrated in development of materials which do not already exist and on the adaptation of existing materials. It is possible, that in this way, more instructional needs may be met; thus improving the instructional developer's effectiveness.

It is also possible that this study could assist instructional developers in the dissemination of their instructional products through the establishment of Marketing Agencies. Revenues generated by Marketing Agencies could be used in support of developmental activities. Royalties distributed to the faculty from sales of instructional materials could act as an incentive for the faculty to spend the time required to produce non-print instructional materials.

### Theoretical Base

The relative success of Marketing Agencies depends on their ability to facilitate exchanges of value. To "sell" their products to clients who need them, to produce new materials to satisfy emerging market needs, and to earn more

than they spend, are all critical to continued survival. An understanding of the theoretical basis for marketing, the exchange of value, is important as a first step in understanding Marketing Agencies.

The "exchange Paradigm" has emerged in the marketing literature as the most useful framework for understanding marketing behavior (Bagozzi, 1975:32). Bagozzi (1974:78) defines the exchange system as:

"a set of social actors, their relationships to each other, and the endogenous and exogenous variables affecting the behavior of the social actors in that relationship."

Social actors may include salespersons, retailers, consumers, advertisers, stockholders, and others. Relationships are defined as connections or patterning between social actors, such as roles. The endogenous and exogenous variables represent causal factors superimposed on both the social actors and the relationships between/among the actors, including social, psychological and physical phenomena (Bagozzi, 1974:78). Under this type of expansion over more traditional simplistic formulations of exchange, the exchange system can be interpreted as a process of cause-and-effect relations which depend on the actions of the actors as well as external factors. Bagozzi (1974:79) bases his exchange system, in part, on the work of Tedeschi, Schlenker, and Bonoma (1973) in social influence processes. Figure 2 uses the salesperson/customer relationship as an illustration of this expanded exchange system. Some of the

endogenous variables to be considered are attraction, resources, prestige, esteem, role position/status, message credibility, reward/punishment, relative product, and money relations.

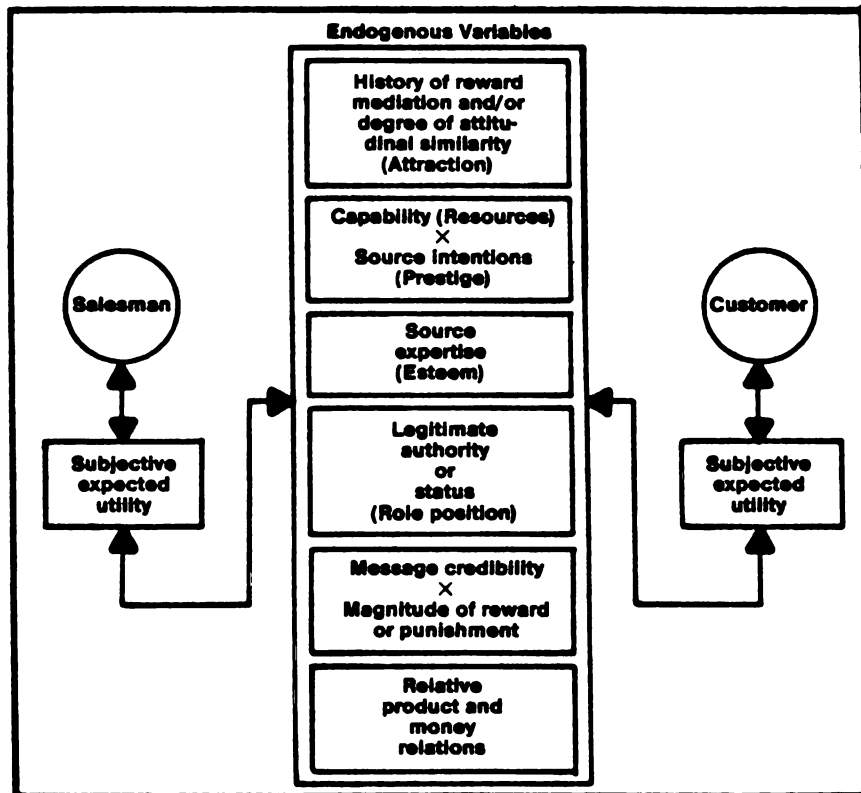


Figure 2. An expanded representation of the customer/salesman dyad. Source: R. Bagozzi, "Marketing as an Organizational Behavioral System," Journal of Marketing (October, 1974), (38), p. 79.

In addition to the endogenous variables proposed, certain exogenous variables will also need to be considered. These can include the company's goals, policies, social norms, ethics, legal restrictions, competitive offerings, and the various needs and limitations which effect customers

as social actors. These exogenous variables are illustrated in Figure 3.

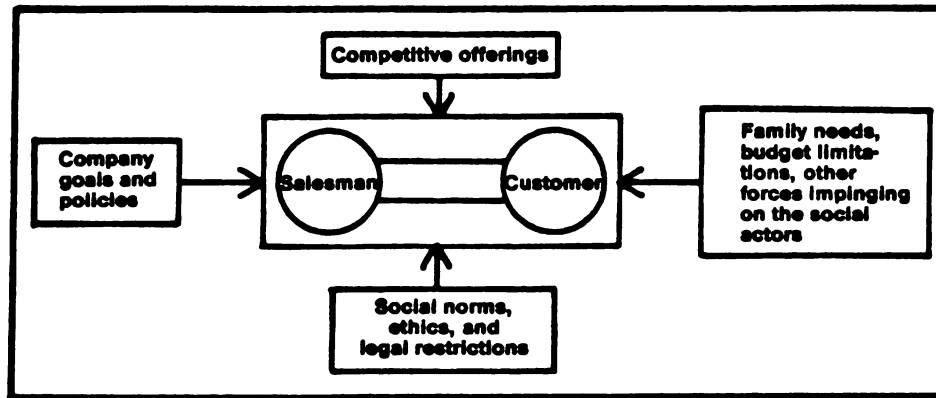


Figure 3. Some exogenous variables in the customer/salesman dyad. Source: R. Bagozzi, "Marketing as an Organized Behavioral System," Journal of Marketing (Oct., 1974), p.81.

In general, there are three types of exchange relationships which have emerged in social exchange theory: restricted, generalized, and complex. The distinction between generalized and restricted exchange was first made by Levi-Strauss (1969). Extended, critical analysis of these two types of exchange appears in Chapter III of Social Exchange Theory: The Two Traditions by Peter Ekeh (1974).

Restricted exchange refers to two-party, reciprocal relations where the actors give and receive exchanges as consumers, retailers, salespersons, organizations, or collectives (Ekeh, 1974:50). Restricted exchanges exhibit two characteristics: 1) there is a great attempt to maintain equality, especially in the case of repeatable social exchange acts; 2) there is a notion of quid pro quo where

mutual reciprocities are cut short. There is an attempt to balance activities and exchange items as part of the mutual reciprocal relations (Ekeh, 1974:51-2). Additional research has been conducted in the area of equity and inequity in exchange situations (Adams, 1963; Adams and Freedman, 1976; Huppertz, et al., 1978) under the general theoretical category of cognitive dissonance (Festinger, 1957).

Generalized exchange denotes univocal reciprocal relationships among at least three actors in the exchange situation. Univocal reciprocity occurs if "the reciprocations involves at least three actors and the actors do not benefit each other directly, but only indirectly (Ekeh, 1974:48 & 50)." In generalized exchange, the social actors form a system where each actor gives to another and receives from someone else. Such exchanges do not conform to the usual notions of quid pro quo but do constitute a marketing exchange (Bagozzi, 1975:33).

Complex exchange refers to a system of mutual relationships among at least three parties. Each actor is involved in at least one direct exchange, while the entire system is organized by an interconnecting web of relationships. Complex chain and complex circular exchanges involve predominantly conscious systems of social and economic relationships. Alderson termed such an overt coordination of activities and expectations an "organized behavioral system" which he reserved for the household, the firm and the channel of distribution (1965:Chapter 1). A group of

researchers which include Frazer (1919), Homans (1974) and Blau (1964) have worked in the area of generalized and complex exchanges in relatively unconscious systems of social and economic relationships. These writers have based their theories of exchange on the assumption of individualistic self-interest as the foundation for the web of kinship, economic, and social relationships. They have diverged from the exchange tradition developed by Levi-Strauss which is based on socialistic, collectivistic rather than individualistic assumptions about generalized exchange (Levi-Strauss, 1969; Ekeh, 1974: Chapters 3 & 4).

In order to satisfy human needs and organizational resource needs, people, and organizations are compelled to engage in social and economic exchanges with other people and organizations. By complying with or influencing the behavior of others, needs are met. This is done by controlling and communicating the media of exchange, which in turn, comprises the links between individuals and organizations. The media of exchange are the vehicles by which individuals and organizations satisfy their needs and may include such things as money, persuasion, punishment, power/authority, inducement, and activation of normative and ethical commitments (Parsons, 1963:37-62; Parsons, 1963:232-62; Emerson, 1962:31-40). Products and services are also vehicles of exchange, and marketing is concerned not only with influence processes, but also with meeting existing needs and anticipating future ones. Marketing is more than the transfer of

a product or service for money. The explanation of its occurrence lies in social and psychological experiences, meanings, and feelings of the parties in the exchange. In general, marketing exchanges may exhibit one of three classes of meanings: utilitarian, symbolic, or mixed (Bagozzi, 1975:35-6).

The utilitarian exchange, often called the economic exchange, is an interaction wherein goods are exchanged for money or goods, for the anticipated use or tangible characteristics associated with the goods. Utilitarian exchange theory is built on the base of the idea of "economic man" (Schneider, 1974). The theory of economic man assumes that man is rational, will attempt to maximize satisfaction, will have complete information on all available alternatives, and the exchange will be relatively free from external influences.

Symbolic exchange is involved with the mutual exchange or transfer of psychological, social, or other intangibles between two or more actors.

"...symbol is a general term for all the instances where experience is mediated rather than direct; where an object, action, word, picture, or complex behavior is understood to mean not only itself but also some other ideas or feelings...People buy things not only for what they are, but also for what they mean (Levy, 1959:117-9)."

Sellers of goods are concerned not only with selling practical merchandise, but with selling symbols as consumers move away from priority concerns with survival.

Mixed exchanges involve both utilitarian and symbolic exchange aspects which are usually difficult to separate. Marketing must be concerned with the creation and resolution of marketing exchanges which involve a mix of utilitarian and symbolic exchange aspects. The picture of people as complex entities striving for both economic and symbolic rewards has led to the emergence of the study of "marketing man" which is based on the following assumptions: 1) "Man" is sometimes rational and sometimes irrational. 2) He/she is motivated by tangible as well as intangible rewards, by internal as well as external forces which may be present or anticipated in the future. 3) He/she engages in both utilitarian and symbolic exchanges involving social and psychological aspects. 4) He/she goes ahead with decisions based on incomplete information and very rudimentary calculations of costs and benefits. 5) "Marketing man" will often settle for less than optimum gains from exchanges although he/she may try to maximize. 6) Exchanges are subject to many individual and social constraints which may include legal, ethical, normative, and coercive considerations, among others (Bagozzi, 1975:37).

In a broad sense, marketing as defined in this research can be described and understood within the framework of general system theory (Von Bertalanffy, 1962). For example, expanded exchange systems are open systems with many influences from both within and without affecting the actions of people and organizations. The continuous effort to satisfy



consumers' needs better, both in the present and in the future, keeps new energy working within the system. So it is continually adapting and changing to offset positive entropic inclinations i.e., the tendency for organized systems to deteriorate. Certainly, the success of exchange as describing the area of marketing depends on continuous feedback for the actors in the exchange so that the system continues to evolve to more complex states.

### Research Questions

The following three questions were formulated to guide this research:

1. What are the characteristics of university non-print Marketing Agencies as they now exist?
2. What level of perceived marketing effectiveness currently exists in university non-print Marketing Agencies?
3. What characteristics of the university environment, if any, do Marketing Agencies perceive as hindering or facilitating their ability to operate as effective marketers?

Question 1 seeks to establish what actually exists at the present time. There are Marketing Agencies in universities which are selling non-print instructional materials, but they are few and little is known about them. The information for this question will establish the important

characteristics of these Agencies such as their policies, procedures, income, funding, history, and goals.

Question 2 seeks to establish the level of marketing effectiveness of Marketing Agencies according to their own perceptions. This is accomplished through the use of the Marketing Effectiveness Rating Scale (MERS) an instrument developed and used by Kotler (1977). The actual language and form of the questions were altered somewhat to facilitate its use as applied to university Marketing Agencies. The original MERS appears in Appendix 1. MERS is based on the five characteristics of Kotler's marketing orientation.

Question 3 seeks to identify the characteristics of the university setting which Marketing Agencies perceive as hindering or facilitating their effort to do an effective marketing job. University Marketing Agencies may be insurmountably affected by restrictions placed on them by the institutions of which they are a part. The differences cited by Weinberg and Lovelock (1978) between non-profit and profit organizations may keep university Marketing Agencies from being effective marketers. Or, it may be the case that these agencies as "self-sufficient, single-constituency operation(s), (are) a close analogue to the profit-oriented company. Therefore, traditional business concepts and techniques can be applied to (their) marketing needs (Shapiro, 1973:130)."

### Limitations of this Research

This research has been limited in a number of ways with respect to the population of interest.

1. Only central service units which served the whole university rather than a single college or department were selected.
2. The Marketing Agencies were recognized by their institutions as the vendor for non-print materials.
3. The Marketing Agencies actually sold non-profit materials developed primarily by the faculty and staff.
4. Only Marketing Agencies in institutions of higher education with at least four year academic programs were used.
5. Only institutions located within the United States were included.
6. Only Marketing Agencies which vended copyrighted rather than patented materials were included in the study.
7. Since the instrument used was a survey instrument, the data collected is subjective in nature.
8. No compilation of subject titles offered for sale by the Marketing Agencies was attempted.

### Assumptions

This study is based on some general assumptions concerning Marketing Agencies. The first is that these Agencies

are not able or meant to earn a profit in the sense that commercial marketers are required to do. Revenues generated by university Marketing Agencies are used to support the larger goals and objectives of the institution in some way. Thus, revenues are paid out as royalties to the authors, as payment toward the costs of production, in support of the Marketing Agency's costs in performing its function and/or in the dissemination of university developed innovative materials.

The second assumption is that it is neither realistic nor desirable to try to separate the functions of the Marketing Agency from the larger institution. The goal is to improve the effectiveness of its operations and thus improve its service to the university.

The third assumption of this study is that the application of research and techniques from the field of marketing is a valid method for achieving greater marketing effectiveness. However, marketing effectiveness is a relative measure which will have to be worked toward over time and in a systematic way. It will take careful planning and determined effort to bring about changes within the institution which are necessary if the Marketing Agency is to become marketing oriented.

#### Key Definitions

Adequate marketing information - a component of the marketing orientation. It involves sufficient, timely, and

accurate information to allow management to make decisions concerning the allocation of resources to ensure greatest marketing effectiveness.

Client-centered philosophy - the key component to the marketing orientation. Requires that all of the Agency's efforts and resources be directed to satisfying identified client needs and wants.

Integrated organization - a component of the marketing orientation. It involves the ability of the staff to work cooperatively and in coordination with others to carry out the marketing functions of analysis, planning, implementation, and control. This includes the new product development process.

Market - a distinct group of people and/or organizations that have resources which they want to exchange for something of distinct benefit to themselves (Kotler, 1982:56).

Marketing - "...is the analysis, planning, implementation, and control of carefully formulated programs to bring about the voluntary exchange of values with target markets for the purpose of achieving organizational objectives. It relies heavily on designing the organization's offering in terms of the target market's needs and desires, and on using effective pricing, communication, and distribution to inform, motivate, and serve markets (Kotler, 1982:6)."

Marketing Agency - a formal organization within a university's structure with the primary purpose of marketing

the non-print copyrighted materials developed primarily by the faculty and staff of the institution as part of or as a result of their employment.

Marketing mix - the particular blend of controllable marketing variables that the firm uses to achieve its objectives in the target market (Kotler, 1982:108).

Marketing oriented - the main task of the organization is to determine the needs and wants of target markets and to satisfy them through the design, communication, pricing, and delivery of appropriate and competitively viable products and services (Kotler, 1982:22).

Operational efficiency - a component of the marketing orientation. It involves the optimal use of resources, the cost effective implementation of plans, and the ability to react quickly, and effectively to on-the-spot developments in the marketplace.

Product - anything that can be offered to a market to satisfy a need. It can include physical objects, services, persons, places, ideas, and organizations. Other names for a product would be an offer, value package, or benefit bundle (Kotler, 1982:291).

Product oriented - the major task of the organization is to put out products which it thinks would be good for the customer (Kotler, 1982:21)

Production oriented - the major task of the organization is to pursue efficiency in production and distribution (Kotler, 1982:21).

Public - a distinct group of people and/or organizations that has an actual or potential interest and/or impact on the organization (Kotler, 1982:47).

Sales or selling oriented - the main task of the organization is to stimulate the interest of potential customers in the organization's existing products and services (Kotler, 1982:22).

Strategic orientation - a component of the marketing orientation which involves the setting of goals, objectives, and formulating both annual and long-range plans for reaching those goals. Includes planning for contingencies which may occur so that the Agency can optimize or minimize the effects.

Additional definitions can be found in Appendix 5 of this study.

### Summary

The purpose of this study was to gather information about Marketing Agencies in universities. This was done because there is currently very little known about these Agencies, nor has there been any attempt to establish their effectiveness as marketers in their own environment. It has not been established whether or not Marketing Agencies are adversely or positively affected by their location in universities. In addition, information about Marketing Agencies may be used by universities as a guide for making decisions concerning establishing new Agencies and by

existing Agencies as a comparison for possible organizational changes which may increase marketing effectiveness.

Information was sought to answer three questions concerning present characteristics, perceived marketing effectiveness, and the perceived effects on marketing effectiveness caused by the university site. To measure perceived marketing effectiveness of the Marketing Agency, the Marketing Effectiveness Rating Scale was used (Kotler, 1977). This instrument was based on a general descriptive model in the field of marketing for non-profit organizations (Kotler, 1975 & 1982). The model had five characteristics including client-centered philosophy, adequate marketing information, integrated marketing organization, strategic planning, and operational efficiency. The marketing orientation model was grounded in the "exchange paradigm" and on the premise of "marketing man" rather than "economic man" (Bagozzi, 1973 & 1974). The literature review which supports the marketing orientation follows in Chapter II. Chapter III describes the population, the data collection instrument, data collection procedures, and the data analysis. Chapter IV presents the data collected and the results of the data analysis. Chapter V is a discussion of the conclusions and the recommendations.



## CHAPTER II

### REVIEW OF RELATED LITERATURE

Although there is little in the literature concerning university Marketing Agencies, there are a number of related areas involving marketing in higher education and in the profit sector. Literature concerning marketing in higher education is now at the stage of arguing for the application of marketing principles and strategies (Lucas, 1979; Litten, 1980). Little has appeared concerned with the analysis of educational institutions which have been successful from a marketing perspective. There is nothing in the research concerning marketing in the non-profit sector which approaches the extensive study performed by Peters and Waterman (1982) to identify the variables which make some large corporations more successful than others. The findings of the Peters and Waterman study, as well as others, have been applied in this chapter in support of the marketing orientation developed by Kotler (1982).

This chapter is organized to present a description of related literature, a summary of the evolution of marketing, a discussion of the peculiarities of higher education with respect to marketing, and five orientations toward marketing which organizations can demonstrate. The largest portion of the chapter treats the characteristics of Kotler's marketing orientation, i.e. client-centered philosophy, adequate

marketing information, integrated marketing organization, strategic orientation, and operational efficiency.

#### Related Areas in Higher Education Research

Extensive work for this review found only four articles which treated the topic of the university as a publisher of non-print instructional materials (Bowen, 1974; Gaunt, 1976; Decker, 1982; Pike, 1985). There were also a few articles concerning ownership and copyrights for intellectual and/or instructional materials developed by university faculty (Cosello, 1977; Silverstein, 1978). The scarcity of research concerning university Marketing Agencies does not mean that institutions of higher education are not interested in the area of marketing as evidenced by the variety of university activities to which marketing has been applied. During the last ten years, marketing topics have appeared on the agendas at most educational meetings (Vaccaro, 1979:18). A number of articles have appeared which applied the concepts of marketing to institutions of higher education as an institutional planning and communications approach (Krachenberg, 1972; Hugstad, 1975; Trivett, 1978; Litten, 1980; Grabowski, 1981). The application of marketing strategies to increase student enrollment is well researched (Ihlanfeldt, 1980:x). Some of the reasons higher education should be interested in marketing concepts were summarized by Lucas (1979:vii). These concerns have led to the formulation of explicit strategies for the development and implementation

of new educational programs through the application of marketing principles (Mowen, et al., 1977; Lee and Gilmour, 1977). The application of marketing principles and strategies to areas other than the sale of tangible goods is a recent development in the field of marketing, and one which has caused some controversy (Ohio State University, 1965; Kotler and Levy, 1969; Luck, 1969; Kotler and Levy, 1969; Kotler and Zaltman, 1971; Kotler, 1972; Luck, 1974; Bartels, 1974).

#### Development of Marketing

In the marketing literature, Kotler has been in the forefront of the movement to broaden marketing's domain from a narrow concern with the sale of tangible goods, to a prospective of marketing as a general social process which can be applied broadly. Under this broader perspective, products would include persons, ideas, organizations, and less tangible goods and services as well as tangible goods (Kotler and Levy, 1969:11). Consumers would include suppliers, clients, trustees/directors, active, and general publics as well as purchasers of tangible goods and services. Everyone who could have an interest in a particular exchange needs to be included in the marketing effort (Kotler and Levy, 1969:12). The advent of consumerism (Levy, 1959) reflects the concern of groups for long-range effects and values, and the marketer's growing responsibility to consumers (Kotler, 1972:48). Lavidge (1970:27)

contends that it is the marketer's responsibility to ask the question "Should it be sold?" "Is it worth its cost to society?" and not just "Can it be sold?" In an economy of abundance, marketing must be viewed as an instrument for social control with the focus on changing consumer norms (Lazar, 1969:3). Not only should marketing be viewed as a social process, but as a science relative to the problems and issues concerning people's lives in both the short and the long-range (Dawson, 1971:66). The principles of marketing analysis, planning, and control can and should be applied to the process of social change (Kotler and Zaltman, 1971:3).

Scholars in the area of higher education agree with both the expansion of the application of marketing principles and the responsibility of marketers for both the short and long-range welfare of the consumer. Part of the university's basic mission is to act as "a catalyst for positive intellectual, social, and technological change (Mission Statement, Michigan State University, 1982)." Universities have recognized responsibility for societal marketing (Litten, 1980:52) since marketing, properly used, can substantially increase the acceptance and utilization of something new (Mowen, et al., 1977:1). Marketing can "help organizations ensure survival and continued health through serving their markets effectively (Kotler, 1982:7)." Marketing principles and techniques are being applied by institutions of higher education, but often in a haphazard manner (Litten,

1980:41). Much of the negative reaction and disappointing results from marketing efforts can be ascribed to a lack of understanding of exactly what marketing is and what it can do for an institution with the value structure and goals of universities (Vaccaro, 1979:19). According to Vaccaro (1979:22), educators too often equate marketing with advertising. Often institutions of higher education use promotion as the starting point; this may be because universities are product-oriented, rather than user-oriented (Vaccaro, 1979:22). Also, universities generally lack professionals with training in marketing to coordinate the marketing effort (Lucas, 1979:vii). Some institutions are hiring advertising firms which use strategies that the university's publics feel are incongruent with the university's image and values (Vaccaro, 1979:19). Promotional campaigns by persons who are not familiar with universities and not able to judge the quality of the product which they are "overselling" can lead to hostility and dissatisfaction from the faculty who are expected to deliver the promised educational product without having had any input into the strategies used to market it (Davidson, 1980:48). Many writers believe that marketing can and should be directly applied to higher education as it would be to General Motors (Hugstad, 1975:504). However, more scholars agree that there are basic differences between profit sector organizations and institutions of higher education which require that

marketing concepts be adapted when used (Shapiro, 1973; Kotler and Murray, 1975).

### Peculiarities of Marketing in Higher Education

As social enterprises, the similarities between business and higher education are probably more numerous than the differences. Shirley (1978) has compared the nature of strategic choices that face higher education, hospitals, and businesses. He concludes that these choices are remarkably similar for the three types of organizations. However, the differences are critical in transferring marketing activities from one setting to the other. Also, marketing in business is highly differentiated by the type of business activity. This makes the transfer of marketing from appropriate spheres a task requiring considerable sensibility (Litten, 1980:45; Kotler, 1982:8). An analysis has been developed of the differences between profit and non-profit marketing for different types of marketing as they apply to institutions of higher education (Lovelock and Weinberg, 1974; Lovelock and Rothschild, 1979). The major differences identified by these researchers follow.

First, non-profit agencies have at least two major publics to work with from a marketing point of view. They are clients and funders. The former poses the problem of resource allocation; and the latter, the problem of resource attraction. In addition to these two, many other publics surround the institution and call for marketing programs.

An institution of higher education needs to direct marketing programs toward prospective students, current students, parents of students, alumni, faculty, local businesses, granting agencies, local, state, and federal agencies. Although businesses also deal with a multitude of publics, their tendency is to think about marketing only in connection with one of these publics, their customers.

Second, non-profit agencies tend to pursue several important objectives at once rather than only one, such as profits. As a result, it is more difficult to formulate strategies that will satisfy all of the objectives. It is particularly important for management to state the relative importance of the objectives so that choices can be made among alternative strategies. Business organizations also have multiple objectives, but these tend to be dominated by the drive for profit.

Third, non-profit organizations are usually subject to close public scrutiny because they provide needed public services, are subsidized, and are tax-exempt. In many cases, they are mandated into existence. They experience pressure from various publics and are expected to operate in the public interest. Administrators of non-profit organizations often feel that they must move carefully with marketing activities or their publics might challenge them. The three most frequent types of criticism are: 1) marketing wastes the public's money; 2) marketing activities are

intrusive; and 3) marketing is manipulative (Kotler, 1982:18-9).

Fourth, most profit agencies are engaged in the production of services rather than goods. Services have the characteristics of being intangible, inseparable, variable, and perishable. For example, a university offers an intangible service called education. Its delivery is inseparable from professors who deliver it. Its quality is variable with respect to who delivers it; and it is perishable in the sense that empty seats mean a loss of revenue. Service marketers, including higher education, must keep these characteristics in mind when developing marketing strategies and plans.

Contributors to the literature in higher education agree that there are important differences between marketing in the profit sector and marketing in higher education. In general, educators have selected one or another specific difference to contrast in detail. For example, Hugstad (1975) points out that there are important, inherent institutional differences between corporate and educational structures. The most significant are the differences in goals and operating climate. He goes on to examine the modifications which these institutional differences impose upon the use of various marketing techniques. A second example is the point-by-point contrast presented by Pernal (1977) who argues that the buyer-seller model does not fit higher education. It cannot be justifiably applied beyond



the purpose of alerting colleges to reassess their roles in society as a whole. The most frequently treated group of marketing concepts used to illustrate the differences between profit and non-profit marketing is the 4 P's of the marketing mix, i.e., product, price, place, and promotion. An article by Vaccaro (1979:20-2) is a good illustration of efforts to interpret these concepts in terms of their application to higher education.

### Organizational Orientations

Marketing is an applied science concerned with managing exchanges effectively and efficiently (Kotler and Murray, 1975:470). It is designed to produce three principal benefits for the organization and its publics. First, marketing is designed to achieve the improved satisfaction of the target market(s). In stressing the importance of measuring and satisfying consumer needs, marketing tends to produce an improved level of client service and satisfaction. This is particularly important since many non-profit organizations do not have any competition and the demand for service exceeds the supply. Second, marketing is designed to improve the attraction of marketing resources through a disciplined approach. Such resources may include members, funds, employees, volunteers, and public support. Third, marketing is designed to bring about improved efficiency in marketing activities within the organization. Marketing places great emphasis on the rational management and

coordination of product development, pricing, communication, and distribution. When decisions concerning these activities are made with insufficient information, the results are usually more cost for the given impact. Since funding for non-profit organizations is generally inadequate and/or undependable, it is important that maximum efficiency and effectiveness be obtained from marketing activities (Kotler, 1982:19).

It is erroneous to assume that any organization which adds a marketing function necessarily becomes an effective marketer. According to Kotler (1982), there are five different orientations which marketing organizations may have: production, sales, product, societal, and marketing orientations. The most effective of these is the marketing orientation.

The production orientation holds that the major task of the organization is to pursue efficiency in production and distribution. Many organizations focus attention on running a smooth production process. Human needs must be altered if necessary to meet the requirements of the production process. Mass production companies are compelled to produce as many pieces as they can to achieve the lowest per unit cost in order to augment profits. A similar orientation can be observed in institutional instructional television with its emphasis on number of student hours produced. Bus drivers who pass waiting passengers to meet schedules and employment offices which process people like objects are all

production oriented. A production orientation usually leads to an emphasis on selling or moving the product. This is a "we've produced it, now you get rid of it" attitude.

In the sales orientation, the main task of the organization is to stimulate customer interest in the organization's existing products and services. Selling focuses on the needs of the seller/provider and not on the needs of the buyer/consumer. Such organizations believe that they can substantially increase the size of their market by increased selling effort, rather than change their products to make them more attractive to the target market. The budget for advertising, personal selling, sales promotion, and other "demand" stimulating activities is increased. Thus, a university may react to a decline in enrollment by increasing the budget of the admissions office to hire more recruiters. More direct mail may be sent out, and the appearance of university brochures improved. Such sales-oriented activities will probably increase customers in the short-run, but should not be confused with a marketing orientation designed to generate higher sales in the long-run. The selling orientation equates the marketing task with persuading the target audiences that they ought to accept their offering as superior to any alternatives. Some indicators of selling, or a product, state of mind are described by Andreassen (1982:107). 1) The offering is seen as inherently desirable; it simple does not occur to the seller that potential customers may not share their

enthusiasm about their offerings. 2) The seller believes that the consumer must be ignorant if the consumer shows any lack of interest in the offering. Obviously the consumer does not fully appreciate the nature of the offer. If consumers do understand, the problem must be that managers just have not found the right incentive to motivate the consumer to buy the offer. 3) There is an over-emphasis on promotion. Too much stock is placed in advertising and public relations. Sellers are convinced that they should concentrate on the message and its packaging. 4) Consumer research plays a very secondary role because the seller "knows" that the problem lies with the consumer and that better promotion is the key to marketing success. The role of marketing research is to confirm what the seller already believes. For example, the auto industry spent millions on consumer research to establish consumer preferences between the kinds of things that they had already decided to offer, and not what the consumer really wanted (Levitt, 1960:51). 5) The market is often viewed as monolithic, and the seller tends to believe that there is one best marketing strategy or, at most, two which need to be used. Such certainty has the effect of precluding experimentation either with alternative strategies or with variations for market subsegments. The fact that many marketing personnel in non-profit institutions come from a non-business background and may be afraid to take risks encourages overemphasis on promotion. 6) Many non-profit institutions ignore or are ignorant of

either generic or indirect competition. Strategies are rarely formulated to meet competition. Thus, the literature from a university may not point out the advantages of a college degree over a degree from a community college or trade school. 7) The marketing staff is usually selected for its product knowledge rather than its marketing background. In a modern marketing organization, staff members are selected for their knowledge of customer markets, marketing research and management techniques. Characteristics of non-profit administrators tend to reinforce the selection of personnel with product knowledge over marketing knowledge.

The production orientation holds that the major task of the organization is to put out products which it thinks would be good for the public. Many organizations think the world of their product and resist all attempts to modify it even though modification might increase its appeal to others. The product orientation involves a focus on the basic offering; and a belief that the best marketing strategy for increasing sales is to improve the offering's quality. Some highly successful profit companies ascribe to quality as the most important aim for their company. However, these companies also possess the characteristics which make them market oriented, rather than product oriented (Cross, 1963; Faltermayer, 1977; "Caterpillar", 1981; "No. 1's", 1981).

In the marketing orientation, the main task of the organization is to determine the needs and wants of target markets, and to satisfy them through the design, communication, pricing, and delivery of appropriate and competitively viable products and services. A marketing oriented organization views production, sales, and products as means of producing satisfaction in target markets. They are willing to work hard at being client-centered and constantly improve products to meet customers' needs. In addition, employees are selected and trained to feel that they are working for the customer and not for the organization. The employees in a marketing oriented organization work together as a team to meet the needs of the specific target markets to be served. "The aim of marketing is to make selling superfluous;" the product sells itself because it fits so well (Drucker, 1974:64). A marketing orientation contributes greatly to an organization's effectiveness. The organization's effectiveness is reflected in the degree to which it exhibits the five characteristics of the marketing orientation.

#### Characteristics of the Marketing Orientation

Kotler contends that companies or organizations which possess all five characteristics to a high level can be predicted to be more effective in reaching their marketing goals because they will be more responsive, adaptive, and entrepreneurial than their competitors. Most organizations will possess some or all of the characteristics to some

degree, but to be truly effective, all five must be present in an organization to a high degree. In addition, these characteristics cannot be described as independent of each other for they are highly interrelated. The five characteristics of the marketing orientation follow.

#### Client-Centered Philosophy

The organization must acknowledge the primacy of the marketplace and of customer needs and wants in shaping organizational plans and operations. This characteristic demands that the organization study the marketplace continuously and select the parts of the market which can be served. The organization changes as necessary to offer superior value to the chosen customers in terms of their own needs and wants. Attention to offering value is not restricted to clients or customers of the organization. It extends to suppliers, distributors, supporters, and any others who can have an impact on the organization reaching its marketing goals.

The problem of how to make an organization responsive to client needs and wants is not an easy one. The "customer is king" philosophy is often heard, but the behaviors which demonstrate such a philosophy are much rarer (Young, 1980:2). At the center of every organization are the people who make up the organization; and it is their behavior which will demonstrate whether or not the organization is truly responsive to client needs. Analyses of successful

organizations usually feature the dedication of the members of the organization as either the major reason or one of the major reasons for their success. Such organizations find out what their customers want. These wants become the goal of the organization. The people in the organization believe in the organization's goals and do everything they can to achieve those goals. This is an oversimplification; however, it is central to the success of the organization and the client-centered philosophy.

The major research in this area of marketing is In search of Excellence: Lessons from America's Best-Run Companies (Peters and Waterman, 1982). Peters and Waterman concluded that regardless of whether the company was in the business of:

"bending tin, frying hamburgers or providing rooms for rent, virtually all of the excellent companies had, it seemed, defined themselves as de facto service businesses. Customers reign supreme. They are not treated to untested technology or unnecessary gold-plating. They are the recipients of products that last; service delivered promptly (1982:xx)."

Other writers have also pinpointed client-centered service as the principle reason for business success. Tinnen (1981) describes the "disciples" at Heineken Brewing Company who will not sell a mediocre bottle of beer. Likewise, Maytag and Caterpillar are successful companies which subscribe to the twin goals of quality and reliability. Their employees are rewarded and promoted for behavior which assures the company's goal attainment and are often responsible for improvements in the product and operational efficiency



(Cross, 1963; Faltermayer, 1977; "Caterpillar", 1981). International Business Machines (IBM), Boeing, and Digital Equipment Company (D.E.C.) will help identify client needs and then design systems to meet those needs, and they guarantee that the system will work. In Boeing's case, the company even financed some of its customers during recessionary periods. In each of these organizations, the management and employees are cited for their dedicated performance to customers which has kept these companies growing and prospering (Uttal, 1979; Zonona, 1980; "No. 1's", 1981).

Although comparable research in the non-profit sector is lacking, examples of organizations which have improved their viability because they have changed themselves to become client-centered do exist. Kotler (1982) cites several examples including New York University, Adelphi University, and Northwestern University. Under new leadership, New York University (NYU) embarked on a marketing oriented program. A key element of this program was the appointment of deans and chairpersons who were willing to take a more entrepreneurial view of their markets; their task was "to find needs and fill them." One result from this change in perspective was a new program designed to give unemployed Ph.D.'s training in business and interviewing techniques. Most of the participants received job offers after completion. NYU has reversed its decline and moved to the top of its market in New York City (Kotler, 1982:112).

Other examples of institutions of higher education which have initiated new programs based on customer needs include the phenomena of satellite branches as a response to the need for more convenient locations and evening classes to serve working adults. Telecourses are in part a response to shut-in populations and greater convenience to the customer. Electronic classrooms are under development to provide multiple classrooms the advantage of the "master teacher" through the use of holography with phone hook-ups in each room (Kotler, 1978:239). Some institutions are offering unique settings. For example, Adelphi University offers classes for commuters who ride the Long Island Railroad. Other institutions offer unusual time slots such as at shift end between 1:00 - 3:00 a.m. for steel workers, and between 6:00 - 8:00 a.m. for office workers. Northwestern University offers a M.A. in Management for qualified middle management, who can attend all day on alternative Fridays and Saturdays for two years. Mundelein College in Chicago operates a weekend college consisting of courses on Friday evening, all day Saturday, and Sunday. Some colleges are providing lunch hour classes for employees in offices and factories. The University of Illinois is pioneering an educational delivery system called Plato which uses computer terminals and programmed instruction for student learning wherever there is a telephone. All of these innovations are attempts by institutions of higher education to meet client needs and to become client-centered (Kotler, 1982:319).

Trivett (1978:1) wrote "that the institutions which survive respond to basic market needs." The client-centered philosophy of the marketing orientation is necessary for an organization to know or care about basic market needs. In the profit sector, Peters and Waterman (1982) found that successful companies got their basic values from one or two strong leaders at an early stage in the company's development.

Research presented by Phillips and Kennedy (1980) concluded that:

"Success in instilling values seems to have had little to do with charismatic personality. Rather, it derived from obvious, sincere, sustained personal commitment to the values the leader sought to implant, coupled with extraordinary persistence in reinforcing those values. None of the men we studied relied on personal magnetism. All made themselves into effective leaders (pg. 8)."

The leader instills values through deeds rather than words, and no opportunity is too small to encourage behaviors consistent with the values of the leadership and the organization. The tools of observation, measurement, feedback, and guidance need to be used appropriately to help the leader(s) keep track of how the members are doing. As Peters and Waterman observed:

"If you don't constantly monitor how people are operating, not only will they wander off the track, but they will also begin to believe that you weren't serious in the first place (1982:289)."

Leaders in the excellent companies behave as they believe and are particularly careful to see that their top management team does the same. In instilling critical business

values, management has no alternative but to act in agreement (Selznick, 1957:110). Peters and Waterman, as well as others, cite examples from among the excellent companies. For example, the president of United Airlines initiated Management By Wandering Around (MBWA). He and his executive staff flew 200,000 miles a year, talked with customers, baggage handlers, ticket personnel, and others (Peters and Waterman, 1982:122 & 290). At Disney Enterprises intensive management involvement is highlighted by the annual "cross-utilization" week when all executives put on costumes and work in the amusement parks (Pope, 1979:167). The president of Boeing set the example for customer service when he provided a 747 to Alitalia Airlines within two months to replace a crashed plane, despite a two year backlog in orders (Zonona, 1980:1 & 20). Boeing has taken a long time, consciously, trying to build a team which is customer oriented. They believe that if the company is going to succeed, the important ingredient is the customer (Mansfield, 1966:361). The current president of IBM echoes the founder when he talks about IBM being "customer and market-driven, not technology driven." He wants salespersons to act as though they were on the customer's payroll and put all IBM resources at the customer's service. It is service after the sale that counts, and filling customer needs with the sale helps service by eliminating service visits because the system does not perform the functions

needed by the client when he/she bought the system (Shook, 1980:55-73).

In each of the instances cited, leaders were successful in inculcating the members of the organization with a thoroughly client-centered value system. Each organization had a special way of being close to the customer through its members, and the consensus was that profitability naturally followed (Nemeroff, 1980:165-7). In other research, Peters and Waterman (1982:281) found that companies whose only articulated goals were financial did not do nearly so well financially as companies which had a broader set of values. Both theory and research support the Peters and Waterman findings. As early as the 1930's, Chester Barnard (1938) recognized the unique role of the leader as a manager of organizational values. Later, he reiterated his belief that a leader's role was to harness the social forces in the organization by shaping and managing values. He described good managers as value shapers concerned with the informal, social properties of the organization. This contrasts with the mere manipulation of formal rewards and systems which deal with the narrower concepts of short-term efficiency (Barnard, 1968:Chapter 5). Selznick (1958) wrote that leadership goes beyond efficiency as in: 1) when it sets basic mission, and 2) when it creates a social organization capable of fulfilling that mission. He concludes that as an institutional leader, he/she is primarily an expert in the

promotion and protection of values (Selznick, 1957:17, 28, 40, 135-6, 149-50, 152-3). James McGregor Burns' description of "transforming leadership" seems to fit the leaders of the excellent companies. They have been able to instill a transcending purpose into followers through consistency of behavior over long periods of time in support of one or two values. The values of the leader become the values of the followers and inseparable from the followers' needs and goals (Burns, 1978:13, 18-20, 40). Such a process can generate great excitement and motivation (Quinn, 1977:26). The leader of the organization becomes its "social architect" (Bennis, 1976:165). The pivotal role of the leader as the instiller of values through behavior rather than through proclamation seems to be consistent with the part of attitude theory in psychology which posits that "You more likely act yourself into feeling than feel yourself into acting" (Bruner, 1973:24). Later, "foot-in-the-door" research demonstrates the importance of incrementally acting ones way into major commitment (Freedman and Fraser, 1966:195-202).

When leaders have been successful in instilling a client-centered value system into an organization, a "service statesmanship" example is set by senior management. Nemeroff identified three principle themes from her close-to-the-customer-through-service research (1980:165-7). The first is intensive active involvement on the part of senior management. The second is a remarkable people orientation,

and the third is a high intensity of measurement and feedback. Executives who were interviewed expressed the belief that they must maintain a long-term view of service as a revenue builder. Research by Utterbach (1978) and Von Hippel (1978) in better-performing companies showed that there were intense company/customer linkages. These linkages were often with creative and demanding users who forced the organization to be innovative in order to meet the client's needs. Such innovating pressure helps the company to remain viable within changing environments (Utterback, 1978:37). A careful look at where innovations have come from in the scientific instrument business showed that of eleven "first-of-type" major inventions, all came from users; of sixty-six "major improvements," eighty-five percent came from users. Of eighty-three "minor improvements," approximately two-thirds came from users (Von Hippel, 1978:32). In the garment industry, Levi-Strauss obtained the right to market steel-riveted jeans from an early buyer who had altered them; Bloomingdales invented faded jeans by bleaching the denim jeans purchased from Levi (Cray, 1978:21). At IBM, almost all of the early inventions, including the computer, were developed in collaboration with the lead customer, the Census Bureau. A salesman at 3M invented the desk-top dispenser for a narrow use industrial adhesive called scotch tape. Digital, Hewlett-Packard, and Wang rely on customers to find uses for micro-computers (Uttal, 1979:100; "No. 1's", 1979:85; "Wang",

1979:100). In an extensive study of thirty-nine inventions in the chemical industry and thirty-three inventions in scientific instruments, economist Christopher Freeman found that the number one factor for both was that "successful firms understand user needs better." The number two factor was that "successful innovations have fewer problems." In summary, Freeman and his colleagues (1972) noted:

"Successful companies pay more attention to the market than do failures. Successful innovators innovate in response to market needs, involve potential users in the development of the innovation, and understand user needs better (pg. 196)."

Establishing a client-centered marketing orientation is at least as difficult to do in a non-profit organization as it is in the private sector. Non-profit organizations tend to be slower to change or innovate for a number of reasons which Kotler (1982:113) has enumerated. First, non-profit organizations have typically not faced or recognized competition. Therefore, they lack a spur to do better. Second, non-profits generally lack the budget to experiment with new products or methods. Furthermore, their boards and/or legislators refuse to support innovations. Third, non-profits are typically non-entrepreneurial. Their training is in an academic specialty area, or administration with an emphasis on running existing organizations rather than creating new ones. Fourth, non-profit organizations often view their services as necessary and as not requiring justification or marketing. To overcome these types of resistance, persons interested in making an organization



marketing oriented must work patiently. Instilling a client-centered philosophy in an organization requires major commitments and changes. Again, the key to making an organization marketing oriented is the dedicated leader, but he/she cannot do it alone and may not have a realistic perspective of how the organization as a whole perceives the marketing effort.

In gathering data for his dissertation, Mathias (1982) surveyed one hundred-nine presidents and faculty/staff in small liberal arts colleges in the United States. He found that the presidents rated the institution's acceptance of marketing much more highly than did the staff. Also, the staff was not convinced of the effectiveness of marketing activities, or that marketing could be successfully adopted for use in colleges. He found that a "consumer orientation" was only moderately strong, and an "integrated effort" to market existed in only a few colleges. In summary, some colleges had used marketing techniques with favorable effect, but they had not adopted the entire marketing concept (Mathias, 1982:1).

There are a number of strategies which may be used to encourage a marketing oriented, client-centered philosophy within an organization. Disney Enterprises uses new employee training to promote "positive customer attitudes" (Pope, July & Sept., 1979). Kotler (1982:145) recommends workshops for employees on various marketing topics. Also the institution of a business planning system requires

strong marketing data and analysis. These are all methods for improving the organization's marketing orientation.

### Adequate Marketing Information

Effective marketing requires that decision makers have adequate information for planning and allocating resources. Such information includes market analysis which requires the study of three areas. These are customers' perceptions, preferences, and buying habits; direct/indirect competition; and the sales potential/profitability of different market segments, channels, and order sizes. In addition, information is required for an accounting system which gives profit information by line item so that the results of various marketing expenditures can be evaluated. To be effective marketers, high levels of measurement, and feedback must be maintained (Nemeroff, 1980:165).

The most frequently used system for measurement and feedback is a Marketing Information System (MIS):

"...a continuing and interacting structure of people, equipment, and procedures designed to gather, sort, analyze, evaluate and distribute pertinent, timely, accurate information for use by marketing decision makers to improve their marketing planning, execution and control (Smith, Brian and Stafford, 1968:7)."

Developments and trends in the marketing environment are picked up by one of the major subsystems of the MIS and channeled to the appropriate manager to be used in decision making. A typical MIS model is shown in Figure 4.

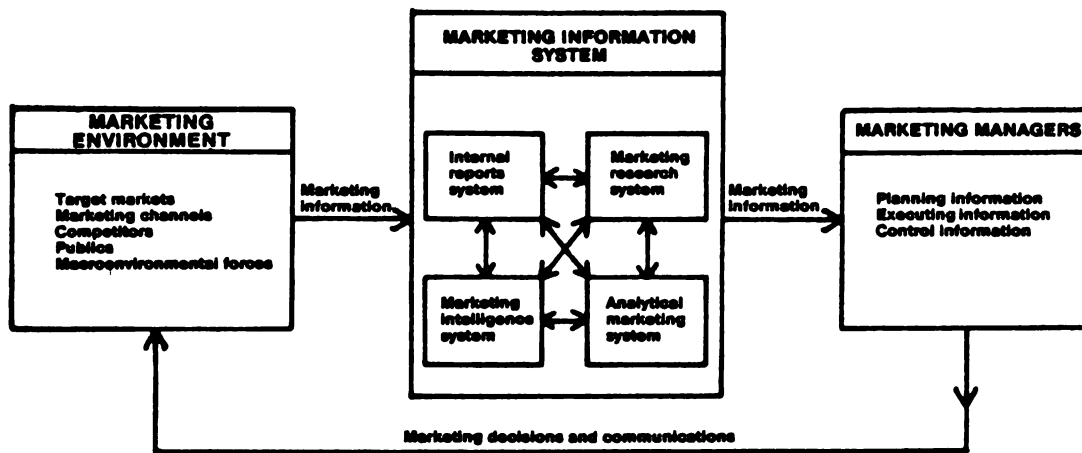


Figure 4. The Marketing Information System

Source: P. Kotler, Marketing for Nonprofit Organizations, 1982, p.153.

Information from the marketing environment is collected in various ways. For example, in the excellent companies studied by Peters and Waterman (1982:198), analysis is not done by staff who read about competitors. Analysis is done by salespersons, service representatives, or venture team leaders who are out in the field watching the competition. Likewise, the on-the-spot member of the company listens to the customer, particularly the "lead users" who may be several years ahead of the market segment. Information

concerning these customers' perceptions, needs, and wants can enable an organization to stay ahead of the competition through innovations to meet user needs. The excellent companies do more and better customer/competitor analysis than do less effective marketers (Peters and Waterman, 1982:198).

The information gathered from customer contact is used as the basis for market segmentation, targeting, market measurement, forecasting, and consumer analysis. Market segmentation determines the main groups making up a market. Targeting is the choice of the best of these groups for the organization to serve. Market measurement and forecasting is a process to determine the current and future size of the available market for the organization's product(s) and services(s). Consumer analysis is aimed at determining the characteristics of consumers so that products can better be adapted to consumer needs (Kotler, 1982:196). Hooper, et al., (1982) reports that the successful companies in his study base their excellent market analysis on information from their staff who are required to spend large amounts of their time in the field with the customer. In this way, they are able to collect first-hand data on customer needs and competitors' moves. In that same report by Hooper et al., on Hewlett-Packard, he describes how the weekly feedback system brings back the numbers concerning quality, shipments, expenses, revenues, and market share. To make sure it stays in touch with the customer, IBM measures

internal and external customer satisfication monthly. These measures account for a large share of incentive compensation. Employee attitude surveys are taken every ninety days; and a check is kept on employee perceptions of the way service is being maintained ("No. 1's", 1981:86). At McDonald's, stores are regularly measured on "Quality," "Service," "Cleanliness," and "Value." Compensation to employees and management is largely based on that score. Failure to meet the standards set can mean the loss of a job for the manager or loss of the franchise (McDonald's, 1980:4). Proctor and Gamble is famous for the quality of its analysis. No written material at this company can be more than one page in length. Their experience is that if there are only a few numbers to concentrate on, everyone knows where they stand. The numbers are very well researched with good backup analysis (Smith, 1980:77). Fingerhut, the successful mail order catalog, overspends on data collection and uses its customer data to open a personal store for each customer. Because of its remarkable system for tracking customers and customer profitability, virtually every individual customer is a market segment (Meyer, 1980:102). The quality and timeliness of information collected and used by effective marketers allows them to target the groups which the company can best serve.

During the process of identifying markets, the organization must realize that it cannot reach and appeal to all customers. Effective marketers are good at nichemanship.

They divide their consumers base into numerous segments to provide tailored products and services. Like 3M, successful companies do not believe in taking a few big risks. They take many small risks in the form of new products for specialized markets. By doing this, they take themselves out of the commodity market and can charge more for their product (Lehr, 1980:31). Peters and Waterman (1982:183) identify five fundamental attributes of companies which were close to the customer through nichemanship. These are astute manipulation of technology, pricing skill, better segmenting, a problem-solving orientation, and a willingness to spend to discriminate. This marketing strategy, differentiated marketing, typifies effective marketers.

Differentiated marketing is used by organizations which decide to serve several market segments by developing an effective offer and marketing mix for each. The quantities of information about the consumer are applied to the development of the market offers and the marketing mix. The marketing mix includes decisions about product characteristics, pricing, place/distribution, and promotion (McCarthy, 1968). In making these decisions, the marketer differentiates the mix based on information from consumer analysis and various models which have been developed to explain buyer behavior. Whether appealing to the individual or organizational buyer, the marketer focuses on the five stages of the consumer buying process. These are need arousal (Maslow, 1954:80-106), information gathering (Kelman

and Hovlan, 1953:327), decision evaluation (Boyd, Ray, and Strong, 1972:27), decision execution (Fishbein, 1967:477; Taylor, 1974), and post-decision assessment (Donnelly and Ivancevich, 1970:400; Anderson, 1973:43). The excellent companies influence the consumer buying process through their intensive contact with the customer before, during, and after the sale (Harris, 1981:17; "Caterpillar," 1981:7; Wiegner, 1981:60). These companies have excellent systems for accumulating, analyzing, and distributing information. However, with the proliferation of marketing information systems (MIS) and forecasting models, the excellent companies go to great lengths to foster an atmosphere and environment conducive to informal communication between people at all levels of the organization. These systems are encouraged to circumvent the official organizational structure so that communication flow through the most effective channels (Packard, 1974:42).

### Integrated Organization

The organization must be staffed to carry out marketing analysis, planning, implementation, and control. The Marketing Agency must be structured organizationally in a way which reflects its client-centered philosophy. The major marketing functions must be integrated and controlled at a high administrative level, and the various marketing positions must be designed to serve the needs of important market segments, territories, and product lines. Marketing

management must be effective in working with other departments within the organization so that marketing tasks can be efficiently carried through to best serve the customer. Finally, to be truly effective, the organization must have a well-defined system for developing, evaluating, testing, and launching new products because these form the base of the organization's future.

Effective marketing requires a staff which is trained in the area of marketing. Marketing cannot be squeezed into existing positions and still be expected to be effective, nor can non-professional staff be held accountable for marketing responsibilities (Lucas, 1979:89). Likewise, seeking "free" advice, hiring a marketing consulting firm, using the business faculty for expertise, and/or sending key staff to seminars and workshops to learn marketing are all makeshift methods with inherent disadvantages (Kotler, 1982:134). If the marketing agency is to be effective, it must have staff who are trained in the field of marketing, especially the main officer of the organization. The next functional specialists would be a marketing researcher and/or an advertising manager. A brief description of the variety of jobs which may be found in a larger scale marketing department appears in Appendix 2.

To be able to function effectively, the main officer of the marketing organization needs to have the support of upper administration and a staff to carry through the marketing functions. Organizations which do not have a



marketing function and want to establish one, can use a gradual implementation strategy like the one found in Kotler (1979). One of the better ways of getting other members of the organization familiar with marketing and contributing to the marketing orientation is through a series of workshops. These can include marketing topics such as market opportunity identification, market segmentation, market targeting, market positioning, market planning/control, pricing, selling, and market promotion/communication. Staff from other functions such as new product development, distribution, advertising, and accounting should be included. The workshop approach has been used with exemplary success in organizations like Disney Enterprises (Pope, 1979; 1979). An approach used successfully by most of the companies in the Peters and Waterman study was to put volunteers from all of the various functions in the organization together on temporary teams working with a new product. The team would go through development, testing, marketing, and distribution. The team came to "own" the product. If the new offer was a success, the team would advance in both pay and promotions with the product as though it were their own company (Drucker, 1979:255). Further, each of these small groups was formed around the innovator or "product champion", who refused to give up on the product. Research on Japanese companies has shown that six out of six successful new products had a champion, while three out of four failures had no champion. Likewise in the United States, fourteen

out of fifteen successes had champions while six out of nine failures did not have champions (Peters and Waterman, 1982:204).

By working in small groups, even large organizations can have the advantages of small ones. Members with different backgrounds and expertise work together on a problem, and they talk to each other a lot without a great deal of paper-work (Hewlett and Packard, 1980:10). People are mixed in the same environmental space. Citibank solved the traditional split between lending officers and operations by moving them all to the same floor with their desks intermingled. Corning Glass installed escalators, and 3M sponsored all kinds of clubs to increase face-to-face contact and problem solving (Meadows, 1980:95).

The communications systems fostered by the excellent companies have several characteristics which aid the organization in maintaining flexibility and integration of functions. Communication systems are informal which helps the right people be in touch with each other regularly. There is a high intensity of communication. Companies like Exxon, Intel, and Citibank use a process which they call "decision making by peers" which encourages an open, blunt, and straightforward management style. Communication is given physical supports with numerous small conference rooms, blackboards, and long tables instead of small ones to encourage people to come together for problem solving. Research by Allen (1967) on the effect of physical

configurations shows that people who are more than thirty feet apart have a probability of communicating once a week of only eight or nine percent. At fifteen feet, the probability of once a week contact rises to twenty-five percent. The excellent companies use forcing devices to get their people to communicate more. These are programs that regularly shake up the system and encourage innovation.

The intense, informal communication system acts as a control system even as it encourages rather than restrains innovation. 3M is a good example:

"Of course we are under control. No team can spend more than a few thousand dollars without a whole bunch of people looking over their shoulders, not kicking them around, but being genuinely interested in how it's going (Peters and Waterman, 1982:223)."

The chain of command is avoided to keep communication flowing, encourage maximum flexibility, and fluidity. Control becomes a function of peer comparison because information is available to everybody and not just to a few top executives. By making financial data available, people know quickly whether or not the job is getting done, and who is doing it well or poorly. Such information sharing cannot be done in an evaluative manner. Management does not "brow-beat" people with numbers, and "superiors" are not telling "subordinates" what to do. Such information sharing becomes a strong motivator for individual performance (Burck, 1981:68). The intricate network of informal, open communication in the excellent companies keeps the right people

talking to each other regularly and acts as a spur to innovation.

To continue to be successful, organizations must develop new products and services which meet customer needs. The informal communication network in the excellent companies serves as a principle integrating force during the whole development process from idea to delivery. Although these companies work with large quantities of information, their development process is a series of tests in small increments so that any project can be discontinued early if it becomes apparent that something just will not work. Peters and Waterman (1982:119) have labeled this process "a bias for action."

The excellent companies operate on a "do it, fix it, try it" basis. They experiment more; they have more successes. At Hewlett-Packard it is tradition that design engineers leave their prototype models on top of their desks so that others can come by and play with them. At 3M ideas are put into materials at once; as they are at most of the other companies in the Peters and Waterman study. The use of inexpensive, experimental prototypes which can be seen, manipulated and tested early in the development process means that these companies save enormous amounts of resources which are not invested in feasibility studies while the competition beats them to the market. Proctor and Gamble is particularly well known for its "testing fetish." Products and advertising are pretested with consumers in the

marketplace. According to Ogilvy (1980:86), there is no more important word than test. This is especially true since research shows that twenty-four out of twenty-five new products fail in test markets. Developers who do not test products can incur large losses if products fail on a national scale. The excellent companies rely on hands-on experience, and small experiments rather than analytical detachment and methodological "elegance" when making decisions concerning the allocation of resources (Hayes and Abernathy, 1980:70-1). In this way, a steady stream of new products to the marketplace is maintained.

As noted earlier, non-profit organizations tend to have difficulty being innovative (Kotler, 1982:113). Such difficulty can be overcome by encouraging the staff to become marketing oriented. Also, vacant positions can be filled with persons who have the desired background training and client orientation. In their research, Peters and Waterman (1982:265) found that it was not unusual for companies to bring applicants back seven or eight times for in-depth interviews prior to hiring. If the faculty or staff of the organization do not know how to carry through the marketing tasks, the marketing organization cannot be expected to be effective. Nor can such a staff be expected to do the strategic planning necessary for effective marketing.

### Strategic Orientation

Effective marketing will depend on the organization's ability to design an innovative and profitable strategy out of its philosophy, organization, and information resources to achieve its long-range goals. This requires a formal system for annual and long-range planning, a base strategy which is clear, innovative and data-based and the organization to look ahead for contingent actions which might be needed to meet new developments in the marketplace.

Most non-profit organizations operate very rudimentary systems of planning and control which generally amount to a budgeting system. There is often resistance on the part of the members of the organization to spending time in preparing formal plans. However, the increasing adoption of formal planning systems by businesses and non-profit organizations seems to indicate some apparent satisfaction with the results of such systems (Kotler, 1982:173). There are a number of benefits which can result from the use of a formal planning system. Such systems tend to encourage systematic thinking ahead by management. A formal planning system can lead to a better coordination of organizational efforts, and to the development of performance standards which aid in the control of the marketing operation. These systems can cause the organization to better define its guiding policies and objectives and result in better preparedness for sudden developments in the marketplace. A formal planning system can also stimulate a better sense of the interactive

responsibilities of organizational management and members (Branch, 1962:48-9).

A formal planning system requires that the organization plan its marketing efforts by identifying attractive markets, developing effective marketing strategies, and assembling detailed action plans. Next, the action plans are executed. The results are measured, analyzed, and corrective actions taken through adjustments to the plan and execution of the new formulation. This three part process is illustrated in Figure 5.

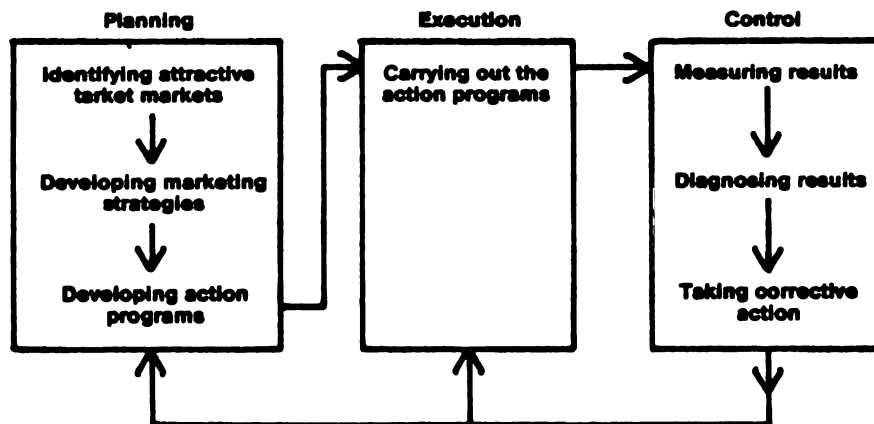


Figure 5. A marketing planning and control system  
Source: P. Kotler, Marketing for Nonprofit Organizations, 1982, p.174.

Research has shown that an organization may go through a series of stages of marketing planning. The first stage is the unplanned stage where the members of the organization are so busy making day-to-day survival decisions that there is no time for planning. The second stage is the budgeting system stage where the budgeting system is installed to

improve the organization's cash-flow management. The third stage is the project planning stage where organizations find that they need to develop plans for specific projects. The fourth stage is the annual planning stage where an organization recognizes the need for an annual plan based on management by objectives (McConkey, 1975). In the last stage, the organization refines the planning system in a number of different directions to improve its overall effectiveness and adds the long-range planning component to the system. Long-range planning provides a more strategic approach to thinking about the future of the organization in a changing environment and developing contingency plans which show how the organization would respond to specific threats and opportunities which might arise. To be an effective planning tool, long-range plans must be reviewed and changed often to reflect current information gathered during market analysis (Kotler, 1982:174). The danger to organizations of the long-range and annual planning systems is that the plans may become "cast in stone" and adhered to despite environmental changes. Conversely, the planning systems and plans may be treated as meaningless exercises to be placed on the shelf and ignored.

A good marketing plan must contain several key elements. The first is a summary of the main goals and objectives of the organization. In their research for In Search of Excellence, Peters and Waterman (1982) found that the excellent companies have very well defined goals and objectives, but



they only have one or two for the year. The excellent companies have accepted the position that although the world is complex, human beings are rather simple. Therefore, having multiple objectives will be frustrating because it will be impossible to meet them all, and the resulting information overload will cause paralysis within the organization. When there are only one or two objectives, there are only one or two numbers to plan for and watch. Response can be rapid to take corrective action. At Emerson Electric, top management is examined closely every month on sales, inventory, and profit figures. They are told that what they have to do is make sure that the profit is delivered each month, each quarter, and the full year (Peters, 1980:15). Similar routines have been instituted at Monsanto which uses three to five objectives per year (Hanley, 1974:10). At Hewlett-Packard (HP), the strategy review focuses on three to five objectives for the division managers. They believe that if the objectives are right then the desired financial outcomes will follow. HP's objectives are all activities which can be done and not abstract financials over which the manager has little control (Peters and Waterman, 1982:154). Objectives for the organization as a whole are even less complex than those for the managerial levels. At IBM there is only one: "IBM means service" (Watson, 1963:29 & 32). At Maytag, the objective is ten years trouble free operation (Faltermayer, 1977:193). At Caterpillar, it's reliability and parts

anywhere in the world within twenty-four hours or free (Cross, 1963:167). There can be no doubt in anyone's mind about what is expected if the organization has only one well known goal.

The next section of the marketing plan incorporates a situational analysis of the organization in the environment. This consists of four parts: background, normal forecast, opportunities/potential competitor encroachment, and the strengths/weaknesses of the organization. This is all based on the information which the company's representatives have collected from customers in the field. A marketing strategy is outlined which will allow the organization to meet its goals and objectives. The marketing strategy is defined as "the fundamental marketing logic by which an organizational unit intends to meet its marketing objectives. Marketing strategies consist of a coordinated set of decisions on target markets, marketing mix, and marketing expenditure levels (Kotler, 1982:180)." The excellent companies included in the Peters and Waterman study conduct:

"crisp to-the-point analysis that is the envy and bedevilment of their competitors. Actually, the companies that we have called excellent are among the best at getting the numbers, analyzing them, and solving problems with them. Show us a company without a good fact base - a good quantitative picture of its customers, markets, and competitors - and we will show you one in which priorities are set with the most Byzantine political maneuvering (1982:30-1)."

Like Texas Instruments (TI), the excellent companies insist that "those who implement the plans must make the plans." In TI's case, three line officers are assigned temporarily

as planning staff (Jelinka, 1979:124). In these companies, the feeling is that the organization should not constrain itself with plans at the beginning when ignorance is highest. Experience has shown them that prior to entry into the market, they can not know how to properly anticipate the sales growth of a new product. Therefore, market forecasts and detailed sales implementation plans are formulated after market entry (Roberts, 1978:123). In his analysis of effective management, Leavitt (1978) points out that the role of quality analysis and planning is to help point the business in the right direction for "pathfinding" and to eliminate the "dumb" options.

Based on the quality information which the excellent companies use as the basis for their planning and control functions, their marketers are especially effective at establishing competitive position, targeting their market segments, developing a marketing mix, and achieving the organization's marketing goals. In the non-profit sector, there are a number of alternative objectives which organizations may have, i.e. surplus maximization, revenue maximization, usage maximization, usage targeting, full cost recovery, partial cost recovery, and/or producer satisfaction maximization (Etgar and Tatchford, 1974). Strategies are modified by the non-profit organization as necessary depending on the objective to be reached.

The last components of the marketing plan are the action plans and the budgets and controls which are used to

carry out the marketing strategy and measure the results. The purpose of marketing control system is to maximize the probability of the organization's reaching its short-term and long-term objectives in the marketplace. Three general types of marketing control can be distinguished. Annual plan control consists of the four tools used by management to check progress. These are sales analysis, market share, marketing expense-to-sales analysis, and market attitude tracking. Profitability control determines the actual profit or loss of particular market expenditures and offers. At Dana, the invoice total and approximate profit are transmitted from the divisions to the main office at the end of each working day (Foster, 1976:61). Strategic control represents a critical look at overall marketing performance through the use of a marketing audit (Kotler, Gregor, and Rodgers, 1977:25).

In companies which have been shown to be excellent marketers, systems are in place which provide sound analysis from quality information so that the members of the organization know how they are doing relative to their objectives at any time. However, they are careful to avoid the "paralysis through analysis" syndrome. When this occurs, action stops while planning takes over because the analysis is too complex and precise about unknowns to be useful, and it is put together by staff personnel who have no experience on the line (Peters and Waterman, 1982:31). The excellent companies have formulated their objectives and action plans

to be clear and be able to be carried out. They depend on their members to meet the company's goals through efficient execution.

### Operational Efficiency

To operate efficiently, marketing plans must be implemented in a cost effective manner, and the results monitored for quick, corrective action. For the organization to operate efficiently, all employees must believe that the client's interests are the most important factor that they are working to achieve. Adequate resources must be available to do the job well, and organizational systems must be able to react quickly to on-the-spot developments in the marketplace. The costs of implementing each part of the marketing plan are available from the marketing control system. If particular costs are too high, corrective action will need to be taken quickly to avoid further drains on marketing resources. When parts of the marketing plan do not bring anticipated results from the target market, corrective actions will need to be formulated and implemented rapidly to improve the situation.

Although operational efficiency within the organization is affected by a number of factors, efficiency really depends on the members of the organization all working toward the goal of client satisfaction. If the people in the organization are not aware of the organization's marketing goals, they cannot be expected to behave in the best way

to achieve them. Further, if they do not receive timely and appropriate feedback concerning their performance, they cannot change or improve it. Obviously, the communication network which was so vital to the integration of the organization also provides the base for its efficient operation. In the research by Peters and Waterman, it was found that excellent companies supported, and even forced an environment of intense, informal communication. This environment had few administrative levels, lean staff, and temporary groupings to work on problems with hands-on administration that often mixed line and staff functions (1982:Chapter 2). The overall goal(s) of these companies are clearly stated and demonstrated by the leaders; objectives are few and clearly attainable. Organizational fluidity and common goals have allowed these companies to react quickly to environmental change and to maintain competitive advantages. They have also been able to "turn on" their employees.

The excellent companies of the Peters and Waterman study have organizations which execute superbly. They foster internal competition and recognition of winners. However, what makes their systems constructive rather than destructive is that comparative performance information is not provided in a way which is blatantly evaluative, and standards are set so that everyone can be a winner. The excellent companies agree with the organizational theorist Mason Haire when he argued that the simple act of putting a measure on something is tantamount to getting it done. It

focuses management's attention on that area. Information is made available and people respond (Peters and Waterman, 1982:268). For example, at G.E.'s Western Electric, absenteeism was dramatically improved almost overnight by hanging a large board with everyone's name on it and awarding gold stars for each day a person came to work. At another plant, a foreman started chalking daily productivity results for each shift on the floor of the machine room. Competition surfaced and productivity leaped. At Mars, Inc., everyone gets a ten percent bonus for coming to work on time every day that week (Levy, 1980:92). At IBM, sales quotas are set so more than two-thirds of the sales force can achieve them. All of these winners are then inducted into the 100 Percent Club with great fanfare and hoopla to create enthusiasm. "Our early emphasis on human relations was not motivated by altruism, but by the simple belief that if we respected our people and helped them to respect themselves, the company would make the most profit" (Watson, 1963:15). The excellent companies have found that if they treat their people as adults, trust them, and provide feedback and recognition, then they will respond because they are proud to be part of the organization. Excellent companies execute extremely well; they are more productive. They work for superior performance in everything they do (Pearson, 1980:10). The emphasis on quality means that they do not have to do everything twice:

"they seek to provide the best to every client which in turn acts as a goad to productivity. They have found that in the long-run, cost and efficiency follow from an emphasis on quality, service, innovativeness, result sharing, participation, excitement and an external problem-solving focus that is tailored to the customer (Peters and Waterman, 1982:321)."

The excellent companies have not accepted the idea of cost effectiveness through "economies of scale" which generally lead to large bureaucracies which cannot act. Williamson (1975) points out that in traditional economic theory concerning efficiency, transaction costs have been vastly underestimated. Transaction costs are the costs of communication, coordination, and decision making. When many factors have to be coordinated, the costs of coordination usually far exceed technologically determined economies of scale. So when the membership of a division or plant exceeds approximately five hundred, the excellent companies split it into two or three smaller units; they "chunk" it. In this way, high intensity communication is maintained.

The excellent companies have attained efficiency through a motivated worker who is in communication with his/her peers and is encouraged by internal competition with the belief that he/she can "win." He/she is treated as an adult by the organization. Each worker is given the opportunity to perform and be recognized for their performance. The work force believes in providing the best for the customer.

Marketing organizations which demonstrate strong client-centeredness have and use quality marketing information, maintain a strategic orientation through an integrated,



efficiently operated organization. Such organizations create an environment which is responsive, adaptive, and entrepreneurial. Such a responsive organization makes every effort to sense, serve, and satisfy the needs and wants of its clients and publics within the constraints of its budget (Kotler, 1982:33). It adapts to changes which its monitoring systems detect in its environment through modification of mission, objectives, strategies, organization, and systems so that it is maximally aligned with its marketing opportunities (Kotler, 1982:76). In addition, it takes advantage of the new opportunities it has identified to convert them into new products or business (Kotler, 1982:113).

#### Summary

This chapter has concentrated on the presentation of research relevant to the marketing orientation (Kotler, 1982). The literature search conducted for this study found limited research concerning marketing in institutions of higher education in the areas of admissions, institutional planning, small college survival planning, and the general application of marketing concepts to non-profit organizations. Very little of the material located applied directly to the study of Marketing Agencies.

As part of the literature search, the development of a broad definition of marketing was presented as it has evolved in the marketing literature. The field of marketing

has redefined its domain from the narrow exchange of tangible goods to exchanges which involved anything of value between parties. A definition from Kotler (1982:6) was used since it has been widely accepted by educators (Hugstad, 1975; Lee and Gilmour, 1977; Trivett, 1978; Johnson, 1979; Litten, 1980; Grabowski, 1981).

Although most researchers have accepted the broader definition of marketing, care is urged by both educators and marketers when applying marketing concepts to higher education (Hugstad, 1975). According to Weinberg and Lovelock (1978), non-profit institutions differ from profit organizations, i.e. multiple publics, multiple objectives, public scrutiny, intangible services rather than tangible goods. These differences need to be considered when planning marketing activities for non-profit organizations.

Further, organizations can demonstrate various orientations toward marketing. They may concentrate their resources on the product itself, on the production process, on sales, on the good of society, or on satisfying the market. According to Kotler (1982), to be truly effective as a marketer, an organization must adopt the marketing orientation to satisfy the customer rather than one of the other four. When organizations are market oriented, they are characterized by the five characteristics: 1) client-centered philosophy, 2) adequate marketing information, 3) integrated marketing organization, 4) strategic orientation, and 5) operational efficiency. Evidence in support of the

marketing orientation is drawn from a major study by Peters and Waterman (1982) as well as from others in the marketing literature. The marketing orientation is applicable to non-profit organizations. Strategies for its application can be found in Kotler (1979; 1982).

## CHAPTER III

### METHODOLOGY AND PROCEDURES

This study was a survey of selected university Marketing Agencies. It sought to answer the following questions:

1. What are the characteristics of university non-print Marketing Agencies as they now exist?
2. What level of perceived marketing effectiveness currently exists in university non-print Marketing Agencies?
3. What characteristics of the university environment, if any, do Marketing Agencies perceive as hindering or facilitating their ability to operate as effective marketers?

In an effort to determine how the literature addressed these questions, a search of sources was conducted. Computer searches of the Educational Resources Information Center (ERIC) and Dissertation Abstracts did not reveal any publications on the topic of university non-print Marketing Agencies. Searches were made for a period from 1970 to the present in a number of journals. This range was selected because the application of marketing concepts to non-profit institutions is a fairly recent one dating from the controversy between Kotler (1969) and Luck (1969). The following journals were searched: College & University Business; Journal of Higher Education; Journal of Education Finance; New

Directions for Higher Education; Educational Record; Journal of Marketing and Harvard Business Review. Also, the publication An Incomplete Bibliography of Works Relating to Marketing for Public Sector and Non-profit Organizations (Rothschild, 1981) was carefully examined. Few articles of even peripheral interest were located except those which related to marketing and Kotler's marketing orientation (1982). References from bibliographies were also examined throughout the literature search.

#### Population

The following sources were used to locate university Marketing Agencies:

1. Brochures and catalogs collected by the Marketing Division of the Instructional Media Center, Michigan State University.
2. The Audio Visual Source Directory, Fall/Winter 1983/4 (NAVA).
3. The Association of Educational Communication and Technology (AECT) committee for cooperation between producers and distributors.
4. Audio-Video Marketplace: A Multimedia Guide 1984.
5. University Film and Video Association (UFVA) membership list.
6. Listing from An Investigation of the Use and Protection of Intellectual Materials Created by Faculty Members for Instructional Purposes of univer-

sities with written copyright policies (Silverstein, 1978).

7. Society of University Patent Administrators (SUPA) membership list.

Forty-two potential Agencies were located. Twelve additional leads were supplied by Agencies contacted; this brought the total to fifty-four. To be included, a unit had to meet the five criteria established for this study: 1) they acted as a central service to the university; 2) they handled copyrighted rather than patented materials; 3) they handled materials developed primarily by the faculty; 4) they were located in a four year institution of higher education, and 5) they acted as a vendor of non-print materials. Following the examination of sales literature and telephone contacts to qualify the unit as a central service which sold primarily faculty developed non-print materials, this number was reduced to seventeen. Of the seventeen to qualify, thirteen were located in media centers, two were in video production units, one was in a film center, and one was located in a university press. All the participants agreed to have their names and addresses listed in this study (Appendix 3). Contact was made with the Director or Assistant Director of the larger unit when the staff did not include a Marketing or Sales Manager.

It is interesting to note that during the search for members of the population, three universities were contacted which had recently discontinued their Marketing Agencies.

The reasons given fell into two areas. Two were discontinued because they were not central to the purpose of the unit in which they were located. One of these was a university press whose whole tradition had been print materials, and there are many differences between marketing print and non-print materials (Pike, 1985:4). The other was a media production unit whose director simply did not want to be involved in the risks associated with marketing. The third Agency was discontinued because of the financial losses sustained during the early years of its operation. Significant capital was necessary to establish inventories, advertising and personnel for marketing, and returns through sales was slower than anticipated. These units were not included in this study.

In addition, special attention was given to the possibility that university presses might be a logical place for Marketing Agencies to be located (Bowen, 1979:203). Although some university presses did handle a few non-print pieces, these were always as companion components to textbooks which were selling well. Only one university press was located which acted as a central vendor for non-print materials for their university. There does seem to be a growing interest in non-print marketing among presses, but the differences between non-print and print marketing, and the capital investment required, are sufficiently great to cause presses to go very slowly into the area of non-print marketing (Pike, 1985).

This study accessed the total population of identified university Marketing Agencies meeting the specific criteria. Since seventeen is well below the minimum fifty cases needed for basic descriptive statistics (Blalock, 1972:34), data from a sample would not have been reliable in identifying the population parameters. Collecting data from a population rather than from a sample of a population provides more reliable data since inferences about characteristics of the population from characteristics of the sample are unnecessary (Blalock, 1972:109).

#### Data Collection Instrument

The questionnaire (Appendix 4) included five types of questions. They were:

1. Yes/no
2. Check alternatives
3. Interval scales
4. Multiple choice
5. Supply descriptive information

For research question one concerning the characteristics of university Marketing Agencies, the majority of the questions required a "yes" or "no" response or a check mark. The three financial questions for research question one were in the form of interval scales ranging from \$50,000 to \$500,000+ for revenue and expenses, and \$10,000 to \$100,000+ for capital investment in inventory. There were a few items with such a variety of potential responses that the



respondent was asked to write a short description. An example of this type of question was the request to list the primary goals of the Agency and then to rank order them according to importance. This type of question was also used for research question three concerning the effects of the university site on the Marketing Agency's ability to function as an effective marketer. For research question two concerning perceived marketing effectiveness, the Marketing Effectiveness Rating Scale (MERS) (Kotler, 1977) was used. MERS has been used in large for profit and non-profit organizations as a measure of perceived marketing effectiveness. Since this study was of smaller, university Marketing Agencies, changes in the wording of the multiple choice questions which comprise MERS were made to make the instrument better fit the situation. Two of the MERS questions contained more than one part. One was "How well is marketing thinking at the top communicated and implemented down the line?". This question was rewritten into two questions "How well is marketing thinking communicated throughout the organization?", and "How well is marketing thinking implemented throughout the organization?". The second MERS question to be rewritten was "Does management show a good capacity to react quickly and effectively to on-the-spot developments?". This question was rewritten into two questions "Does the Agency show a good capacity to react quickly to on-the-spot developments in the marketplace?",

and "Does the Agency show a good capacity to react effectively to on-the-spot development in the marketplace?".

According to Nunnally (1967:80), the best way to ensure high content validity for a particular use of a measuring instrument is through the "...plan and procedures for the construction of the instrument...which is formulated based on an outline or blueprint of the area (content) and illustrates underlying values." The particular areas of concern during the planning and procedures used in the construction of the questionnaire include the items selected for inclusion, their order, the wording of the items, the format of the items, and the instructions which are included for the respondent. Nunnally goes on to say that the most feasible method for ensuring adequate content validity for an instrument is the approval of the plan and procedures by "potential users or at least by persons in positions of responsibility" (1979:81). Validity of content "rests on appeals to reason regarding the adequacy with which content has been sampled, and the adequacy with which the content has been cast in the form of test items" (Nunnally, 1979:82). With these concerns in mind, the questionnaire was developed in four steps and was based on an accepted model from the field of marketing in non-profit organizations (Kotler, 1982).

The questionnaire was developed in four steps. In the first step, the researcher used her experience as the Instructional Media Center's Manager of Marketing at

Michigan State University to isolate what she thought were the critical characteristics of the Division's operations and structure. These characteristics were discussed with the chairperson of the dissertation committee until a reasonably complete list was developed. In the second step, the concrete activities which characterize each of the five attributes in Kotler's marketing orientation (1982) were isolated. The researcher's outline of operational characteristics was organized to conform to the five attributes of the marketing orientation, i.e. client-centered philosophy, adequate marketing information, integrated marketing organization, strategic orientation and operational efficiency. The language in the questionnaire was standardized to use formal marketing terminology. Concern for content validity led to the instrument being submitted to the members of the doctoral committee, a faculty member in the Office of Testing and Evaluation at Michigan State University, and a faculty member in the Department of Marketing at Oakland University in Michigan. These experts were asked to judge the appropriateness and range of the items and indexes, given their knowledge of the area (Selltiz, et al., 1959:Chapter 5). Based on their feedback, the questionnaire was revised, and then administered to the Sales Promotion Manager of the Media Library at the University of Michigan. The Media Library is a marketing agency for the University of Michigan Medical School and not a member of the population. It was felt that the data derived from the pilot

which lead to the revision of the instrument would aid in increasing the content validity of the instrument (Ebel, 1979:298). The revised instrument was administered as a formal telephone interview followed by an evaluative discussion. The researcher read the items from the questionnaire and then wrote down her responses. During the follow-up discussion, the researcher and the Sales Manager went through the instrument item by item. As a result of this pilot, six questions were rewritten to increase clarity by providing additional information. The three financial questions were reconstructed from their original "fill in the blank" format to interval scales in order to encourage responses. In discussing the instrument, the Manager indicated that she had no difficulty with the terminology since she had a marketing background. She strongly recommended that the procedure for administering the instrument be changed. She thought it would help respondents to have the instrument in front of them during the interview. This would give respondents some time to think about questions which asked for descriptive information such as goals, purpose, and criteria. Having the respondents fill out the questionnaire and then follow with an interview to clarify any questions the respondent might have, would help increase the uniformity of responses which should improve the reliability of the data. This suggestion was in accord with the literature on survey research summarized by Babbie (1979:344) concerning limiting the maximum duration of

telephone interviews to no more than ten to fifteen minutes each. The interviewer's notes would be added to the returned questionnaire later. As a last check, the revised questionnaire was administered to the administrative assistant to the Manager of Marketing at Michigan State University. Although there were no revisions to the instrument following this pilot, it did give the researcher practice in clarifying items on the questionnaire for a person who did not have a marketing background. The Marketing Agency at Michigan State University was not included in this study although it did meet the criteria for inclusion. The researcher felt that some bias might be introduced into the results if she were both the investigator and a respondent in the study.

During the entire procedure to develop the questionnaire to its final form, the revised instrument was returned to the members of the dissertation committee for their input. Each time, the instrument was revised to incorporate comments and suggestions which were appropriate.

In its final form, the questionnaire had six sections. Five of the sections concentrated on the five characteristics of the marketing orientation. These contained the appropriate items from MERS to measure perceived marketing effectiveness on the characteristics of client-centered philosophy, adequate marketing information, integrated marketing organization, strategic orientation, and operational efficiency. Each included items based on the actual

activities which demonstrated the presence of the characteristic in the organization and provided the specific information for research question one concerning the characteristics of the Marketing Agency. For example, under the characteristic adequate marketing information, the MERS question is "How well does marketing management know the sales potential and profitability of different market segments, products, and channels?". Preceding this item, the respondent was asked if his/her Agency carried out various activities which would provide information concerning the sales potential and profitability of different market segments, products, and channels. These questions asked if the organization: "Does research on the size of the current market for each product?" (5d); "Does a market forecast for each product?" (5e); "Does an estimate of the total market demand for each product?" (5j); and others (i.e., 5a, 5c, 5f, 5g, 5h, 5k, 5l, 8).

The sixth section of the questionnaire contained four general questions. The first question concerned the original purpose for which the Agency was established. The second requested a listing of the primary goals of the present Agency. The third item asked for a ranking of the goals. These items contributed information for research question one. And, the fourth item in this section sought information concerning research question three on the effects of the university environment on the ability of the Agency to operate as an effective marketer.

### Data Collection Procedures

A written questionnaire and a follow-up telephone interview were used for the data collection phase of the study. An initial telephone contact was made by the researcher to locate the Marketing Agency, administer the qualifying questions (Appendix 4), ascertain the name of the person who would be filling out the questionnaire, and set a date and time for the follow-up telephone interview. The questionnaire was then mailed to the person who had agreed to participate in the study. At the scheduled time, the follow-up telephone contact was made. This procedure was carried out by the researcher and required a total of approximately fifteen hours on the telephone. After the interview, the completed questionnaire was returned. If the unit contacted was not a central service unit or did not sell materials developed primarily by the faculty and staff, no further appointment was made. The unit was eliminated from the study. Of the fifty-four potential Agencies, five were eliminated after an examination of their sales literature since they represented only a single college rather than acting as a central service. Following the initial telephone contact, fourteen were eliminated because they were solely rental and did not have a sales function. Eleven were dropped because they were not central service units, and two because they sold only student produced materials. All of the remaining seventeen university Marketing Agencies participated in the study. Initial

telephone contacts, questionnaire mailing, follow-up interviews, and questionnaire returns were carried out between May 2 and June 18, 1985. All questionnaires were returned. The forms used for the evaluation of sales literature, administration of qualifying questions, the cover letter for the questionnaire, and the questionnaire appear in Appendix 4.

### Data Analysis

The following procedure was used to analyze the data collected for research question one concerning the characteristics of university Marketing Agencies. For each item in the questionnaire, response frequencies, and percentages were calculated when appropriate. In instances when not every respondent answered every question, percentages may not total 100%. For item thirty concerning full time equivalents employed by the Agency, the range, mean, and median were calculated.

For research question two concerning perceived marketing effectiveness using MERS, the scoring procedure developed by Kotler (1977:71) was used. On the questionnaire, all of the multiple choice items were from MERS. For each item marked in the "c" choice, two points were awarded. A mark in "b" received one point, and an "a" received zero points. The original MERS instrument contained fifteen items which gave a possible high score of thirty points if only "c's" were marked. Since two of the original questions were split into



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two additional questions for a new total of seventeen, the responses on the split questions were averaged before being added into the MERS score. Given the range of scores in each of the MERS categories from "Superior" to "None," this procedure did not cause any Agency to move into a different category. The scoring scale for this part of the questionnaire appears below.

0 - 5 No market

effectiveness

effectiveness

effectiveness

effectiveness

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der for me to match, and perhaps surpass  
s, I will need at least two student assi  
er request cards. With respect to the c  
projects, I am devoting more time each da  
routine until they are completed.  
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were calculated.

two additional questions for a new total of seventeen, the responses on the split questions were averaged before being added into the MERS score. Given the range of scores in each of the MERS categories from "Superior" to "None," this procedure did not cause any Agency to move into a different category. The scoring scale for this part of the questionnaire appears below.

0	-	5	No marketing effectiveness
6	-	10	Poor marketing effectiveness
11	-	15	Fair marketing effectiveness
16	-	20	Good marketing effectiveness
21	-	25	Very good marketing effectiveness
26	-	30	Superior marketing effectiveness

Responses for the individual questions comprising MERS had both frequencies and percentages calculated. These were presented under each characteristic of Kotler's marketing orientation, i.e. adequate marketing information, strategic orientation, operational efficiency, integrated organization, and customer philosophy.

Responses to research question three concerning the perceived hindering of facilitation factors of the university site were grouped according to similarities. Again both frequencies and percentages were calculated.

TABLE 1.--DISTRIBUTION OF QUESTIONNAIRE ITEMS FOR THE  
RESEARCH QUESTIONS

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	Items
Question 1	1-3, 5 (a-m), 8, 9, 12, 13, 16, 17, 19-23, 26-32, 36-49, 53, 56, 57
Question 2	6, 7, 10-12, 14, 15, 18, 24, 25, 33-35, 50-52, 54, 55
Question 3	4

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#### Summary

The research method used for gathering the data for this study was a questionnaire with a follow-up telephone interview. The actual instrument used was a combination of original questions developed by the researcher and an adapted version of the Marketing Effectiveness Rating Scale (MERS) (Kotler, 1977). A combination of multiple choice questions, "yes" or "no", check the appropriate item, and short descriptive responses were used to obtain the data. The instrument was validated by personnel in the College of Education and Office of Testing and Evaluation Services at Michigan State University, and a faculty member in the Department of Marketing at Oakland University, Michigan. It was pilot tested with the Sales Promotion Manager of the Media Library at the University of Michigan. The actual participants were the seventeen university Marketing Agencies located during the data collection phase of the study. All the Agencies were contacted by telephone and

asked to participate. All received questionnaires and follow-up telephone interviews, and all of the participants returned the instrument. The data was then analyzed by calculating the frequencies and percentages for each item of the questionnaire where appropriate. The items from MERS were tabulated using the scoring procedure developed by Kotler (1977:71). The results of the analysis of the data are presented in Chapter IV.

## CHAPTER IV

### ANALYSIS AND DISCUSSION OF RESULTS

This chapter presents an analysis and discussion of the data collected. An attempt is made to identify findings of particular interest which may assist in identifying the important characteristics of Marketing Agencies in universities and which contribute to their degree of perceived marketing effectiveness. Three major areas were addressed:

1. To determine the characteristics of university Marketing Agencies as they currently exist in the United States.
2. To rate the degree of perceived marketing effectiveness which exists in these Agencies according to Kotler's MERS.
3. To identify characteristics of the university environment which these Agencies believe hinder or facilitate their effectiveness as marketers.

Results are presented for each of the three major areas of concern.

#### Questionnaires Received

Questionnaires were mailed to seventeen qualified university non-print Marketing Agencies. All of the questionnaires were returned after the follow-up telephone interview. Approximately half of the respondents had one or

two questions concerning particular items on the instrument. No single item appeared to give difficulty. None of the respondents reported having difficulty in answering the questions although most marked "not applicable" on one or more of the items. All of the questionnaires were used in the analysis.

#### Current Characteristics of Marketing Agencies

This section responds to the research question:

What are the characteristics of university Marketing Agencies as they now exist?

Although the university Marketing Agencies identified by this study varied, all were located within larger service units which offered a wide range of services. Twelve of these larger units were housed in media centers, two were part of video production units, two were in film libraries, and one as part of a university press.

Respondents were asked a number of questions concerning their university Marketing Agencies. The response frequencies and percentages were calculated for each question, when appropriate. In some instances, not all of the respondents answered every question. Therefore, the percentage of responses may not total 100%. An analysis of the data revealed the following information about the characteristics of university Marketing Agencies.

### Primary Goals

The participants were asked to list the original purpose of the Marketing Agency and its current goals. They were then asked to rank order the goals according to their importance to the Agency. The results are presented in Table 2. Frequently, the Marketing Agencies' goals were

TABLE 2.--PRIORITIZED GOALS OF MARKETING AGENCIES

Number and Percentage of Respondents						
Listed Goals	N	Prim.	N	Sec.	N	Tert.
1. Revenue generation	12	70%	9	53%	4	24%
2. Audio/visual support	2	12%	2	12%	0	0
3. Promote use on campus			2	12%	1	6%
4. Broaden curriculum			1	6%	0	0
5. Acquire instr. media	1	6%		0	0	0
6. Outreach	1	6%		0	0	0
7. Teach production	1	6%		0	0	0
Non-respondents	0	0	3	18%	12	70%

concerned with different types of revenue generation as in sales of faculty developed materials, handling sales orders, promoting sales, and rentals. Also, not every Agency listed multiple goals, so only the primary goal reflects 100% response. All but two of the respondents listed revenue generation as either their primary, secondary, or tertiary goal for the Agency. For many of the respondents, the goal of revenue generation represents a shift away from the original purpose for which the Agency was established. Only eight (47%) of the respondents reported that revenue generation was the reason that they were established. The second



most frequently cited primary goal among Agencies was to provide audiovisual support to the faculty (12%). This also represents a shift in priorities among Agencies away from their original purpose. Four (23%) of the Marketing Agencies reported that providing audiovisual support to the faculty was the reason that the Agency had been established. Another goal cited by at least two (12%) of the respondents was the making of collections available to others, an outreach function. Overall, the tendency was to become more revenue conscious, more sales oriented, since the Agency's founding. Most Marketing Agencies were either established or re-established since 1970, although one had acted as a vendor since 1915. This coincides with the growth of video production in universities and the resulting increase in both expenses and products. Twelve out of the seventeen Agencies reported handling motion formats exclusively, and most of these materials were available in video only.

#### Operational Efficiency

Although revenue generation was cited most frequently, only six (35%) of the Agencies were required to be 100% self-supporting. Table 3 shows the percentages of base budget provided through university appropriations for the fifteen respondents who filled in this item.

TABLE 3.--PERCENTAGE OF BASE BUDGET PROVIDED BY UNIVERSITY APPROPRIATIONS

<u>Percent of Base Budget</u>	<u>N</u>	<u>Percent</u>
1. 0	6	35
2. 1 - 30	5	29
3. 31 - 50	2	12
4. 51 - 70	2	12
5. 71 - 90	0	0
6. 100	0	0
Non-respondents	2	12

Although six Agencies (35%) reported that they were required to be 100% self-supporting, an analysis of expenses showed that facility rental and utilities were not paid by three of these Agencies (18%). The distribution of items included in expenses is in Table 4.

TABLE 4.--EXPENSES PAID FROM INCOME BY MARKETING AGENCIES

<u>Type of Expense</u>	<u>N</u>	<u>Percent</u>
1. Supplies	16	94
2. Advertising	15	88
3. Salaries	14	82
4. Royalties	14	82
5. Reproduction	12	71
6. Benefit loading factors	11	65
7. Inventory (sales & rental materials)	10	59
8. Production costs	9	53
9. Equipment maintenance	9	53
10. New equipment purchases	9	53
11. Accounting and invoicing	9	53
12. Maintenance of facilities	6	35
13. Facility rental and utilities	3	18
14. License fees to others	3	18
15. Preview fee to library (for handling)	1	6

Examination of expenses reveals that most of the Agencies were subsidized by their institutions in addition to the yearly budget appropriations. Most frequently, this support was in the form of university services and facilities including space, utilities, equipment, production, benefits, accounting, inventory, and maintenance. Although seven (41%) did not report inventory of sales, preview and rental materials among expenses, only one Agency reported that inventory expenses were handled by another department. Reported capital investment in inventory is shown in Table 5 for sixteen Marketing Agencies.

TABLE 5.-CAPITAL INVESTED IN INVENTORY BY MARKETING AGENCIES

In Thousands of Dollars			N	Percent
1.	Under	10	6	35
2.	10 -	35	0	0
3.	36 -	60	3	18
4.	61 -	80	0	0
5.	81 -	100	1	6
6.	Over	101	6	6
Non-respondents			1	6

Revenue is shown in Table 6 and expenses in Table 7. Although all seventeen Agencies reported their expenses, only sixteen reported revenue.

TABLE 6.--REVENUE OF MARKETING AGENCIES

In Thousands of Dollars		N	Percent
1.	Under 50	5	29
2.	50 - 150	6	35
3.	151 - 250	1	6
4.	251 - 375	1	6
5.	376 - 500	1	6
6.	Over 501	2	12
Non-respondents		1	6

TABLE 7.--EXPENSES OF MARKETING AGENCIES

In Thousands of Dollars		N	Percent
1.	Under 50	4	24
2.	50 - 150	7	41
3.	151 - 250	3	18
4.	251 - 375	0	0
5.	376 - 500	1	6
6.	Over 501	2	12
Non-respondents		0	0

Only two Agencies reported revenues/expenses greater than \$500,000 for fiscal year 1983/84. Five (29%) reported income of less than \$50,000, and four (24%) reported expenses of less than \$50,000. Only one (6%) of the responding Agencies reported a deficit for last year which was covered by their university appropriation since this Agency was not required to break even. One (6%) Agency did not report its income although it did report expenses.

Of the seventeen respondents, ten (59%) indicated that the recovery of original developmental costs was not required by the university. However, twelve (70%) of the Marketing Agencies had royalty policies or cost recovery requirements which caused most of the revenue generated to go to the production unit or producer rather than to the faculty author. Marketing Agencies reported a variety of options which were used to cover material development costs at their particular universities. The most frequent method for covering production costs was to use departmental or production unit funds (sixteen, 94%). Seven (41%) reported more than one method for covering developmental and production costs at their institutions. One Marketing Agency reported being able to use a special vice-president's fund; one (6%) reported the use of grants. One (6%) Agency maintained a "speculative fund" for materials with good market potential; two (12%) others reported sharing production costs with the department. Only three (18%) reported being able to hire faculty to produce particular titles, and fourteen (82%) paid some royalty from sales to content experts. These royalties were most frequently negotiated on an individual basis depending on investment and university policy. Five (29%) reported a fixed royalty rate on sales and rental based on the list price of the item of between 20 - 25%. Five (29%) reported a royalty rate favoring the university until amortization of production costs, at which time the rate changed to favor the author(s). One Agency

reported that no royalties were paid as the material was considered to be the property of the university which had paid for its production. Table 8 shows the distribution of Marketing Agencies on royalty.

TABLE 8.--ROYALTY DISTRIBUTION BY MARKETING AGENCIES

<u>Type of Distribution Policy</u>	<u>N</u>	<u>Percent</u>
1. Fixed percentage of list or net	5	29
2. Negotiated individually based on invest.	5	29
3. Amortization formulas	5	29
4. No royalties paid	1	6
5. Paid to producer who distributes	1	6
Non-respondents	0	0

Ten (59%) made a distinction between costs for original development and costs to make materials "market ready." Although original production costs could not be recovered by most Agencies, costs to make materials ready to market were recovered as an expense from sales revenue. This distinction allowed Agencies some ability to bring new materials up to required quality standards for release when other funds were not available.

#### Integrated Organization

Sixteen (94%) of the Agencies reported that the new product development process in their institutions was either ill-defined or lacked sophistication. Only three (18%) reported being able to hire an author to produce a

particular title. Although all the Agencies accepted materials from faculty authors, fourteen (82%) also allowed staff to act as authors. Eleven (65%) would accept materials from persons outside their own institutions, and six (35%) allowed students to act as authors. Table 9 gives the distribution of Marketing Agencies concerning who can act as authors of materials accepted for marketing by sixteen respondents.

TABLE 9.--DISTRIBUTION OF AUTHORSHIP

<u>Type of Person</u>	<u>N</u>	<u>Percent</u>
1. Faculty	16	94
2. Staff	14	82
3. Departments	11	65
4. Individuals outside the university	11	65
5. Students	6	35
6. Production units	4	24
7. Government agencies or companies	2	12
Non-respondents	1	6

Seven (41%) of Marketing Agencies reported having control of some production processes. Examination of the data indicated that new products generally come to the Agency from production units or by chance. This was reflected in the media formats which Marketing Agencies offer for sale. Fully, ten (59%) offered motion formats such as film and video. In addition, the majority of Marketing Agencies offered fewer than fifty titles for sale. Ten (59%) offered between seven and fifty independent

titles; two (12%) handled between fifty-one and one hundred, and the remainder over five hundred.

Agencies reported a number of criteria which they used when accepting materials for marketing. All respondents listed usability by others as the primary consideration in accepting materials. Four (24%) specified that the material had to fit within one of the market segments which they already served. Six (35%) listed usability of material by their own faculty, and six (35%) cited quality as a primary consideration. Other criteria listed were uniqueness, life span, investment recovery, and lack of copyright problems. Only two (12%) Agencies listed accuracy of information as an important criterion.

Although six (35%) of the respondents indicated that they felt that the Agency was adequately staffed to carry out the marketing functions, the mean number of full time equivalents (FTE) was six. Agencies ranged from a low of 1/20 of one FTE assigned to marketing to a high of thirty-two FTE. The median number was three full time equivalents. In a subsequent discussion with the respondent who reported thirty-two FTE, he explained that the marketing function was not assigned separately. This number represented the total number of FTE for the entire film production unit. Twelve (70%) indicated that the Agency's employees had job descriptions which described their marketing tasks, and eight (47%) reported that the person in charge had a marketing background. Invariably, the person in charge of marketing



reported to the director of the larger unit or was the director of the larger unit.

#### Adequate Marketing Information

University Marketing Agencies reported doing little customer research or other market research. Of the variety of potential types of information which marketers need, the majority of Agencies reported collecting evaluative data from clients about the products purchased (thirteen, 76%). Seven (41%) reported using this evaluative data to improve existing and future products. Three-quarters, thirteen (76%), reported that they define the potential market for each product, and nine (53%) indicated that they do an estimate of the total market demand for the product. Further, nine (53%) of the respondents indicated that they develop a marketing mix of product, price, place, and promotion for each product. However, without having collected other than product evaluation data on their customers, these estimates seem to be based more on experience and intuition for the market on the part of the marketer rather than on real data. Table 10 gives the distribution of Marketing Agencies on the various activities performed by marketers.

TABLE 10.--MARKETING ACTIVITIES PERFORMED BY MARKETING AGENCIES

Type of Marketing Activity	N	Percent
1. Collects evaluations from customers	13	76
2. Defines potential market for each prod.	13	76
3. Develops a marketing mix for each prod.	9	53
4. Does est. of total market demand for each	9	53
5. Uses evaluations to improve prod. regularly	7	41
6. Segments the market for each product	6	35
7. Research. size of current market each prod.	5	29
8. Does a market forecast for each product	5	29
9. Est. area market demand for each product	5	29
10. Researches needs and preferences of cust.	4	23
11. Uses customer info. when develop. new prod.	3	18
12. Does a customer analysis of chosen segments	0	0
13. Estimates market share for each product	0	0
Non-respondents	0	0

Three-quarters, nine (76%), reported occasionally doing some form of market forecast for products. Of the four types of forecast methods, buyer intention surveys were the most frequently cited at five (29%). The survey simply asks customers what they intend to buy from proposed new products. The middleman survey involves asking distributors to estimate how many of a new product they will be able to sell. Five (29%) reported using this method. Four (24%) indicated that they used a market test to forecast the market for new products. This method requires a limited release of the product within a given market segment; the resulting volume of sales is used to forecast sales in the larger market.

University Marketing Agencies used mass mailing more than any other method for promoting their products. Sixteen (94%) reported using this form of advertising. Twelve (70%) reported taking exhibits to conferences and conventions. Table 11 shows the actual distribution of Marketing Agencies on promotional activities.

TABLE 11.--PROMOTIONAL ACTIVITIES USED BY MARKETING AGENCIES

<u>Type of Activity</u>	<u>N</u>	<u>Percent</u>
1. Mass Mailing	16	94
2. Exhibits at conferences/conventions	12	71
3. Telephone solicitation	7	41
4. Journal advertising	6	35
5. External sales force	4	23
6. Publicity (news releases)	4	23
7. Film festivals	1	6
8. TV spots	1	6
Non-respondents	0	0

#### Strategic Orientation

The majority of Marketing Agencies do little formal planning, either annual or long-range, and little contingency planning. Three (19%) reported that they develop an annual, written plan for marketing. Only two (12%) did an annual and a detailed long-range plan. More than half, ten (59%), indicated that their Agencies did not have written goals and objectives. In addition, ten (59%) reported that they feel that their marketing strategy is unclear while the

remainder are simply continuing the same strategies used in previous years.

Although all of the respondents reported having to support themselves at least partially and all cited revenue generation as one of their primary goals, only ten (59%) reported that their planning focused on long-range profitability. Nine (53%) reported that their planning focused on long-range growth.

#### Customer Philosophy

Most university Marketing Agencies concentrated on selling the products they have to whomever will buy them, as well as selling and servicing their present clients. Fourteen (82%) reported that the bulk of their efforts go to selling and servicing their present customers. Nine (53%) reported thinking primarily in terms of current and new products to whomever will buy them rather than thinking in terms of serving the needs of well defined market segments. Eleven (65%) of the respondents indicated that they were either unable or could develop only somewhat different offerings and marketing plans for different market segments. Nine (53%) reported that new products are not developed based on information about the needs and wants of given market segments. Within their own operating systems, sixteen (94%) were willing to modify their policies and procedures, if necessary, to meet customers' needs.

In addition to the marketing services offered by university Marketing Agencies, the respondents offered a variety of other services to the university. Since most of these auxiliary services were non-revenue generating, they are supported either from revenues, university appropriations, or a combination of the two. The most frequently listed services were instructional development consultation (fourteen, 82%) and the maintenance of a central non-print library, (twelve, 71%). Ten (59%) reported providing copyright consultation, registration, presenting workshops, and seminars for faculty. Twelve (71%) purchased non-print programs from other sources for the library. Table 12 shows the distribution of university Marketing Agencies for other services which they provide.

TABLE 12.--OTHER SERVICES PROVIDED BY MARKETING AGENCIES

<u>Type of Service</u>		<u>N</u>	<u>Percent</u>
1.	Instructional development consultation	14	82
2.	A central non-print library	12	71
3.	Acquisition non-print prog. from others	12	71
4.	Copyright consultation/registration	10	59
5.	Seminars and workshops for faculty	10	59
6.	Research other than market research	8	47
7.	Courses for student credit hours	5	29
8.	Book publication w/o non-print compon.	2	12
Non-respondents		0	0

Perceived Marketing Effectiveness (MERS)

This section responds to the research question:

What level of perceived marketing effectiveness currently exists in university Marketing Agencies?

Only one (6%) of the seventeen Marketing Agencies located rated its marketing effectiveness as high as the "very good" category on Kotler's Marketing Effectiveness Scale (MERS) (1977). Two (12%) others scored a rating of "good." The distribution of the scores and the percentage of the population represented appears in the following table:

TABLE 13.--DISTRIBUTION OF SCORES ON MERS

<u>Range</u>	<u>Rating</u>	<u>N</u>	<u>Percent</u>
30 - 26	Superior marketing effectiveness	0	0
25 - 21	Very good marketing effectiveness	1	6
20 - 16	Good marketing effectiveness	2	12
15 - 11	Fair marketing effectiveness	8	47
10 - 6	Poor marketing effectiveness	2	12
5 - 0	No marketing effectiveness	4	24
Non-respondents		0	0

Adequate Marketing Information

Although eleven (65%) reported that they had not done any customer research more recently than five years ago, fifteen (88%) felt that they were somewhat knowledgeable about the sales potential and profitability of different market segments and products. The corroborating items in this section of the questionnaire showed that at least half

of the respondents collected evaluative data about the products the Agency sold. They defined the potential market, did an estimate of total market demand, and developed a marketing mix for each product. In addition, thirteen (76%) used one of four possible methods for performing a forecast of the market. It appears that the majority of Marketing Agencies felt that they know what their customers want without having collected that information within the last five years. Also, only two (12%) reported making substantial efforts to track their cost effectiveness. Fifteen (88%) made some or little, to no effort to measure cost effectiveness of their marketing expenditures. The distribution of Agencies on the MERS items which comprise the variable adequate marketing information appears in Tables 14, 15, and 16.

TABLE 14.--RESEARCH ON CUSTOMERS, BUYING INFLUENCES,  
CHANNELS, AND COMPETITORS

<u>When Conducted</u>		<u>N</u>	<u>Percent</u>
1.	More than five years ago or never	11	65
2.	Three to four years ago	4	24
3.	This year or last year	2	12
Non-respondents		0	0

TABLE 15.--KNOWLEDGE OF SALES POTENTIAL AND PROFITABILITY OF  
DIFFERENT MARKET SEGMENTS, PRODUCTS, AND CHANNELS

<u>Degree of Knowledge</u>	<u>N</u>	<u>Percent</u>
1. Not at all	2	12
2. Somewhat	15	88
3. Very well	0	0
Non-respondents	0	0

TABLE 16.--DEGREE OF EFFORT MADE TO MEASURE COST EFFECTIVE-  
NESS OF EXPENDITURES

<u>Degree of Effort</u>	<u>N</u>	<u>Percent</u>
1. Little or no effort	6	36
2. Some effort	9	53
3. Substantial effort	2	12
Non-respondents	0	0

Strategic Orientation

Only two (12%) of the respondents reported formulating and annually revising detailed long-range marketing plans as well as developing a written annual plan. An additional three (18%) developed a written annual marketing plan. Ten (59%) felt that their marketing strategy was unclear; ten (59%) respondents felt that the strategy was clear, but traditional. Eleven (65%) reported that marketing management did some informal contingency thinking; five (29%) reported doing no contingency thinking. In the support items for this section on the questionnaire, only seven (41%) reported having written goals and objectives for the



Marketing Agency. Although ten (59%) reported that their Agency's plans focus on profitability, all claimed to either partially or wholly support themselves through revenues generated. The distribution of Marketing Agencies on the MERS items which comprise the variable strategic orientation appears in Tables 17, 18, and 19.

TABLE 17.--EXTENT OF FORMAL PLANNING BY MARKETING AGENCIES

<u>Extent of Planning</u>	<u>N</u>	<u>Percent</u>
1. Little or no formal planning	11	65
2. A written annual plan is developed	3	18
3. A detailed annual and careful long-range plan which is updated at least annually are developed	2	12
Non-respondents	1	6

TABLE 18.--QUALITY OF THE MARKETING STRATEGY USED BY MARKETING AGENCIES

<u>Agency's Assessment</u>	<u>N</u>	<u>Percent</u>
1. Current strategy is not clear	10	59
2. Strategy is clear and traditional	6	35
3. Strategy is clear, innovative, and data-based	1	6
Non-respondents	0	0

TABLE 19.--EXTENT OF CONTINGENCY THINKING

<u>Extent</u>	<u>N</u>	<u>Percent</u>
1. Little or no contingency thinking	5	29
2. Does informal contingency thinking	11	65

Table 19 Cont'd.

3. Formally identifies contingencies and develops plans to meet them	0	0
Non-respondents	1	6

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### Integrated Organization

A little over half, nine (53%), of the Marketing Agencies reported that the Agency worked well with others to resolve problems in ways which would benefit the organization as a whole. Seven (41%) felt that relations with other departments were friendly, but each department acted to primarily serve its own interests. Almost half, eight (47%) believed that the major marketing functions of analysis, planning, implementation, and control were effectively integrated within the Marketing Agency. Five (29%) reported that there was less than satisfactory coordination and cooperation, and four (24%) reported a lack of integration leading to unproductive conflict. In a support item for this section, Marketing Agencies reported staffing which ranged from 1/20 FTE to thirty-two FTE with a median of three. In such small units, the various marketing functions are often carried out by the same people rather than being split into separate departments. The size of university Marketing Agencies assists the degree that functions can be carried out in a coordinated matter; a higher degree of integration of the functions results.

Unfortunately, Marketing Agencies report that the new product development process is not well integrated with Marketing Agencies. Only one Agency (6%) reported that they thought that the new product development system at their university was well-structured and professionally staffed. Seven (41%) said that the system formally exists but lacks sophistication, and slightly more than half, nine (53%), believed the system to be ill-defined. On a supporting item, only three Agencies (18%) reported being able to hire a content expert to produce a particular product, or otherwise directly influence the new product development process to meet client needs. Tables 20, 21, and 22 present the distribution of Marketing Agencies on the MERS items for integrated organization.

TABLE 20.--DEGREE THAT THE MARKETING AGENCY WORKS WELL WITH OTHER DEPARTMENTS

<u>Responses</u>	<u>N</u>	<u>Percent</u>
1. Other departments complain about the demands marketing makes	0	0
2. Somewhat relations are friendly, but each dept. acts to serve own interests	7	41
3. Dept. cooperate effectively and resolve issues for the good of the whole org.	9	53
Non-respondents	1	6

TABLE 21.--LEVEL OF INTEGRATION AND CONTROL OF MAJOR  
MARKETING FUNCTIONS

<u>Level of Integration and Control</u>	<u>N</u>	<u>Percent</u>
1. Not integrated and some conflict	4	23
2. Somewhat integrated and formally controlled, but unsatisfactory cooperation and coordination	5	29
3. Effectively integrated	8	47
Non-respondents	0	0

TABLE 22.--ORGANIZATION OF THE NEW PRODUCT DEVELOPMENT  
PROCESS

<u>Degree of Organization</u>	<u>N</u>	<u>Percent</u>
1. System is ill-defined	9	53
2. System formally exists but unsophist.	7	41
3. Well-structured and profes. staffed	1	6
Non-respondents	0	0

Operational Efficiency

This section of the questionnaire was comprised of five MERS items. The first pair concerned the communication and implementation of marketing thinking throughout the organization. The next involved the use of resources, and the last pair concerned organizational response to on-the-spot developments in the marketplace.

Only two Agencies (12%) reported that marketing thinking was successfully communicated and implemented throughout the organization. Five (29%) felt that marketing thinking was poorly communicated; over half, ten (59%), believed that

marketing thinking was fairly well communicated throughout the organization. On the second half of this pair of questions, a larger number, twelve (71%), felt that marketing thinking was implemented fairly well throughout the organization. Only three (18%) thought that marketing thinking was implemented poorly throughout the organization.

On the question concerning the use of marketing resources, only two (12%) reported that marketing resources were both adequate and deployed optimally. Eight (47%) felt that the resources were adequate, but they were not being used optimally, and seven (41%) felt that the marketing resources were inadequate for the job to be done.

The last pair of questions for this section concerned the ability of the organization to react quickly and effectively to on-the-spot developments in the marketplace. Approximately one-third, six (35%), reported that their reaction time was slow because sales and marketing information was not current. Six (35%) believed that the Agency lacked the ability to react effectively to on-the-spot developments in the marketplace because of out-of-date sales and marketing information. Nine (53%) of the Agencies reported that their reaction time varied, and eight (47%) believed that their effectiveness varied in this area. One Agency (6%) reported that it had installed systems which yielded current information and fast reaction time. Distribution of Marketing Agencies on the five MERS items for operational efficiency appears in Tables 23 - 27.

TABLE 23.--DEGREE TO WHICH MARKETING THINKING IS  
COMMUNICATED THROUGHOUT THE ORGANIZATION

<u>Degree</u>	<u>N</u>	<u>Percent</u>
1. Poorly communicated	5	29
2. Fairly well communicated	10	59
3. Successfully communicated	2	12
Non-respondents	0	0

TABLE 24.--DEGREE TO WHICH MARKETING THINKING IS IMPLEMENTED  
THROUGHOUT THE ORGANIZATION

<u>Degree</u>	<u>N</u>	<u>Percent</u>
1. Poorly implemented	3	18
2. Fairly well implemented	12	71
3. Successfully implemented	2	12
Non-respondents	0	0

TABLE 25.--DEGREE OF EFFECTIVENESS IN USING MARKETING  
RESOURCES

<u>Degree of Effectiveness</u>	<u>N</u>	<u>Percent</u>
1. Marketing resources are inadequate for the job to be done	7	41
2. Somewhat. Resources are adequate but not employed optimally	8	47
3. Resources are adequate and deployed optimally	2	12
Non-respondents	0	0

TABLE 26.--CAPACITY TO REACT QUICKLY TO ON-THE-SPOT DEVELOPMENTS IN THE MARKETPLACE

<u>Capability</u>	<u>N</u>	<u>Percent</u>
1. No. Sales and market information is not current, and reaction time is slow	6	35
2. Somewhat. Fairly up-to-date information and reaction time varies	9	53
3. Yes. Systems yield current information and fact reaction time	1	6
Non-respondents	1	6

TABLE 27.--CAPACITY TO REACT EFFECTIVELY TO ON-THE-SPOT DEVELOPMENTS IN THE MARKETPLACE

<u>Capability</u>	<u>N</u>	<u>Percent</u>
1. No. Sales/market information is not current, and reaction is not effective	7	41
2. Somewhat. Fairly up-to-date information and reaction effectiveness varies	8	47
3. Yes. Systems yield current information and effective reactions	1	6
Non-respondents	1	6

Customer Philosophy

This section of MERS contained three questions. These questions were concerned with developing different offers for different market segments using a whole systems view of markets during the planning process and designing the organization to serve the needs of market segments.

Only six (35%) reported that they developed different offerings and marketing plans for different market segments. Two (12%) felt that they did not do this at all while nine

(53%) felt that they were somewhat able to develop different offerings and plans for different market segments.

Only two (12%) reported using a whole marketing system view (suppliers, channels, competitors, customers, environment) in planning their business. The largest number, eight (47%), reported that their Agencies did not use a whole systems perspective but concentrated on selling and servicing current customers. Seven (41%) reported using somewhat of a systems view, but that the bulk of the Agency's effort went into selling and servicing current customers.

Over half, nine (53%), reported that their Agencies did not design the organization to meet the needs and wants of customers. Rather, they felt that the Marketing Agency thought primarily in terms of selling current and new products to whomever will buy them. Three (18%) of the Agencies reported that they thought in terms of serving the needs and wants of market segments chosen for their long-range growth and profitability to the Agency. Five (29%) reported thinking in terms of serving a wide range of markets with equal effectiveness. On a related support question for this section, sixteen (94%) reported that they were able to modify their policies and procedures, if necessary, to give customers what they needed. The distribution of Marketing Agencies on the three MERS items for the variable customer philosophy is presented in Tables 28-30.



**TABLE 28.--DEGREE TO WHICH DIFFERENT OFFERINGS AND MARKET PLANS ARE DEVELOPED FOR DIFFERENT MARKET SEGMENTS**

<u>Offerings &amp; Plans Differ for Market Segments</u>		<u>N</u>	<u>Percent</u>
1.	No	2	12
2.	Somewhat	9	53
3.	Yes	6	35
Non-respondents		0	0

**TABLE 29.--DEGREE TO WHICH THE AGENCY TAKES A WHOLE SYSTEMS VIEW WHEN PLANNING**

		<u>N</u>	<u>Percent</u>
1.	No. Market. concentrates on selling and servicing its immediate, current cust.	8	47
2.	Somewhat. Takes a long-term view of channels but concentrates most of its efforts on sell. and serv. current cust.	7	41
3.	Yes. Takes a whole systems view and recognizes threats and opport. for the company in changes anywhere in the system	2	12
Non-respondents		0	0

**TABLE 30.--IMPORTANCE OF DESIGNING THE AGENCY TO SERVE THE NEEDS AND WANTS OF CHOSEN MARKETS**

		<u>N</u>	<u>Percent</u>
1.	No. Thinks primarily in terms of current/new prod. to whomever will buy	9	53
2.	Somewhat. Thinks in terms of serving wide range of markets/needs with equal effectiveness	5	29
3.	Thinks in terms of serving needs and wants of well-defined markets chosen for their long-term growth and profit potential for the Agency	3	18
Non-respondents		0	0

### Overview of Marketing Effectiveness

MERS is the instrument developed by Kotler (1977:71) to measure the degree of perceived marketing effectiveness present in non-profit organizations. The items in the instrument are based on the five characteristics of the marketing orientation model (Kotler, 1975; 1982) which have been used as the basis for this study. In his research, Kotler used MERS for a population which was different from the population of university Marketing Agencies which was the focus of this study. In order to use MERS, changes in both the instrument and the method of administration were necessary. Therefore, increased caution must be applied in interpretation of the data collected.

The marketing orientation model, as proposed and used by Kotler, is meant to be used as both a descriptive and causal model which can be applied as an evaluative tool for organizations to improve their marketing effectiveness. Kotler contends that those organizations which operate with high levels of the five characteristics of the marketing orientation will be more effective in reaching their marketing goals than those organizations which have lower levels or are lacking in the five areas.

Analysis of the data collected from MERS for the seventeen Marketing Agencies resulted in three Agencies with scores in the "good" and "very good" categories of marketing effectiveness. Table 31 presents the Agencies' scores on

MERS in comparison to their reported revenue and their primary goal.

TABLE 31.--COMPARISON OF MERS SCORES, REPORTED REVENUE, AND PRIMARY GOAL FOR MAR. AGEN.

Respondent #	Marketing Information	Strategic Orientation	Integrated Organization	Operational Efficiency	Customer Philosophy	MERS Score	Revenue in thousands	Primary Goal
12.	4	3	6	5	5	Very Good	450	Provide educational media mark. serv. (rev.)
13.	3	3	4	3	5	Good/18	100	Acquire media to meet university inst. needs
17.	2	5	4	3	4	Good/18	200	Distribute scholarly mat. for sale (revenue)
14.	2	2	4	2	5	Fair/15	500+	Expand sales to schools (revenue)
15.	5	1	4	3	2	Fair/15	50	Outreach
16.	2	2	4	3	4	Fair/15	50	Arrange sales (revenue)
5.	2	1	4	3	4	Fair/14	275	Increase distr. of exist. materials (revenue)
6.	3	2	5	3	1	Fair/14	100	Promote/sell faculty devel. materials (rev.)
11.	3	3	4	2	2	*Fair/11	80	Increase film rentals (revenue)
1.	2	2	3	2	2	Fair/11	100	Teach TV production
3.	2	1	3	3	2	Fair/11	100	Provide AV support to faculty
9.	2	0	3	1	2	Poor/8	<50	Increase film and video rentals (revenue)
8.	2	0	1	2	1	Poor/6	500+	Increase rental revenues films/video (rev.)
2.	0	0	2	2	0	No/4	<50	Market audiovisual materials (revenue)
4.	1	1	1	1	1	No/4	**n/r	Generate income to support production (rev.)
7.	1	1	1	0	1	No/4	20	Handle correspondence about sales (rev.)
10.	0	0	1	0	2	No/3	<50	Grow/promote use on campus (audiovisual)

\* Median Score on MERS

\*\* Not Reported

The data displayed in Table 31 shows some general support for Kotler's marketing orientation model. The median score on MERS was eleven which is at the bottom of the "fair" category for marketing effectiveness. The median income for university Marketing Agencies was \$100,000. Of the Agencies with scores above the median, six out of eight earned \$100,000 or more. Of the Agencies at or below the median MERS score, only three out of eight earned the median income of \$100,000 or more. The most obvious inconsistency appears for respondent Number 8 whose Agency reported \$500,000+ earnings, but scored only six or "poor" on MERS. In discussing this figure with the respondent, the actual sales portion of reported revenue is approximately \$50,000 with rental income from the large, well established film library accounting for the balance. The library seemed to be more or less running under its own momentum, and the Agency did not feel it needed to do much in the way of marketing.

Of the respondents who were in the top of the "fair" category with scores of fourteen and fifteen, the two with reported income of \$500,000+ and \$275,000 came from a marketing background and tended to rate themselves more critically than some of the other respondents.

It is interesting to note that except for the top three Agencies on MERS, strategic orientation, the planning component, was the lowest scoring of the five variables of the model. Adequate marketing information and client-centered

customer philosophy were only slightly stronger. Marketing Agencies scored themselves most highly on the variables of integrated organization and operational efficiency. This is probably a reflection of their small size more than any other single factor.

### Environmental Factors

This section responds to the research question:

What characteristics of the university environment, if any, do Marketing Agencies perceive as hindering or facilitating their ability to operate as effective marketers?

Respondents were asked to describe how being located in an academic institution effected their ability to operate as compared with a commercial firm. Almost three-quarters, twelve (70%) of the responses were concerned with factors which the respondent felt hindered the university Marketing Agency in some way. Only seven (41%) listed items which they felt gave them an advantage over commercial marketing firms.

### Perceived Hindering Characteristics

The most frequently mentioned hindering characteristic in the university setting was the inability of the Marketing Agency to exercise some influence over the new product development process. Only three (18%) of the Agencies reported being able to hire a faculty member to produce particular programs, and only three (18%) of the Agencies

felt that they were able to put together a product quickly to meet a new demand in the marketplace. The underlying principle of Kotler's marketing orientation is to find needs and fill them through the development of effective products, but university Marketing Agencies are in the position of having to sell products which were developed for reasons internal to the university to whomever will buy them. The majority of university Marketing Agencies are thus forced into a seller's orientation rather than a marketing orientation.

Six (35%) reported that university policies and guidelines prohibited them in particular ways from advertising or setting realistic prices for their products. Either the Agency was totally prohibited from any advertising because that might be construed as being in competition with off-campus vendors, or the funds available for promotional activities were severely limited for fear that advertising, per se, might "sully the university's reputation." Supporting this caution is the data from Questions 27 and 29. Nearly three-quarters of the Agencies, twelve (70%), reported that the persons employed by the Marketing Agency did not have job descriptions which accurately described their marketing responsibilities, and eight (47%) reported that the person in charge of marketing did not have either formal training or experience in the field of marketing. This seems to be consistent with the peculiar characteristics of marketing by non-profit organizations as cited by

Kotler (1982:8) and Lovelock and Rothschild (1979) who contend that the multiple publics interested in non-profit organizations tend to make these organizations act cautiously and conservatively. Not surprisingly, ten (59%) reported that their marketing strategy is unclear; while six (35%) reported that they are continuing traditional strategies. Apparently, the majority of university Marketing Agencies were not staffed with persons trained to adequately carry out marketing tasks, and this reduces their ability to perform as effective marketers.

#### Perceived Facilitating Characteristics

There were four reported advantages to being located within a university setting. Three (18%) felt that their location afforded them the use of lower cost services and facilities. This type of subsidy was reported by fourteen (82%) of the respondents. Only three (18%) were required to pay for facility rental and utility costs. Only five (29%) reported being charged for maintenance and improvements to facilities. In fact, all but six (35%) reported receiving an appropriation from the university as part of their base operating budgets although none was funded for more than 60% of their total budget. For the Agencies which reported having to pay for production costs (nine, 53%) and recovery of these costs (six, 35%), additional pressure toward selling is applied by funding procedures.



The second advantage was the prestige of being part of a university. This affiliation added to their sales efforts. Four (24%) of the respondents felt that prospective customers from other educational institutions were more likely to believe that products would be effective teaching materials since the content came from a university. This was seen as giving the university Marketing Agency an advantage over commercial competitors. However, the criteria reported by Agencies when accepting materials for marketing outside the university does not suggest that content is critically evaluated for either accuracy or teaching/learning effectiveness. Twelve (71%) reported that their criteria for accepting products for marketing was an estimation of their usability by others, i.e. their marketing potential. Most often this evaluation was in terms of recovering production costs and/or potential profitability. Seven (41%) cited usability by their own faculty as a criterion; these were among the eleven (65%) who accepted materials from authors outside their own institutions. Only two (12%) reported that content accuracy was a factor when accepting materials to be marketed.

A third advantage cited by one respondent was the ability of the Marketing Agency to release "slim market materials" for sale because the Agency was non-profit and not required to make a profit. Slim market materials are those which only have a very small potential market. An example would be non-print materials developed for the

teaching of veterinary medicine. There are fewer than twenty-five schools of veterinarian medicine in the United States, and secondary markets such as animal technologist programs, and continuing education for practicing veterinarians are limited by either narrow content requirements or the expense of the non-print materials for a private citizen. The slim market concept was the original principle supporting the founding of university presses which were commissioned to publish scholarly works which commercial publishers would not take because of the lack of profit potential. Marketing Agencies are able to do well in slim market niches since they are in part supported by their institutions and operate with much reduced overhead costs as compared with a commercial marketer.

This same respondent also listed content experts, the faculty, as a facilitating factor to the Marketing Agency's ability to operate as an effective marketer. The faculty are available for consultation, evaluation, and assistance during the marketing process. This adds to the quality of the non-print materials which the Agency can offer without adding to the costs of preparing them for the market.

### Summary

Data was collected and analyzed in order to address three major areas. 1) The main characteristics of the university Marketing Agencies; 2) their perceived level of marketing effectiveness; and 3) the perceived effects of the

university setting on their ability to be effective marketers were all studied.

Questionnaires were sent to all seventeen of the identified university Marketing Agencies, and follow-up telephone interview were carried out. All Agencies returned the questionnaires, and all of the questionnaires were used in the analysis.

Although university Marketing Agencies varied, there were some important commonalties. Although only eight (47%) reported revenue generation as the reason the Agency was originally founded, sixteen (94%) listed revenue as the primary or secondary current goal.

In addition, Agencies reported offering a variety of non-revenue generating services to the university which added to the pressure to sell products under current university funding policies.

The majority of Marketing Agencies felt that they communicated and implemented marketing thinking throughout the Agency fairly well. Fifteen (88%) felt that their resources were either inadequate or not being used optimally. Only one Agency was not required to breakeven. The majority of Agencies earned and spent \$100,000 or less; while median capital invested in inventory was approximately \$50,000. Most Agencies enjoyed some subsidy from their universities in addition to general fund appropriations. Only one Agency felt that it could respond quickly to market needs.

Although most Agencies perceived that they were fairly efficient, they reported a lack of integration within the Agency. Most Agencies thought that new product development process was poorly organized and outside their sphere of influence. The majority of Agencies were not able to hire content experts to produce materials, although most could pay some royalties from sales after production costs and expenses were recovered. Most of the Agencies could accept materials for marketing from individuals outside their own universities. Most felt they lacked adequate staffing and lacked either background or experience in the field of marketing.

The Agencies clearly lack adequate marketing information. Most had either never collected marketing information from their market segments, or had not within the last five years. Even those few who did collect some data were unable to apply what they learned to the products they marketed since they were not involved in the product development process. Most depended on mass mailing and exhibits at conferences to get information about products to prospective customers. Only two (12%) of the Agencies reported making substantial efforts to measure the cost effectiveness of their marketing expenditures.

University Marketing Agencies lack a clear strategic orientation. Most Agencies do little or no formal planning, and most do not have written goals and objectives or feel that there is a clear marketing strategy. Few reported

doing any contingency thinking or planning concerning possible events in their marketplace.

Although most Agencies report being able to modify their policies, procedures, and sale plans somewhat to meet the needs of different clients, they are not able to modify their products to meet varying needs in different market segments. Most reported that they concentrated their efforts on selling what they had to whomever would buy, and to servicing their current clients.

Approximately one-third, six (35%), of the Agencies perceived that their marketing effectiveness was either poor or non-existent. Only three (18%) rated themselves as good or very good in their marketing effectiveness according to MERS (Kotler, 1977).

A comparison of reported revenue, total MERS scores and stated primary goal showed some tentative support for the marketing orientation model by Kotler (1982). Six out of eight Agencies with scores of better than the median score of eleven earned better than the median income of \$100,000. Only three out of eight Agencies with less than the median MERS scores earned the median income or better, and one of these dropped under the median when library rental income was factored out.

Most of the Agencies thought that their university setting adversely affected their ability to operate as effective marketers either through lack of input in the new product development process to meet market needs, or through

restrictions on promotional efforts. Advantages cited by a minority of Agencies included lower cost services, added prestige from the university's name and reputation, ability to publish slim market materials, and the availability of the faculty to assist the Marketing Agency in a variety of ways.

## CHAPTER V

### SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

The purpose of this chapter is to summarize the research problem, methodology, procedures, and results of this study. On the basis of these findings, general conclusions, recommendations, and guidelines are stated.

#### STUDY SUMMARY

Continuing rising costs, lagging appropriations, and shrinking research funds have caused universities to seek alternative sources of revenue to support instructional, administrative, and research programs (Lucas, 1979). One such potential source is the market for media produced by the university in support of its programs. Non-print programs are expensive to produce in terms of the university's human and financial resources. A few universities have Marketing Agencies to perform as vendors of university supported non-print materials. Others are interested in establishing such Agencies. During the search for the population for this study, two major institutions contacted were in the process of establishing a Marketing Agency and requested copies of this study be sent as soon as possible.

The intent of this study was to answer three questions.

1. What are the characteristics of university non-print Marketing Agencies as they now exist?

2. What level of perceived marketing effectiveness currently exists in university non-print Marketing Agencies?
3. What characteristics of the university environment, if any, do Marketing Agencies perceive as hindering or facilitating their ability to operate as effective marketers?

A general marketing model by Kotler (1982) was used to form the basis for a measure of marketing effectiveness. Since the Marketing Agencies were located within unique, non-profit institutions, it was likely that the university setting exerted influences on the Agency's operations. An effort was made to discover what those influences were, and how they effected the Marketing Agency's ability to function effectively as a marketer. The data resulting from the survey were then used in formulating recommendations and guidelines which could be used by existing Agencies to improve their marketing effectiveness, and by universities when establishing new Agencies.

Three general research questions were formulated to investigate the characteristics of Marketing Agencies, their marketing effectiveness and the effects of the university setting on their ability to function effectively as marketers. Kotler's marketing orientation (1982) was used as the basis for constructing the data collection instrument. The major limitations of the study were: 1) that it was a survey, and as such, depended in part on the subjective perceptions of respondents; 2) the Agencies studied were only central service units and did not service a single



college or department; and 3) only units located in four year institutions of higher education were surveyed.

The review of recent literature assisted in forming the basis for the model used to describe and evaluate university Marketing Agencies. The concepts of client centered philosophy, adequate marketing information, strategic orientation, operational efficiency, and integrated organization were explored and corroborated. These variables were then used as the organizational framework for the construction of the data collection instrument.

Since there was no central listing or other source directory of university Marketing Agencies, one of the first tasks of this study was to locate members of the population. Leads were collected from a number of sources and followed up with letters and telephone calls. A total of seventeen Marketing Agencies, meeting the criteria for this study, were located and surveyed. Telephone contact was used to obtain agreement to participate before the survey was mailed to the respondent, and as a follow-up interview to answer any questions before the instrument was returned. All of the respondents participated in the study and returned their respective questionnaires. The questionnaire used several different types of questions depending on the information sought. All of the returned questionnaires were used in the study.

The data was analyzed by calculating response frequencies and percentages, when appropriate. On the item

concerning full time equivalents, the range, mean, and median were calculated. For the three financial items, the range and median were used, and for the MERS items, the scoring procedure developed by Kotler (1977:71) was used.

### Conclusions and Recommendations

Conclusion 1: The majority of university Marketing Agencies are not very effective in attaining their current goals.

Although the majority of Marketing Agencies surveyed listed revenue generation among the original purposes for which they were founded and among their primary goals, gross income levels are relatively low. Specifically, these Agencies were charged with promoting and selling faculty developed non-print materials; yet the majority of the Agencies have fewer than fifty titles available. It was assumed that they were not actively seeking new materials, and/or the faculty were not being stimulated or rewarded for putting in the time and effort to produce non-print materials. It has been found that most university policies concerning royalty distribution favor producers rather than faculty authors, and most universities do not reward the creation of non-print materials as they do print in terms of decisions concerning tenure, merit pay, and promotion (Silverstein, 1978:67). Royalty formulas and cost recovery requirements favored the production unit before the faculty author, and most Marketing Agencies generate so little revenue that production costs cannot be repaid in a timely

manner. Yet university goal statements often include support for innovative and effective teaching methods (Mission Statement, Michigan State University, 1982). The data collected by this study indicated that university Marketing Agencies seem to have evolved over time to sell educational media materials with the hope of earning a little "extra" income to support other activities. Most frequently, these activities have been in production. The absence of written goals and objectives implies a continuing lack of overall purpose in line with the university's mission.

#### Recommendations

1. A written description of the purposes and goals of the Marketing Agency should be formulated by a university committee of persons affected by, knowledgeable about, and interested in the potential activities of the Agency.
2. These goals and objectives should be specifically related to the university's overall goals and objectives.
3. The Marketing Agency's policies and procedures should be based on the written goals and objectives of the Agency.
4. A very simple statement of the goals and objectives of the Agency should be marketed to interested and involved groups within the university, i.e. faculty, production personnel, administration, and the members of the Marketing Agency so that everyone can work toward achieving them.

Conclusion 2: Marketing Agencies have more than one set of clients whose needs need to be met if the Agency is to be successful as a marketer.

Without clear understanding and identification of who the various clients of the Marketing Agency are, it will not be possible for the organization to effectively meet client needs and thus achieve its goals. Kotler's marketing orientation (1982) identifies a number of potential clients for non-profit marketing organizations in addition to the purchaser of the goods. For university Marketing Agencies, it is critical that the needs of the faculty who are the potential source of new materials be considered. Maintaining a productive balance among the various groups involved in the total marketing and product development process requires that the Marketing Agency be able to effectively interact with and influence these groups toward a marketing perspective. Unfortunately, as mentioned earlier, few universities currently recognize and reward non-print materials development on an equal basis with print publication in matters of promotion, tenure, merit pay, and general recognition. Nor do most university policies concerning the distribution of royalty income from the sales of non-print materials favor the faculty sufficiently to act as incentive for putting in the time and effort to produce innovative non-print materials (Silverstein, 1978). However, many university faculty do spend time producing materials which fill their instructional needs. Others may be found who would be interested in producing non-print materials if they were offered the assistance and support to do so. By assessing and working to meet the needs of faculty, the

Marketing Agency may be able to proactively meet it's own needs for new materials which can be influenced toward meeting the identified needs of clients outside the Agency's institution.

It is also true that most of the new materials which Marketing Agencies receive to market come through the various production units on the campus which are independent from both the faculty author and the Agency. Production units must also be included in the Agency's analysis of client groups. If the Marketing Agency can identify some of the needs of production units, which the Agency can meet, than production may be influenced by the Agency toward a marketing perspective. For example, one need of production units may be for information concerning the elements to include or avoid during production which would allow finished non-print products to be marketed. This includes regularly affixing copyright statements on all productions, avoiding the use of building names and room numbers in the materials which are specific only to the producer's institution, and avoiding the use of copyrighted materials within the production unless permission has been obtained.

#### Recommendations

1. All clients of the Marketing Agency should be specifically identified based on the goals and objectives of the Agency.

2. The Agency should base its plans, resource allocations, operations, information gatherings, and staffing priorities on the relative importance of the identified client group(s).
3. That various offerings (or services) should be designed to meet the specific, identified needs of the client(s).
4. The Agency should take a long-term view of meeting client needs in ways which contribute to the achievement of the Agency's goals.

Conclusion 3: University Marketing Agencies collect little, if any information, about their customers, market segments, competitors, distribution channels, or the effectiveness of their expenditures.

Even in cases where some information is collected, it can be applied only in limited ways since most university Marketing Agencies are excluded from the new product development process. Collecting useful information requires an investment of resources and carefully implemented systems which makes the application of the information possible and worthwhile to the marketing effort. Without adequate information which is available when it is needed, it is not possible to make rational decisions concerning what to offer to whom, when, in which form, and how. Nor can decisions be made concerning which activities provide the greatest return for the resource investment and which are ineffective.

#### Recommendations

1. The Agency should setup and use an accounting system which tracks marketing expenditures and the results of those expenditures by line item.

2. The Agency should identify the specific market segments which it can service most effectively and concentrate on servicing them over the long-term.
3. The Agency should formulate a general plan which identifies the types of information to be collected for each product group, market segment, and the frequency for collecting it. Adequate information can be collected through small telephone and written surveys to a sample of appropriate customers and discussions with faculty at the university in the appropriate content group.
4. The Marketing Agency should develop a marketing mix for each product which uses information about the market segment to make decisions about product features, the pricing structure, the method(s) for distributing the product (Gaunt, 1976), and the promotional options to be used.
5. The information collected by the Agency concerning client needs and wants should be used during the revision and development of products.
6. The information collected should be compiled over time to form a customer data base for the Marketing Agency.

Conclusion 4: University Marketing Agencies are not strategically oriented and do little or no formal planning yet their small size could facilitate these activities.

The majority of Marketing Agencies do not have written goals and objectives, do no formal planning, do little or no contingency thinking, and do not have a clear marketing strategy. Formal planning is often avoided on the basis that it takes too much time (Kotler, 1982:173). Planning can also become a frustrating exercise if the group making the plan is not the group which must implement it (Jelinka, 1979:124). However, university Marketing Agencies are so small that it is possible for everyone to become involved in

the plans which they themselves will implement. This participatory form of planning and action can become a strong integrative force within the Agency which strengthens the marketing orientation among the staff.

### Recommendations

1. The Agency should do a participatory, written annual plan which delineates the strategies by which the Agency will work toward achieving its short-term and long-term goals.
2. The annual plan should include intermediate time lines and staff responsibilities for individual steps. This could be as simple as a large annual calendar with the appropriate information or as complex as one of the planning models discussed by Kotler (1982).
3. The annual plan should be re-evaluated from time to time in view of new information from clients and appropriate revisions made.
4. The Agency should formulate a written, long-range plan which will act as a general guide for the Agency to work toward achieving its goals.
5. The Agency should try to foresee likely events which could effect the Agency and make tentative plans for either taking advantage of those events or minimizing their effects.
6. The Marketing Agency should use its client information to develop more innovative strategies for reaching the client than the current reliance on purchasing lists for bulk mailings.

Conclusion 5: University Marketing Agencies are not effectively integrated within the larger institution.

University Marketing Agencies are located within larger service units and are very small units with little influence, yet they need to have input into the new product



development process. This formal exclusion from other units within the university forces the Marketing Agency into the position of having to sell products to whomever will buy them rather than marketing a product which has been designed to meet identified client needs. The new product development process is ill defined so that new materials seem to come to the Agency by chance. The procedure used by this study to locate university Marketing Agencies demonstrated that most of these Agencies are not very well known within their own institutions. The Marketing Agency needs to be well known within the university community so that its off-campus customers can find it easily, and so the informal communication networks within the university can direct new authors and products to the Agency.

#### Recommendations

1. The Agency should formulate a systematic information dissemination plan to be implemented by persons trained in marketing within the university about the services of the Marketing Agency. This could include fliers, workshops, presentations to groups, and individual contact.
2. The Agency should do an analysis of the paths taken by a number of its current materials and identify influential persons involved in that process.
3. The Marketing Agency should systematically attempt to persuade these persons to take a marketing perspective during the developmental and production stages.
4. If there are official university committees with responsibility for or decision making authority over what will be produced, the Agency will need to persuade the members of the committee to take a

marketing perspective, i.e. that marketing potential be assessed for each potential product. Or try to get an Agency member on the committee.

5. The Agency should systematically work toward improving the incentives which can be offered to content experts to produce materials for which a client's need has been established and which a faculty member could use in his/her own professional activities. These may include pay, released, time, generous royalties on list prices, and publicity.

Conclusion 6: University Marketing Agencies are not effectively performing the various marketing functions of analysis, planning, implementation, and control.

Although university Marketing Agencies are small and their staffs may work together well, they have few persons who have a background or experience in the field of marketing. Currently these Agencies are not performing the marketing functions very well and they maintain that their staffing is not adequate. However, as Lucas observed (1979:vii), it is not appropriate to expect a competent marketing job from persons who are untrained in the area of marketing. Marketing cannot be an add-on to established positions where marketing background or experience is not required.

#### Recommendations

1. The Agency should hire staff who have a background and experience in the field of marketing.
2. The person in charge of marketing should have a marketing background and experience in the area.

3. Everyone in the Marketing Agency should be included in training sessions on the various components of formal marketing, and that these training periods be conducted by a person experienced in the field of marketing.
4. The staff of the Marketing Agency should be trained to use the systems which the Agency sets up for information gathering, analysis, planning, and control.
5. The position descriptions for the Agency's staff should reflect the marketing responsibilities and activities which they are expected to perform.

Conclusion 7: University Marketing Agencies are performing many services for the institution which may be hindering them from concentrating resources on efficiently carrying out marketing operations.

Most university Marketing Agencies are performing a rather large number of functions other than marketing. Most of these functions are non-revenue producing, and in addition, they are expensive in terms of the time investment which is involved. Since Agencies are not now keeping track of the expenditure of resources by line item, they are unable to identify which of the services they perform are more or less cost effective from a marketing perspective. Marketing's resources cannot be used optimally without clear and concise information concerning the costs of each service and activity. These costs must include inventory investments as well as other expenses.

#### Recommendations

1. The Marketing Agency should analyze each of the services it performs in terms of actual costs and revenues generated. This would include the portion

of the university appropriation which is justified by the activity.

2. The Agency should formulate a plan and strategy for either discontinuing services which cannot be made cost effective, imposing charges for services that are not now cost effective, and/or using the costing information to justify increased university support. Discontinuing a service may mean finding another campus unit with which to combine the service and work with them to transfer the service and its clients.
3. The Marketing Agency should concentrate its human resources on reacting efficiently to developments in the marketplace based on current information it has gathered.
4. Marketing Agencies need to increase their capitalization in terms of meeting inventory costs and decrease their reproduction expenses through quantity savings.

**Conclusion 8: University Marketing Agencies are not very effective marketers.**

MERS scores for university Marketing Agencies were low, and the activities which the Agencies do not perform indicated that they are even less effective marketers than they perceived themselves to be. The three Agencies which scored in the "good" or "very good" categories performed more of the activities which are basic to a marketing function and fewer of the activities which are not. They scored more highly on each of the attributes of Kotler's marketing orientation, and they seemed to be more successful in achieving their revenue generating goals.

### Recommendations

1. That Marketing Agencies should clarify their purpose and goals, and systematically implement appropriate activities from the five attributes of Kotler's marketing orientation (1982).
2. The Agencies should formulate and implement a plan for diffusion of information about itself within the university to stimulate possible new materials to be brought to Marketing.
3. The Agencies should concentrate on marketing activities and those related support activities which are cost effective in terms of goal attainment.

Conclusion 9: There are factors in the university environment which are perceived to affect the ability of the Marketing Agency to operate as an effective marketer.

There are a number of characteristics of universities which these Marketing Agencies perceived as hindering their ability to operate as effective marketers. The two most frequently reported were the isolation of the Agency from the new product development process and the restrictions on advertising which some institutions imposed either directly or indirectly. The caution by non-profit organizations concerning advertising has been noted by Weinberg and Lovelock (1978) and Rothschild (1979).

### Recommendations Regarding Hindering Characteristics

1. The Agency should carefully plan and implement a program to market itself within the university to persons and groups which it has identified as being involved in production and the approval of materials for production. The purpose of this program is to influence new material production toward a marketing orientation.

2. The Agency should carefully plan and implement a program to market itself to faculty and other content experts who are potential authors for new materials aimed at particular market segments and identified customer needs. This could be similar to a book publisher's approach to obtaining new titles to publish.
3. The Marketing Agency should carefully plan and implement a program to market itself to university administrators with the purpose of alleviating any conscious or unconscious fear that the Agency's advertising activities might "sully the university's reputation."

There are a number of factors within the university setting which are perceived as being an advantage to the Marketing Agency. Among them were access to lower cost services such as postage, utilities, rents, larger discounts on supplies, and lower or no insurance premiums. Another significant advantage reported by Marketing Agencies is the recognition and prestige associated with the institution's name both nationally and internationally. Many of the market segments which will be interested in materials developed at the university will be other educational organizations who are likely to feel that these products are more likely to be effective learning materials than commercially developed materials. Name recognition is a valuable advantage for university Marketing Agencies. Agencies also have the advantage of the human resources of the university as a community of experts who are willing to assist with definition of potential market segments, membership lists, the addresses for journals and newsletters, the dissemination of

literature at conferences and conventions, and the design of operational systems and controls.

#### Recommendations for Optimizing Facilitating Characteristics

1. The Marketing Agency should consult with appropriate content experts at their institutions during the market planning phase when the market is defined, product features/formats are decided, distribution channels are chosen, and promotional messages/means planned.
2. The Agency should seek assistance from experts within the university to set up the control and information systems which will improve its reaction capabilities and provide necessary costing data.
3. The Marketing Agency should work with the official information offices of the institution when planning and designing the promotional materials to sell the Agency's products. This procedure would insure optimum use of the university's name and prestige while reassuring the administration and faculty.
4. Marketing Agencies should take advantage of the materials which other Marketing Agencies have during their acquisition activities. For the most part, the materials sold by Marketing Agencies are priced well below commercial rates and permission can generally be obtained for adaptation of the material to the buyer's specific use.
5. Cultivation of a network of information alliances among Marketing Agencies could be beneficial to institutions in their efforts to locate slim market materials or stimulate production of such materials.
6. Marketing Agencies should cultivate slim market niches as a stable income base without significant competition from commercial vendors because universities have the resources invested and can afford not to recoup them (Bowen, 1974).

The recommendations which follow each of the nine conclusions presented in this chapter are necessarily an ideal toward which a Marketing Agency would work over a

long period of time. Certainly part of the Agency's annual and long-range planning could include a subset of the recommendations at a rate of perhaps one or two each year. In general, the recommendations can be grouped into three overall programs. The first is an internal marketing program for the Agency itself. The second is an internal marketing program for the university community about the Marketing Agency's activities and objectives. Third is the marketing program directed to the off-campus customer who purchases the materials which the Marketing Agency sells. A tentative first year action plan including some elements from each of the three programs is presented below. An individual Agency would need to tailor the plan to meet its own particular situation.

#### RECOMMENDATIONS FOR FIRST YEAR ACTION PLAN

##### Internal Marketing Program for the Marketing Agency

1. Participatory planning and goals formulation.
2. Systematic training program for the marketing staff.
3. Establish a cost accounting system to evaluate expenditures.

##### Internal Marketing Program for the University

1. Develop a close working relationship with production staff.
2. Provide information about Marketing to departmental heads.
3. Volunteer for presentations at faculty meetings.



### External Marketing Program for Off-Campus Customers

1. Plan the collection and use of particular client information.
2. Collect the information and establish permanent files.
3. Use the data as a base for planning faculty presentations.
4. Use the data base in planning formats and components offered for existing materials.
5. Consult with faculty in segmenting the market for the Agency's existing materials.
6. Design and carry through the year's promotional strategies complete with costing information.

As noted by Kotler (1982:113), instilling a marketing orientation will not be an easy task. It will require that the marketing manager work consistently over time as a model for the Agency's staff if a client-centered value system is to be incorporated (Phillips and Kennedy, 1980:8). However, the literature and the results of this study indicate that a marketing orientation can aid in making an organization into a more effective marketer.

### Recommendations for Additional Research

Given the very exploratory nature of this study which identified and described a very small population of Marketing Agencies, the researcher makes the following recommendations for further research.

- (1) Implement the recommendations of this study in a Marketing Agency and measure the results. Such a study would provide a test of Kotler's marketing orientation model

in an experimental application. A Marketing Agency could analyze its present level of marketing effectiveness using the instrument developed for this study. A subset of the recommendations could then be carried through and the results measured after a period of time. This type of testing would begin the process of validation of the marketing orientation model as a predictive instrument which can be applied to Marketing Agencies in the university setting and/or the large non-profit marketing organizations for which Kotler developed the model.

(2) Do a comparative case study of the marketing done by university consortiums for university supported non-print materials. A study of the effectiveness of the consortiums in marketing university supported non-print materials versus Marketing Agencies would supply comparative data to universities. This data could be used during the decision making process to choose the marketing outlet which would best fit the institution's needs. It would also provide data to universities which are now members of consortiums as to the relative effectiveness of placing their materials with a Marketing Agency rather than maintaining the consortium. Data concerning the relative effectiveness of these two marketing options can form the basis for decisions by the university which would be directed toward the most efficient use of funds for the most return.

(3) A comparative study be done using marketing units in universities which only service a single college or department. There is a population of marketing agencies within universities which serve a single content area. The largest of these are units which sell only the non-print materials which were developed in medical schools. These units seem to have an advantage over central service units in that they serve a single overall market segment rather than having to spread limited resources over a number of different market segments. This more concentrated marketing focus may make the single content area marketer a more effective option for universities. Use of the instrument developed in this study would give data which could be compared with the results of this study. This type of study could also add to support to the model as a predictive tool if the results do support the marketing orientation.

#### Summary

This chapter has summarized the research as it was carried out by the researcher. It then presented nine conclusions based on the results obtained and listed recommendations for improving the performance of university Marketing Agencies as marketers. It also summarized the advantages and disadvantages of the university setting as identified by the Marketing Agencies and made recommendations for actions which the Agencies could take to minimize disadvantages and maximize the advantages. It then provided

some recommendations for future study based on the information generated.

University Marketing Agencies are experiencing significant problems in operating as effective marketers. Many of these problems come from the fact that these Agencies have evolved within their institutions as a method of generating a little extra income to be used for purposes other than those planned and established as part of an overall marketing plan for the institution. Resources have not been adequate for the investment needed, staff members have grown into their positions rather than being hired for their expertise in marketing, and the Agency lacks the status or formal designation necessary to influence non-print materials as part of the regular developmental process. Despite these and other inherent difficulties, university Marketing Agencies are providing one of the few incentives available within the university community to encourage faculty to spend the time and effort necessary to develop innovative non-print instructional materials. They are also playing some part in the dissemination of this type of material from the university into the wider educational environment. The application of a marketing model to these university Agencies demonstrated that there are very concrete activities which can be initiated to improve the relative performance of the Marketing Agency as a marketer. To this end, an extensive set of recommendations were formulated, and a tentative first year action plan presented.

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## APPENDICES



## **APPENDIX 1**

### **Marketing Effectiveness Rating Scale**

## APPENDIX 1

### MARKETING EFFECTIVENESS RATING SCALE (Kotler, 1982)

<p><b>Customer philosophy</b></p> <p><b>A. Does management recognize the importance of designing the company to serve the needs and wants of chosen markets?</b></p> <p><input type="checkbox"/> Management primarily thinks in terms of selling current and new products to whoever will buy them.</p> <p><input type="checkbox"/> Management thinks in terms of serving a wide range of markets and needs with equal effectiveness.</p> <p><input type="checkbox"/> Management thinks in terms of serving the needs and wants of well-defined markets chosen for their long-run growth and profit potential for the company</p> <hr/> <p><b>B. Does management develop different offerings and marketing plans for different segments of the market?</b></p> <p><input type="checkbox"/> No.</p> <p><input type="checkbox"/> Somewhat.</p> <p><input type="checkbox"/> To a good extent.</p> <hr/> <p><b>C. Does management take a whole marketing system view (suppliers, channels, competitors, customers, environment) in planning its business?</b></p> <p><input type="checkbox"/> No. Management concentrates on selling and servicing its immediate customers.</p> <p><input type="checkbox"/> Somewhat. Management takes a long view of its channels although the bulk of its effort goes to selling and servicing the immediate customers.</p> <p><input type="checkbox"/> Yes. Management takes a whole marketing systems view recognizing the threats and opportunities created for the company by changes in any part of the system.</p> <hr/> <p><b>Integrated Organization</b></p> <p><b>D. Is there high-level marketing integration and control of the major marketing functions?</b></p> <p><input type="checkbox"/> No. Sales and other marketing functions are not integrated at the top and there is some unproductive conflict.</p> <p><input type="checkbox"/> Somewhat. There is formal integration and control of the major marketing functions but less than satisfactory coordination and cooperation.</p> <p><input type="checkbox"/> Yes. The major marketing functions are effectively integrated.</p> <hr/> <p><b>E. Does marketing management work well with management in research, manufacturing, purchasing, physical distribution, and finance?</b></p> <p><input type="checkbox"/> No. There are complaints that marketing is unreasonable in the demands and costs it places on other departments.</p> <p><input type="checkbox"/> Somewhat. The relations are amicable although each department pretty much acts to serve its own power interests.</p> <p><input type="checkbox"/> Yes. The departments cooperate effectively and resolve issues in the best interest of the company as a whole.</p> <hr/> <p><b>F. How well-organized is the new product development process?</b></p> <p><input type="checkbox"/> The system is ill-defined and poorly handled.</p> <p><input type="checkbox"/> The system formally exists but lacks sophistication.</p> <p><input type="checkbox"/> The system is well-structured and professionally staffed.</p> <hr/> <p><b>Adequate marketing information</b></p> <p><b>G. When were the latest marketing research studies of customers, buying influences, channels, and competitors conducted?</b></p> <p><input type="checkbox"/> Several years ago.</p> <p><input type="checkbox"/> A few years ago.</p> <p><input type="checkbox"/> Recently.</p>	<p><b>H. How well does management know the sales potential and profitability of different market segments, customers, territories, products, channels, and order sizes?</b></p> <p><input type="checkbox"/> Not at all.</p> <p><input type="checkbox"/> Somewhat.</p> <p><input type="checkbox"/> Very well.</p> <hr/> <p><b>I. What effort is expended to measure the cost-effectiveness of different marketing expenditures?</b></p> <p><input type="checkbox"/> Little or no effort.</p> <p><input type="checkbox"/> Some effort.</p> <p><input type="checkbox"/> Substantial effort.</p> <hr/> <p><b>Strategic orientation</b></p> <p><b>J. What is the extent of formal marketing planning?</b></p> <p><input type="checkbox"/> Management does little or no formal marketing planning.</p> <p><input type="checkbox"/> Management develops an annual marketing plan.</p> <p><input type="checkbox"/> Management develops a detailed annual marketing plan and a careful long-range plan that is updated annually.</p> <hr/> <p><b>K. What is the quality of the current marketing strategy?</b></p> <p><input type="checkbox"/> The current strategy is not clear.</p> <p><input type="checkbox"/> The current strategy is clear and represents a continuation of traditional strategy.</p> <p><input type="checkbox"/> The current strategy is clear, innovative, data-based, and well reasoned.</p> <hr/> <p><b>L. What is the extent of contingency thinking and planning?</b></p> <p><input type="checkbox"/> Management does little or no contingency thinking.</p> <p><input type="checkbox"/> Management does some contingency thinking although little formal contingency planning.</p> <p><input type="checkbox"/> Management formally identifies the most important contingencies and develops contingency plans.</p> <hr/> <p><b>Operational efficiency</b></p> <p><b>M. How well is the marketing thinking at the top communicated and implemented down the line?</b></p> <p><input type="checkbox"/> Poorly.</p> <p><input type="checkbox"/> Fairly.</p> <p><input type="checkbox"/> Successfully.</p> <hr/> <p><b>N. Is management doing an effective job with the marketing resources?</b></p> <p><input type="checkbox"/> No. The marketing resources are inadequate for the job to be done.</p> <p><input type="checkbox"/> Somewhat. The marketing resources are adequate but they are not employed optimally.</p> <p><input type="checkbox"/> Yes. The marketing resources are adequate and are deployed efficiently.</p> <hr/> <p><b>O. Does management show a good capacity to react quickly and effectively to on-the-spot developments?</b></p> <p><input type="checkbox"/> No. Sales and market information is not very current and management reaction time is slow.</p> <p><input type="checkbox"/> Somewhat. Management receives fairly up-to-date sales and market information; management reaction time varies.</p> <p><input type="checkbox"/> Yes. Management has installed systems yielding highly current information and fast reaction time.</p>
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**APPENDIX 2**

**Marketing Positions**

## APPENDIX 2

### GENERIC MARKETING POSITIONS

#### MARKETING MANAGER

1. Other names: vice president of marketing, marketing director, chief marketing officer, marketing administrator.
2. The marketing manager heads the organization's marketing activities. Tasks include providing a marketing point of view to the top administration; helping to formulate marketing plans of the organization; staffing, directing, and coordinating marketing activities; and proposing new products and services to meet emerging market needs.

#### PRODUCT MANAGER

1. Other names: program manager, brand manager.
2. A product manager is responsible for managing a particular product or program of the organization. Tasks include proposing product objectives and goals, creating product strategies and plans, seeing that they are implemented, monitoring the results, and taking corrective actions.

#### MARKETING RESEARCH MANAGER

1. Other names: marketing research director.
2. The marketing research manager has responsibility for developing and supervising research on the organization's markets and publics, and on the effectiveness of various marketing tools.

#### COMMUNICATIONS MANAGER

1. Other names: advertising manager, advertising and sales promotion director.
2. The communications manager provides expertise in the area of mass and selective communication and promotion. Person is knowledgeable about the development of messages, media, and publicity.

#### SALES MANAGER

1. Other names: vice president of sales.
2. The sales manager has responsibility for recruiting, training, assigning, directing, motivating, compensating, and evaluating sales personnel and agents of the organization, and coordinating the work of sales personnel with the other marketing functions.

#### NEW-PRODUCTS MANAGER

1. Other names: new-products director.
2. The new-products manager has responsibility for conceiving new products and services; screening and evaluating new product ideas; developing prototypes and testing them; and advising and helping to carry out the innovation's introduction in the marketplace.

#### DISTRIBUTION MANAGER

1. Other names: channel manager; physical distribution manager; logistics manager.
2. The distribution manager has responsibility for planning and managing the distribution systems that make the organization's products and services available and accessible to the potential users.

#### PRICING MANAGER

1. Other names: pricing executive.
2. The pricing manager is responsible for advising and/or setting prices on the organization's services and programs.

#### CUSTOMER RELATIONS MANAGER

1. Other names: customer service manager, account manager.
2. The customer relations manager has responsibility for managing customer services and handling customer complaints.

#### GOVERNMENT RELATIONS MANAGER

1. Other names: legislative representative; lobbyist.
2. The government relations manager provides the organization with intelligence on relevant developments in government and manages the organization's program of representation and presentation to government.

#### PUBLIC RELATIONS MANAGER

1. Other names: public affairs officer.
2. The public relations manager has responsibility for communicating and improving the organization's image with various publics.

#### TERRITORY MANAGER

1. Other names: regional manager, district manager.
2. The territory manager has responsibility for managing the organization's products, services, and programs in a specific territory.

**APPENDIX 3**

**University Marketing Agencies Addresses**

### APPENDIX 3

#### UNIVERSITY MARKETING AGENCY ADDRESSES

University of Arizona  
Microcampus  
Harville Building #76, Box 4  
Tucson, AZ  
Ms. Eileen Matz, Director

Extension Media Center  
University of California  
2223 Fulton St.  
Berkeley, Cal. 94720  
Mr. D. Bickley, Mktg. & Promo. Man.

Instructional Resource Center  
East Hall  
University of Delaware  
Newark, DE 19716  
Mr. D. Nelson, Director

Audiovisual Center  
University of Iowa  
C315 Seashore Hall  
Iowa City, IA 52242  
William Oglesby, Director

Film Center  
University of Illinois  
1325 Oak St.  
Champaign, Ill.  
Mr. S. Johnson, Mktg. Man.

Audio-Visual Center  
Indiana University  
Bloomington, IN 47405  
Ms. P. Witmore, Director

Michigan Media  
University of Michigan  
400 Fourth St.  
Ann Arbor, MI 48103  
Mr. G. Williams, Assoc. Dir.

Department of Media Services  
University of New Hampshire  
Durham, NH 03824  
Ms. Marsha Kennedy, Marketing

Audio-Visual Resource Center  
Cornell University  
8 Research Road  
Ithaca, N.Y. 14850  
Ms. C. Doolittle, Prod. Man.

Faculty Media Dev. Office  
University of Akron  
Akron, OH 44325  
Ms. L. DeYoung, Mktg. Man. Media Serv.

Audio Visual Center  
Kent State University  
330 Library  
Kent, OH 44242  
Mr. Kerstetter

Audiovisual Center  
Oklahoma State University  
Stillwater, OK 74078  
Mr. R. Payne

Audio-Visual Center  
Pennsylvania State University  
208 Special Services Building  
University Park, PA 16802  
Ms. K. Egan, Assistant Dir.

Audio Visual Services  
Brigham Young University  
290 HRCB  
Provo, UT 84602  
Mr. S. Horman

University of Washington Press  
Box 85569  
Seattle, WA 98145  
Ms. J. Pike, Non-Book Dept. Man.

Center for Television Production  
University of Wisconsin  
Green Bay, WI 54301-7001  
Mr. J. Gaunt, Man. Admin. Serv.

University Telecommunications  
University of Wisconsin  
120 Communication Arts Center  
Stevens Point, WI 54481  
Mr. R. Weseloh, Director

\*Instructional Media Center  
Marketing Division  
Michigan State University  
E. Lansing, MI 48824  
Ms. Betty L. Decker, Manager

\*Not included in the study

#### **APPENDIX 4**

**Verification Questions to Qualify Population**

**Cover Letter for the Questionnaire**

**Survey Instrument Used**

## APPENDIX 4

### VERIFICATION QUESTIONS TO QUALIFY POPULATION

1. Are you a central service: do you serve the whole university as a vendor of materials in media formats?  
\_\_\_\_\_ yes; \_\_\_\_\_ no: exceptions \_\_\_\_\_
2. Does your Agency handle patented materials also? \_\_\_\_\_ yes; \_\_\_\_\_ no
3. Which of the following statements best describes your marketing effort?  
\_\_\_\_\_ a) We market items primarily developed for use on this campus.  
\_\_\_\_\_ b) We actively and regularly market items specifically and primarily developed to meet known market needs?
4. In what year was your Agency established? \_\_\_\_\_

### Questionnaire questions answered from examination of literature/advertising

#### Formats handled

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

#### Subject areas handled

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.

Publication of books without nonprint components? \_\_\_\_\_ yes; \_\_\_\_\_ no

Preview available? \_\_\_\_\_ yes; \_\_\_\_\_ no

Rental available? \_\_\_\_\_ yes; \_\_\_\_\_ no



## MICHIGAN STATE UNIVERSITY

INSTRUCTIONAL MEDIA CENTER

EAST LANSING · MICHIGAN · 48823-0610

May, 1985

Dear

Thank you for agreeing to fill in the attached questionnaire concerning the characteristics of your university Marketing Agency. This instrument has been field tested in similar Agencies and should require no more than thirty minutes to fill out. The multiple choice questions have been adapted from an instrument by Dr. Phillip Kotler; I have tried to adapt the wording to better fit academic marketing organizations. Many of the items in the questionnaire use marketing terminology which may be unfamiliar; part of the purpose of the follow-up telephone interview is to clarify questions which may arise while filling it in.

Confidentiality for all information is guaranteed, and data will be reported in percentages of participating Agencies, means and medians. A list of all located central Marketing Agencies with their addresses is planned as an Appendix to the study. If you do not wish to have your Agency listed, please let me know during the telephone interview. Also, if you wish to receive a synopsis of the findings, please let me know, and I will be glad to send one during the summer when the dissertation has been completed.

Thank you for your time.

Sincerely,



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Marketing & Visual Production Services  
Instructional Media Center  
Michigan State University  
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### **INTERVIEW SURVEY OF UNIVERSITY MARKETING AGENCIES**

**1. Why was the Agency established? What was its original purpose?**

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**2. What are the current, primary goals of the Agency?**

**RANKING**

_____	_____
_____	_____
_____	_____
_____	_____

**3. Please rank the above in order of importance with 1 as highest.**

**4. How does the fact that your Agency is part of an academic institution effect your marketing effort as compared with a commercial firm?**

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### **ADEQUATE MARKETING INFORMATION**

**5. Which of the following activities does your Agency perform?**

- \_\_\_\_\_ a) Collects evaluative data from clients about the products the Agency sells.
- \_\_\_\_\_ b) Regularly uses this data to improve existing and future products.
- \_\_\_\_\_ c) Defines the potential market for each product.
- \_\_\_\_\_ d) Does research on the size of the current market for each product.
- \_\_\_\_\_ e) Does a market forecast for each product.
- \_\_\_\_\_ f) Segments the market for each product.
- \_\_\_\_\_ g) Does a consumer analysis of the market segments chosen for each product.
- \_\_\_\_\_ h) Does research on the needs, preferences, perceptions and behavior of customers in relation to products.
- \_\_\_\_\_ i) Uses information collected about customer preferences when developing new products.
- \_\_\_\_\_ j) Does an estimate of the total market demand for the product.
- \_\_\_\_\_ k) Does an estimate of area market demand for products.
- \_\_\_\_\_ l) Estimates market share for products.
- \_\_\_\_\_ m) Develops a market mix of product, price, place and promotion for each product.

**6. When were the last marketing research studies conducted of customers, buying influences, channels and competitors?**

- \_\_\_\_\_ a) More than five years ago.
- \_\_\_\_\_ b) Three to four years ago.
- \_\_\_\_\_ c) This year or last year.

**7. How well does marketing management know the sales potential and profitability of different market segments, products and channels?**

- \_\_\_\_\_ a) Not at all.
- \_\_\_\_\_ b) Somewhat.
- \_\_\_\_\_ c) Very well.

8. Which of the following does your Agency use to forecast the market?

- ☐ a) Buyer intention survey  
☐ b) Middleman survey  
☐ c) Market test  
☐ d) Time series analysis

9. Please check the promotional activities used regularly by your Agency.

- ☐ a) mass mailing ☐ f) other \_\_\_\_\_  
☐ b) Journal advertising \_\_\_\_\_  
☐ c) exhibits at conferences & conventions \_\_\_\_\_  
☐ d) telephone solicitation \_\_\_\_\_  
☐ e) external sales force \_\_\_\_\_

10. What effort is made to measure the cost effectiveness of different marketing expenditures?

- ☐ a) Little or no effort.  
☐ b) Some effort.  
☐ c) Substantial effort.

#### STRATEGIC ORIENTATION

11. What is the extent of formal planning by the Marketing Agency?

- ☐ a) There is little or no formal marketing planning.  
☐ b) A written, annual marketing plan is developed.  
☐ c) A detailed annual and a careful long-range plan which is updated at least annually are developed.

12. Is the marketing plan revised during the year to accommodate unforeseen events?

- ☐ yes; ☐ no

13. Does the Marketing Agency have written goals and objectives? ☐ yes; ☐ no

14. What is the quality of the current marketing strategy?

- ☐ a) The current strategy is not clear.  
☐ b) The current strategy is clear and is a continuation of traditional strategy.  
☐ c) The current strategy is clear, innovative, data-based and well-reasoned.

15. What is the extent of contingency thinking?

- ☐ a) Management does little or no contingency thinking.  
☐ b) Management does contingency thinking but not formally.  
☐ c) Management formally identifies the most important contingencies and develops plans to meet them.

16. Have the Agency's plans focused on long-range growth? ☐ yes; ☐ no

Profitability? ☐ yes; ☐ no

17. Can the Agency put together a new product rapidly to meet a new demand in the marketplace?

- ☐ yes; ☐ no

#### INTEGRATED ORGANIZATION

18. How well organized is the new product development process?

- ☐ a) The system is ill-defined.  
☐ b) The system formally exists but lacks sophistication.  
☐ c) The system is well-structured and professionally staffed.

19. Are authors/content experts hired and paid by the Agency to produce products for sale? ☐ yes; ☐ no

20. Are authors/content experts paid royalties from sales? ☐ yes; ☐ no

21. Which of the following may act as authors?

- ☐ a) faculty ☐ f) individuals outside the university  
☐ b) students ☐ g) others: \_\_\_\_\_  
☐ c) staff \_\_\_\_\_  
☐ d) production agencies \_\_\_\_\_  
☐ e) departments \_\_\_\_\_

22. Are all products/programs required to meet professional production standards, i.e. typeset title slides, professional graphics, studio audio recording? ☐ yes; ☐ no; ☐ usually

23. Which production services, if any, are controlled by the Marketing Agency?

- ☐ a) video production ☐ f) camera ready art production  
☐ b) 16mm production ☐ g) overhead transparencies  
☐ c) slide production ☐ h) computer software  
☐ d) audio recording ☐ i) other: \_\_\_\_\_  
☐ e) printing \_\_\_\_\_

24. Does Marketing work well with other departments like research, production, administration, purchasing and academic departments?

- ☐ a) No. There are complaints that Marketing is unreasonable in the demands and costs it places on other departments.  
☐ b) Somewhat. The relations are friendly although each department pretty much acts to serve its own interests.  
☐ c) Yes. The departments cooperate effectively and resolve issues in the best interests of the organization as a whole.

25. Is there a high level of integration and control of the major marketing functions of analysis, planning, implementation and control?

- \_\_\_\_\_ a) No. Sales and other marketing functions are not integrated at the top, and there is some unproductive conflict.  
 \_\_\_\_\_ b) Somewhat. There is formal integration and control of the major marketing functions but less than satisfactory coordination and cooperation  
 \_\_\_\_\_ c) Yes. The major marketing functions are effectively integrated.

26. Does the Agency have a formally appointed university committee which oversees its activities?

\_\_\_\_\_ yes; \_\_\_\_\_ no

27. Do the staff positions in the Agency have formal job descriptions and titles which describe their marketing tasks and responsibilities? \_\_\_\_\_ yes; \_\_\_\_\_ no

28. Is the Marketing Agency adequately staffed to effectively carry out the marketing functions?

\_\_\_\_\_ yes; \_\_\_\_\_ no

29. Does the person in charge of the Agency have formal training and experience in the field of marketing?

\_\_\_\_\_ yes; \_\_\_\_\_ no

30. How many full-time equivalents are employed in the Agency? \_\_\_\_\_

31. To whom does the person in charge of the Agency report (by title)? \_\_\_\_\_

32. What criteria are used by the Marketing Agency when accepting materials for marketing? \_\_\_\_\_

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#### OPERATIONAL EFFICIENCY

33. How well is the marketing thinking communicated throughout the organization?

- \_\_\_\_\_ a) Poorly  
 \_\_\_\_\_ b) Fairly  
 \_\_\_\_\_ c) Successfully

34. How well is marketing thinking implemented throughout the organization?

- \_\_\_\_\_ a) Poorly  
 \_\_\_\_\_ b) Fairly  
 \_\_\_\_\_ c) Successfully

35. Is management doing an effective job with marketing resources?

- \_\_\_\_\_ a) No. The marketing resources are inadequate for the job to be done.  
 \_\_\_\_\_ b) Somewhat. The marketing resources are adequate, but they are not employed optimally.  
 \_\_\_\_\_ c) Yes. The marketing resources are adequate and are deployed optimally.

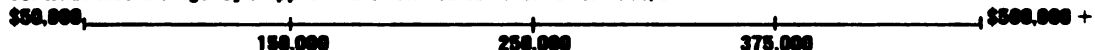
36. Does the Marketing Agency formulate an annual budget? \_\_\_\_\_ yes; \_\_\_\_\_ no

37. Is the Agency required to support itself from revenues generated? \_\_\_\_\_ yes; \_\_\_\_\_ no

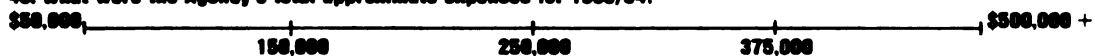
38. How is the Agency funded? Please use approximations.

- a) \_\_\_\_\_ % university appropriation  
 b) \_\_\_\_\_ % sales and rental revenue  
 c) \_\_\_\_\_ % grants  
 d) \_\_\_\_\_ % fees charged for non-marketing services

39. What was the Agency's approximate total sales revenue for 1983/84?



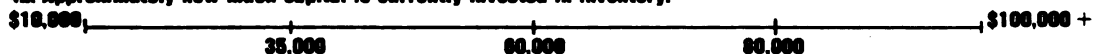
40. What were the Agency's total approximate expenses for 1983/84?



41. What items are included in expenses?

- |  |   |
|--|---|
| _____ a) salaries                      | _____ i) advertising                            |
| _____ b) benefit loading factors       | _____ j) royalties                              |
| _____ c) facility rental and utilities | _____ k) accounting and invoicing               |
| _____ d) supplies                      | _____ m) inventory                              |
| _____ e) reproduction                  | _____ n) maintenance/improvements to facilities |
| _____ f) license fees to others        | _____ o) other: _____                           |
| _____ g) equipment maintenance         |   |
| _____ h) production costs              |   |
| _____ i) new equipment purchases       |   |

42. Approximately how much capital is currently invested in inventory?



43. Does the Agency make a distinction between costs to make existing titles market ready and original developmental/production costs? \_\_\_\_\_ yes; \_\_\_\_\_ no

44. Please describe how original developmental and production costs are met.

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45. Please describe how costs to get materials market ready are met.

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46. Is the recovery of original developmental costs required? \_\_\_\_\_ yes; \_\_\_\_\_ no

47. If the Agency pays royalty from sales, please describe how royalties are computed and who gets them. \_\_\_\_\_

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48. If the Agency charges a fee against sale price for handling the sale of materials rather than paying a fixed percentage as royalties and keeping the balance, what is that percentage? \_\_\_\_\_ %

49. Please describe the fee structure. \_\_\_\_\_

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50. Does the Agency show a good capacity to react quickly to on-the-spot developments in the marketplace?

- \_\_\_\_\_ a) No. Sales and market information are not very current, and reaction is slow.  
 \_\_\_\_\_ b) Somewhat. Management receives fairly up-to-date sales and marketing information; reaction time varies.  
 \_\_\_\_\_ c) Yes. Management has installed systems yielding fairly current information and fast reaction time.

51. Does the Marketing Agency show a good capacity to react effectively to on-the-spot developments in the marketplace?

- \_\_\_\_\_ a) No. Sales and marketing information are not very current, and reaction time is slow.  
 \_\_\_\_\_ b) Somewhat. Marketing receives fairly up-to-date sales and marketing information, and reaction time varies.  
 \_\_\_\_\_ c) Yes. Management has installed systems yielding fairly current information and fast reaction time.

#### CUSTOMER PHILOSOPHY

52. Does Marketing develop different offerings and market plans for different segments of the market?

- \_\_\_\_\_ a) No.  
 \_\_\_\_\_ b) Somewhat.  
 \_\_\_\_\_ c) To a good extent.

53. Are new products developed based on information concerning the needs of chosen market segments?

- \_\_\_\_\_ yes; \_\_\_\_\_ no

54. Does the Agency take a whole marketing system view (suppliers, channels, competitors, customers, environment) in planning its business?

- \_\_\_\_\_ a) No. Marketing concentrates on selling and servicing its immediate customers.  
 \_\_\_\_\_ b) Somewhat. Marketing takes a long-term view of its channels although the bulk of its efforts go to selling and servicing immediate customers.  
 \_\_\_\_\_ c) Yes. Marketing takes a whole marketing systems view recognizing the threats and opportunities created for the company by changes in any part of the system.

55. Does management recognize the importance of designing the company to serve the needs and wants of chosen markets?

- \_\_\_\_\_ a) Marketing primarily thinks in terms of current and new products to whomever will buy them.  
 \_\_\_\_\_ b) Marketing thinks in terms of serving a wide range of markets and needs with equal effectiveness.  
 \_\_\_\_\_ c) Marketing thinks in terms of serving the needs and wants of well-defined markets chosen for their long-term growth and profit potential for the Agency.

56. Does the Agency provide any of the following services?

- \_\_\_\_\_ a) A central non-print library.  
 \_\_\_\_\_ b) The purchase of nonprint programs from other sources.  
 \_\_\_\_\_ c) Copyright consultation and registration.  
 \_\_\_\_\_ d) Instructional development consultation.  
 \_\_\_\_\_ e) Negotiation of contracts with outside distributors.  
 \_\_\_\_\_ f) Research other than market research.  
 \_\_\_\_\_ g) Courses which generate student credit hours.  
 \_\_\_\_\_ h) Seminars and workshops for faculty.  
 \_\_\_\_\_ i) Publication of books without accompanying nonprint components.

57. Is the Agency able to modify its policies, if necessary to give customers what they need, when they need it?

- \_\_\_\_\_ yes; \_\_\_\_\_ no

**APPENDIX 5**  
**Relevant Definitions**

## APPENDIX 5

### RELEVANT DEFINITIONS

Adaptive organization - one that operates systems for monitoring and interpreting important environmental changes and shows a readiness to revise its mission, objectives, strategies, organization, and systems to be maximally aligned with its opportunities (Kotler, 1982:76).

Adequate marketing information - a component of the marketing orientation. It involves sufficient, timely, and adequate information to allow management to make decisions concerning the allocation of resources to ensure greatest marketing effectiveness.

Available market - the set of consumers who have an interest, income, and access to a particular market offer (Kotler, 1982:198).

Competitive positioning - the art of developing and communicating meaningful differences between your offer and those of your competitors (Kotler, 1982:106).

Concentration strategy - a strategy which concentrates resources in the strongest markets while phasing out efforts elsewhere (Kotler, 1982:301).

Consumerism - a social movement seeking to increase the rights and powers of buyers in relation to sellers (Kotler, 1977:49).

Continuation strategy - the organization continues its past marketing strategies, i.e. same market segments, pricing, channels, and promotion (Kotler, 1982:301).

Copyright - "Original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device (Public Law 94-533, Section 201b, Oct. 19, 1976)."

Client-centered philosophy - the key component to the marketing orientation. Requires that all of the Agency's efforts and resources be directed to satisfying identified client needs and wants.

Decision evaluation - the third stage of the consumer buying process which involves the application of various

evaluation procedures by consumers to make choices among multiattributonal objects (Boyd, Ray, and Strong, 1972:27).

Decision execution - the fourth stage of the consumer buying process which involves the identification of the method by which the consumer is most likely to carry through his/her decision to buy (Fishbein, 1967:477).

Direct attitude survey - a sample of potential customers who are interviewed about whether or not they would buy the offer at a given price (Kotler, 1982:314).

Diseconomies of scale - the increased coordination, communication costs associated with large organizations where errors and breakdowns increase to off-set the theoretical advantages of "economies of scale (Williamson, 1975)."

Economies of scale - the theoretical cost advantages gained by having large, centralized organizations rather than small, duplicative ones (Williamson, 1975).

Entrepreneurial organization - an organization with high motivation and capabilities to identify new opportunities and take advantage of them by turning them into successful businesses (Kotler, 1982:113).

Full cost recovery - a pricing strategy applied with the objective of breaking even each year. Service is provided to the extent that revenues cover costs (Kotler, 1982:271).

Information gathering - the second stage of the consumer buying process which involves the identification of what the consumer is likely to do to gain additional information concerning a product (Kelman and Hovland, 1953:327).

Integrated organization - a component of the marketing orientation. It involves the ability of the staff to work cooperatively and in coordination with others to carry out the marketing functions of analysis, planning, implementation, and control. This includes the new product development process.

Internal records system - a system which holds the information accumulated in the regular course of an organization's operation (Kotler, 1982:152).

Market - a distinct group of people and/or organizations that have resources which they want to exchange for something of distinct benefit to themselves (Kotler, 1982:56).

Marketing - "...is the analysis, planning, implementation, and control of carefully formulated programs to bring about voluntary exchange of values with target markets for



the purpose of achieving organizational objectives. It relies heavily on designing the organization's offering in terms of the target market's needs and desires, and on using effective pricing, communication, and distribution to inform, motivate, and serve markets (Kotler, 1982:6)."

Marketing agency - a formal organization within a university's structure with the primary purpose of marketing the non-print copyrighted materials developed by the faculty and staff of the institution as part of or as the result of their employment.

Marketing audit - "...a comprehensive, systematic, independent, and periodic examination of an organization's marketing environment, objectives, and recommending a plan of action to improve the organization's marketing performance (Kotler, Gregor, and Rodgers, 1977:25)."

Marketing information system - a continuing and interacting structure of people, equipment, and procedures designed to gather, sort, analyze, and distribute pertinent, timely, and accurate information for use by marketing decision makers to improve their marketing planning, execution, and control (Smith, Brien, and Stafford, 1968:7).

Marketing intelligence system - the set of sources and procedures by which marketing executives obtain their everyday information about developments in the external marketing environment (Kotler, 1982:154).

Marketing mix - the particular blend of controllable marketing variables that the firm uses to achieve its objectives in the target market (Kotler, 1982:108).

Marketing opportunity - an attractive arena of relative marketing action in which a particular marketing organization is likely to enjoy superior competitive advantages (Kotler, 1982:87).

Marketing oriented - the main task of the organization is to determine the needs and wants of target markets and to satisfy them through the design, communication, pricing, and delivery of appropriate and competitively viable products and services (Kotler, 1982:22).

Marketing research - the systematic design, collection, analysis, and reporting of data and findings relevant to a specific marketing situation or problem facing the organization (Kotler, 1982:156).

Marketing strategy - the selection of a target market(s), the choice of a competitive position, and the development of an effective marketing mix to reach and serve the

chosen customers. Also, the fundamental marketing logic by which an organizational unit intends to achieve its marketing objectives (Kotler, 1982:183 & 180).

Market test - a procedure by which the price is changed temporarily or in one segment of the market so that the results can be observed (Kotler, 1982:315).

Need arousal - the first stage of the consumer buying process which involves the identification of the needs and wants of the consumer which gives rise to an interest in buying the product (Kotler, 1982:247).

Operational efficiency - a component of the marketing orientation. It involves the optimal use of resources, the cost effective implementation of plans, and the ability to react quickly, and effectively to on-the-spot development in the marketplace.

Partial cost recovery - a pricing strategy which acknowledges that there is no reasonable price and marketing expenditure level which would bring the organization close to the breakeven point, and the pricing objective is to keep the organization from exceeding a certain deficit amount each year (Kotler, 1982:271).

Postdecision assessment - the last stage of the consumer buying process which involves the analysis of how the consumer's experience with the product affects subsequent attitude and behavior toward the product (Donnelly and Ivancevich, 1970:400).

Producer satisfaction maximization - a pricing objective which seeks to satisfy the needs of the staff of the organization over the needs of the client (Etgar and Ratchford, 1974).

Product - anything which can be offered to a market to satisfy a need. It can include physical objects, services, persons, places, organizations, and ideas. Other names for a product would be offer, value package, or benefit bundle (Kotler, 1982:291).

Product oriented - the major task of an organization is to put out products which it thinks would be good for the public (Kotler, 1982:21).

Production oriented - the major task of the organization is to pursue efficiency in production and distribution (Kotler, 1982:21).

Public - a distinct group of people and/or organizations that has an actual or potential interest and/or impact on the organization (Kotler, 1982:47).

Responsive organization - an organization that makes every effort to sense, serve, and satisfy the needs and wants of its clients and publics within the constraints of its budget (Kotler, 1982:33).

Revenue maximization - a pricing objective which has the objective of maximizing total revenues regardless of increased expenses (Kotler, 1982:270).

Sales or Selling oriented - the main task of the organization is to stimulate the interest of potential consumers in the organization's existing products and services (Kotler, 1982:22).

Satisfaction - a state felt by a person who has experienced a performance or outcome that has fulfilled his/her expectations (Kotler, 1982:67).

Societal orientation - the main task of the organization is to determine the needs, wants, and interests of target markets and to adapt the organization to delivering satisfactions which preserve and/or enhance the consumer's and society's well-being (Kotler, 1982:22).

Strategic orientation - a component of the marketing orientation which involves the setting of goals, objectives, and formulating both annual and long-range plans for reaching those goals. Includes planning for contingencies which may occur so that the Agency can optimize or minimize the effects.

Strategic planning - the managerial process of developing and maintaining a strategic fit between the organization's goals and resources, and its changing marketing opportunities (Kotler, 1982:83).

Surplus maximization - a pricing strategy where the objective is to maximize revenue over expenses, i.e. profit (Kotler, 1982:270).

Target markets - a selection of one or more specific segments from the total available markets to serve rather than trying to serve all markets. Those selected are segments most likely to allow the organization to reach its goals (Kotler, 1982:7 & 17).

Transaction costs - the costs of communication, coordination, and decision making which usually far exceed determined economies of scale (Williamson, 1975).

Usage maximization - a pricing objective which seeks to maximize the usage of the service or product (Kotler, 1982:270).

Usage targeting - pricing is set to fill a fixed capacity. If the service is under-utilized, the price is lowered; if the service is over-utilized, the price is increased to decrease usage (Kotler, 1982:271).

