

Business Marketing Education: A Distinctive Role in the Undergraduate Curriculum

Michael D. Hutt
Thomas W. Speh

ABSTRACT. By extending their knowledge of markets beyond the consumer-goods domain, by deepening their understanding of how organizations make buying decisions, by strengthening their grasp of cross-functional processes, and by providing them with decision-making skills in this important area of marketing, the business marketing course makes a special contribution to undergraduates and the undergraduate marketing curriculum. Moreover, the content and focus of the business marketing course are closely tied to important themes that are transforming business practice. This article isolates the distinct contribution of business marketing education and examines important trends that are reshaping this domain. The central knowledge areas that comprise the undergraduate business marketing course are detailed and linked to specific course design strategies that can be pursued to strengthen the skill set of marketing students and respond to the needs of important constituents. *[Article copies available for a fee from The Haworth Document Delivery Service: 1-800-342-9678. E-mail address: getinfo@haworthpressinc.com]*

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In the face of resource constraints and pressure from constituents, business schools are revamping the curriculum and reassessing

Michael D. Hutt is Earl and Gladys Davis Distinguished Professor of Marketing, Department of Marketing, College of Business, Box 874106, Arizona State University, Tempe, AZ 85287-4106. Thomas W. Speh is James Evans Rees Distinguished Professor of Distribution, Department of Marketing, School of Business, Miami University, Oxford, OH 45056.

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the merit of traditional course offerings. In turn, marketing departments are being challenged to build a curriculum that emphasizes the knowledge fundamentals and professional skills required for managing the marketing function in an environment characterized by increasingly complex buyer-seller relationships and continuous changes in information technology, the nature of markets, and the structure and boundaries of organizations. This challenging mission is pursued through required marketing courses and elective offerings like business marketing.

The purpose of this article is to examine the nature and structure of the undergraduate business marketing course and to explore the role that it assumes in the marketing curriculum. To this end, the discussion is divided into four parts. First, attention centers on the distinctive content of the course and the special insights into marketing processes that are provided. Second, several prominent trends in business practice are highlighted and linked directly to the business marketing course. Particular attention is given to recent changes that are transforming buyer-seller relationships, organizational processes, and marketing strategy patterns. Third, the central themes and knowledge areas that comprise the business marketing course are detailed. Fourth, attention turns to the role that cases and other learning tools can assume in developing the skill set of business marketing students.

PLACE IN THE CURRICULUM

The business marketing course contributes to the marketing curriculum on several counts. First, the most widely used examples in required marketing courses, like marketing principles and marketing management or strategy, are drawn from the context of consumer packaged products. Of course, such examples are appropriate because they are nicely aligned with a student's experience as a consumer. However, a large proportion of business school graduates enter firms that have a direct hand in the business market. Indeed, business marketing and consumer-goods marketing are different. Between consumer and business marketing, there are differences in the nature of markets, buying processes, buyer-seller relationships, environmental influences, and market strategy (Hutt and Speh 1998). While a common body of knowledge, principles, and theory applies to both consumer and business marketing, there are important points of departure

that require special attention. Often, these differences cannot be adequately examined within the broad landscape of a marketing management or marketing strategy class. The business marketing course fills this gap in the undergraduate marketing curriculum.

Second, a day in the life of a marketing manager at an industrial firm differs from that of a counterpart at a consumer-products company. Planning in the industrial setting requires more working relationships across functions and a tighter link to corporate strategy than planning in the consumer-goods sector (Webster 1978). Cross-functional working relationships are vital because “changes in marketing strategy are more likely to involve capital commitments for new equipment, shifts in development activities, or departures from traditional engineering and manufacturing approaches, any one of which would have company-wide implications” (Ames 1976, pp. 95-96). Given the interfunctional nature of the content, students gain an understanding of how the different functional pieces of an organization fit together. Also, an opportunity is provided to link the course content to other core classes in the business curriculum, such as organizational behavior, finance, accounting, and strategic management.

Third, because of the concentrated nature of the business market and the reliance on direct channels, prominent attention is given in the business marketing course to customer-linking processes and account management. Close and enduring relationships in the business market require frequent communications, joint problem solving, and a high level of coordination between and among an array of personnel on both the buying and selling sides. Moreover, firms are increasingly using multifunctional teams to achieve the high level of information sharing and coordination that collaborative relationships require (Day 1994). The business marketing course can provide students with a solid grounding in account management strategies and expose them to the stream of supply chain activities that must be coordinated to achieve mutually profitable collaboration. For example, to customize a product and delivery schedule for an important customer requires close coordination among product, logistics, and sales personnel. Moreover, some customer accounts might require special field-engineering, installation, or equipment support, thereby increasing the required coordination between sales and service units.

Fourth, services are assuming a vital role in the economy and the business marketing course can isolate the special management chal-

lenges and marketing opportunities that this sector presents. Many original equipment manufacturers are now using effective service support as a strategy for creating sales growth; in addition, a vast array of "pure service" firms exist to supply organizations with everything from payroll processing or software applications to the complete management of their information technology or logistics functions. Firms such as Hewlett-Packard, IBM, and General Electric are deriving an increasing share of their sales and profit from services. To illustrate, General Electric (G.E.) is placing increased emphasis on service marketing strategies in each of its business units. Given his stunning record of profitable growth as Chairman and CEO at G.E., some believe that Jack Welch's aggressive services strategy provides a blueprint for refashioning an industrial company in a post-industrial economy (Smart 1996). While downsizing in other areas, firms like G.E., IBM, and a host of others are adding to their ranks in the services area, thereby creating opportunities for marketing graduates who have specialized knowledge and skills in this area.

DIRECTIONS IN BUSINESS MARKETING PRACTICE

The business marketing course provides an ideal vehicle for exploring prominent themes in business practice that are transforming buyer-seller relationships, organizational processes, and marketing strategy patterns. Changes in practice call for corresponding adjustments in the content and focus of the business marketing course. To this end, five important trends in business marketing are highlighted.

First, the search for improved quality and superior performance has spawned a significant shift in the purchasing practices and priorities of organizations. Second, business marketing firms are seeking a "collaborative advantage" (Kanter 1994) by demonstrating special skills in managing relationships with key customers or by jointly developing inventive strategies with alliance partners. Third, rising attention is being given to how traditional marketing practices can be adapted for turbulent high-technology markets. Such markets represent a rapidly growing sector of the world economy and an intensely competitive battleground. Fourth, firms continue the search for better ways to manage business processes and integrate business functions, and ongoing changes here place special demands on the relationship management skills of marketing managers. Finally, time-to-market is a perfor-

mance metric that is closely scrutinized by managers, and recent research provides some useful insights for accelerating the new product development process.

Strategic Trends in Purchasing

A variety of forces are reshaping the purchasing function and how organizations buy industrial goods and services (see Table 1). Purchasing managers are embracing the practice of supply chain management—a technique for linking a manufacturer’s operations with those of all of its suppliers and its key intermediaries and customers. A buyer following a supply chain management strategy will reach several tiers back in the supply chain to assist second, third, and fourth tier suppliers in meeting quality, just-in-time delivery, or other performance targets. The supply chain approach seeks to improve the speed, quality, and efficiency of manufacturing and delivery through strong vendor relationships (Mullin 1996). These goals are achieved through

TABLE 1. Trends Reshaping the Procurement Process

<i>Emphasis on Supply Chain Management</i>	Synchronizing the activities and operations of multiple tiers of suppliers to increase speed, quality, and performance
<i>Reduction in the Supplier Base</i>	Longer-term and closer relationships with few suppliers (for example, over the past decade, the number of suppliers used by Chrysler and Motorola has been reduced by 60 percent or more)
<i>Strategic Priorities in Purchasing</i>	Forging relationships with those suppliers who can give the firm a competitive advantage in quality, cost, technology development, speed of response, or in other performance areas
<i>Closer Buyer-Seller Relationships</i>	Frequent interactions and close working relationships among multiple functions—manufacturing, engineering, and logistics as well as sales and purchasing on both the buying and selling sides
<i>A Focus on Value-in-Use</i>	Moving beyond price to consider the total cost of ownership of a supplier’s product: acquisition, possession, and usage costs

information sharing, joint planning, shared technology, joint problem solving, and shared benefits.

Firms that implement a supply chain management system often streamline the supplier base. Major industrial customers such as Ford, Xerox, Motorola, and others have cut the number of suppliers they use and demanded new supply chain arrangements for those that remain. From Table 1, observe that purchasing managers are also forging close relationships with those suppliers that can give their firms a competitive advantage. In many firms, purchasing strategy is becoming more closely tied to corporate strategy (Dyer 1996).

The trends in procurement place a premium on the supply chain capabilities of the business marketer. Organizational buyers emphasize the total value of the products and services a supplier provides. For example, Chrysler spends 90 percent of its purchasing dollars with 150 suppliers. Thomas Stallkamp, Chrysler's vice president of procurement supply, notes: once we decide on a supplier for a component or material, "the supplier will have the business forever, providing the supplier continues to meet quality, cost, technology and delivery requirements" (Chrysler 1995, p. 126). Of particular importance to Chrysler is the quality of technical support, innovative technology, and fresh ideas that it receives from suppliers.

The business marketer wishing to participate in leading-edge supply chains must possess the ability to deliver defect-free components exactly when they are required. Moreover, manufacturing flexibility and responsiveness to changing customer requirements are critical elements in forging a long-term relationship (Davis 1993). Information will play a central role: supplier data on costs and pricing, supplier input to product design, and the electronic linkage of all suppliers and the ultimate customer are all features of the buyer-seller relationship that are becoming more crucial. Importantly, a core component of marketing strategy now turns on how effectively a business marketing firm can manage its own supply network in a way that elevates the performance of its customer's supply chain. For those firms that can meet this requirement, the reward is significant: a sole-source position in a long-term relationship in which the supplier is viewed as an extension of the customer's company.

Course Coverage and Suggestions. In response to the trends that are changing the purchasing function, the business marketing course should provide increased coverage of (a) supply chain management

issues, (b) the tools that organizational buyers employ in measuring value-in-use, and (c) the strategic priorities that now occupy the attention of purchasing managers. Class discussion can be stimulated by considering the supply chain for a personal computer or an automobile. The goal here is to extend the traditional treatment of organizational buying behavior to reflect the changing nature of buyer-seller relationships. Rather than evaluating the product or service offerings of competing suppliers, organizational buyers examine the capabilities of these firms and the value of the product-service-information mix that they offer.

Purchasing provides a wealth of information on the buying patterns of *Fortune*-500 firms and each year provides a comprehensive profile of the structure and orientation of an award-winning purchasing department. To provide direct contact, students can be asked to interview a purchasing manager, explore the composition of the buying center for a specific product, and isolate the criteria that each member applied to a purchasing decision. As guest speakers, purchasing executives are well equipped to discuss the changing nature of buyer-seller relationships or the characteristics of effective salespersons or successful relationship marketing programs.

Relationship Marketing

Responding to fundamental shifts on the procurement side, relationship marketing is a timely theme in practice, an area of long-standing interest among researchers (Wilson 1995; Dwyer, Schurr and Oh 1987), and a topic of central importance in the business marketing course. Relationship marketing covers a broad domain and includes all marketing activities directed toward establishing, developing, and maintaining successful exchanges with customers, alliance partners, and other constituents (Morgan and Hunt 1994).

To effectively initiate and sustain a profitable relationship with a customer, the business marketer must carefully manage the multiple linkages that define the relationship. Several market forces, however, pose a challenge to the business marketer in implementing relationship strategies. Customers are demanding more customized services, emphasizing supply chain techniques to lower total cost-in-use, and demanding more product variety. In turn, as firms have increased the speed of new product development cycles, little attention has been paid to the impact that the increased flow of new offerings has on

downstream marketing activities (Cespedes 1995). Often, sales and service units do not have sufficient time to learn the new technology and to develop coordinated plans for strategy implementation.

Given these new marketing requirements, Cespedes (1995) emphasizes the importance of “concurrent marketing” among the groups that are most central to customer contact efforts: product, sales, and service units. In his view, these recent market developments place more emphasis on a firm’s ability to:

- generate timely market knowledge by market segment and by individual account,
- customize product service packages for diverse customer groups, and
- capitalize on local field knowledge from sales and service units to inform product strategy in real time.

Strategic alliances are also assuming an increasingly prominent role in the strategy of leading business marketing firms and pose a separate set of relationship management challenges worthy of consideration in the business marketing course. First, alliance agreements are broadly negotiated by senior executives who turn over the final details and day-to-day management of the alliance to middle managers. The implementation of alliance strategy can be hampered as managers flesh out the details with their counterparts in the partner firm (Ring and Van de Ven 1994). Second, many firms are involved in multiple alliances and this can provide an added source of tension to a relationship. Indeed, the partner firm may be a rival or be involved in other alliances with your competitors (Yoshino and Rangan 1995). Third, the basic idea behind an alliance is to create added value by effectively linking the core competencies of one firm with those of another firm. Often, however, the partner firms have incompatible systems and decision structures that delay decision making, create inefficiencies, and frustrate alliance personnel (Kanter 1994).

Like buyer-seller relationships, alliances involve a dense web of interpersonal connections. Research suggests that firms that are effective in managing strategic alliances use a flexible approach, letting their alliances evolve in form as conditions change over time; they invest adequate resources and management attention in these relationships; and they integrate the organizations so that the appropriate points of contact and communication are managed (Kanter 1994).

Course Coverage and Suggestions. Relationship management issues should constitute the heart of the business marketing course. Special attention can be given to account management issues such as (a) selecting key accounts, (b) developing a product-service offering, (c) coordinating and implementing the strategy, and (d) evaluating relationship outcomes.

Several excellent cases are available that explore the coordination issues that surround account management and strategic alliances. For example, Frank V. Cespedes (1996) gives special attention to relationship management issues in the cases that he authored for his excellent volume, *Managing Marketing Linkages: Text, Cases, and Readings*. These and other relevant cases are available in the Harvard case series.

Assignments can also be created that ask students to develop a profile of the role that the service element assumes in the strategy of a firm such as Hewlett-Packard, PeopleSoft, Baxter International, or a local business marketing firm. An alternative exercise might ask students to interview a salesperson and explore the history of an important relationship.

High-Technology Markets

The business marketing course can also squarely address the complex question of how strategists can make informed decisions in rapidly changing high-technology industries. During the past quarter-century, discontinuous innovations have been common in the computer and electronics industry, creating massive new influxes of spending, fierce competition, and a whole host of firms that are redrawing the boundaries of the high-technology marketplace.

A popular tool with strategists at high-technology firms is the technology adoption life cycle—a framework developed by Geoffrey A. Moore (1995) and detailed in his influential book, *Inside the Tornado*. Fundamental to his framework are five classes of customers who constitute the potential market for a discontinuous innovation. Business marketers can benefit by putting innovative products in the hands of *technology enthusiasts*. They serve as a gatekeeper to the rest of the technology life cycle and their endorsement is needed for an innovation to get a fair hearing in the organization, but they do not have ready access to the resources needed to move an organization toward a large-scale commitment to the new technology. By contrast, *visionaries* have resource control and can often assume an influential role in

publicizing the benefits of an innovation and giving it a boost during the early stages of market development. However, visionaries are difficult for a marketer to serve because each demands special and unique product modifications. Their demands can quickly tax the R&D resources of the technology firm and stall the market penetration of the innovation.

Truly innovative products often enjoy a warm welcome in an early market comprised of technology enthusiasts and visionaries, but then sales falter and often even plummet. Frequently, a chasm develops between visionaries who are intuitive and support revolution and the *pragmatists* who are analytical, support evolution, and provide the pathway to the mainstream market. If the business marketer can successfully guide a product across the chasm, an opportunity is created to gain acceptance with the mainstream market comprised of pragmatists and *conservatives*. Pragmatists make the bulk of technology purchases in organizations while conservatives include a sizable group of customers who are hesitant to buy high-tech products but do so to avoid being left behind. Meanwhile, *skeptics* are the ever-present critics of high-technology products.

The fundamental strategy for crossing the chasm and moving from the early market to the mainstream market is to provide pragmatists with a 100-percent solution to their problems. Many high-technology firms err by attempting to provide something for everyone and by never meeting the complete requirements of any particular market segment. Geoffrey A. Moore (1995, p. 22) notes that “the key to a winning strategy is to identify a simple beachhead of pragmatist customers in a mainstream market segment and to accelerate the formation of 100 percent of their whole product. The goal is to win a niche foothold in the mainstream as quickly as possible—that is what is meant by *crossing the chasm*.” In technology markets, each market segment is like a bowling pin and the momentum achieved from hitting one segment successfully carries over into surrounding segments.

While economic buyers who seek particular solutions are the key to success in building momentum in the market, technical buyers in organizations can spawn a burst of demand—a tornado. Information technology (IT) professionals interact freely across company and industry boundaries and discuss the ramifications of the latest technology. IT managers watch each other closely—they do not want to be too early or too late. Often, they move together and create a tornado.

Because a massive number of new customers are entering the market at the same time and because they all want the same product, demand dramatically outstrips supply and a large backlog of customers can appear overnight. Moore (1995) describes how such market forces have surrounded Hewlett-Packard's laser and inkjet printers, Microsoft's Windows products, and Intel's pentium microprocessors.

In high-technology industries, Burgelman and Grove (1996; see also, Grove 1996) argue that the strategist must be alert to changes in competitive or customer behavior that might signal a strategic inflection point. A strategic inflection point describes "the giving way of one type of industry dynamics to another, the change of one winning strategy into another, the replacement of an existing technological regime by a new one" (Burgelman and Grove 1996, p. 10).

Course Coverage and Suggestions. High-technology markets pose special challenges and rewards for marketers, yet are given rather limited exposure in the marketing curriculum. The business marketing course can fill this gap by exploring concepts that are central to the management of high-technology products, such as the technology adoption life cycle and first-mover advantages; the nature of the organizational buying process for technology purchases; and the unique pricing, promotion, and services issues that the marketing strategist must consider. To this end, assignments can be built around identifying product winners and losers in the technology area or comparing and contrasting the strategies of firms such as Gateway versus Deli in the personal computer market or Hewlett-Packard versus Canon in the printer market. As guest speakers, management information systems directors or information technology officers from a local bank or manufacturing firm can explore trends and changing product-service requirements in their industry.

Cross-Functional Connections

As firms attempt to speed decision making, streamline their business processes, and become more market driven, a number of managerial prescriptions have been offered. Most center on this theme: emphasize the processes that clearly provide value to the customer and remove the barriers that divide functional areas (Hutt, Walker, and Frankwick 1995). Although many of these initiatives have improved performance by cutting cycle time, lowering costs, or increasing customer satisfaction, Majchrzak and Wang (1996) argue that many oth-

ers have had disappointing results. After enduring the trauma of reengineering, some firms discovered that their performance is no better—and in selected cases, actually worse—than before.

Why? Managers and reengineering teams often underestimate the difficulty of transforming the way that employees behave and work with one another. “They assume that simply changing their organizational structures from functional units into process-complete departments will cause people to shed their functional mind-sets and will forge them instantly into a team intent on achieving common goals” (Majchrzak and Wang 1996, p. 93).

The business marketing course provides an ideal platform for exploring the critical crossfunctional connections required in the design, development, and implementation of strategy. The strong interdependencies that exist between marketing and other functional units, such as R&D and logistics, are emphasized in conceptualizations of the unique dimensions of business-to-business marketing (for example, Webster 1978). Assuming a boundary position between the firm and its customers and an integrative role across functions (Day 1992), a central challenge for the business marketing manager is to minimize interdepartmental conflicts while fostering shared appreciations of the interdependencies (Hutt and Speh 1984). This challenging interdisciplinary role raises important implications for the design of the business marketing course.

Course Coverage and Suggestions. Effective business marketing managers understand the critical role that each function assumes in the design and execution of strategy and, in turn, what each functional area requires from marketing. This suggests that special emphasis should be given in the course to the interrelationships between marketing and other business functions such as R&D, manufacturing, logistics, and procurement. (See Griffin and Hauser 1996 for a comprehensive review of the marketing-R&D interface.) All business marketing decisions are affected, directly or indirectly, by other functional areas. In turn, business decisions in R&D and in manufacturing and procurement, as well as adjustments in overall corporate strategy, are influenced by marketing considerations.

The work of a business marketing manager involves considerable interaction with customers and with superiors, subordinates, and peers from other functional units. To serve customers and to receive required support at various levels of the hierarchy and across functions,

the marketing manager must initiate, develop, nurture, and sustain a network of relationships with a number of constituencies within the firm (Webster 1992; Hutt 1995). Special relationship skills are required in managing this cross-functional network. To this end, the business marketing course can explore common obstacles that divide functional areas—such as turf barriers, interpretive barriers, and communication barriers (Frankwick, Ward, Hutt, and Reingen 1994; Dougherty 1992). Moreover, treatment of relationship management can be extended beyond the buyer-seller context to include relationships with important cross-functional constituents. Marketing managers are involved in a diverse set of internal working relationships that are in various stages of development and take many forms. Like relationships with customers, cross-unit relationships involve a set of mutual expectations concerning performance, roles, trust, and influence (Garbarro 1987).

Some instructors of business marketing classes use speakers from other functional areas such as manufacturing or R&D to explore key cross-functional issues and to demonstrate the diverse perspectives that other functional areas hold. At many universities, opportunities exist for joint projects that involve marketing and engineering students. Annually, many engineering programs have undergraduate student teams involved in national product design competition and marketing expertise is welcomed. Moreover, the National Science Foundation is most receptive to educational initiatives that bring business and engineering programs together.

To secure insights into the working relationships of marketing managers, some instructors use an assignment that asks students to interview a marketing manager and develop a profile of the cross-unit communication patterns of that manager. In completing the profile, the manager is asked to describe the characteristics of effective and ineffective working relationships.

Fast-Paced Product Development

Product development is a favorite topic of business marketing students. Recent research in the new product development area provides timely content for the course. With shortening product life cycles, speed is the new weapon in the innovation battle (Deschamps and Nayak 1995). Rapid product development offers a number of competitive advantages. Speed allows a firm to respond to rapidly-changing

markets and technologies. Moreover, fast product development is usually more efficient because lengthy development processes tend to waste resources on peripheral activities and changes (Cooper and Kleinschmidt 1995). Of course, while an overemphasis on speed may create other pitfalls, it is becoming an important strategic weapon, particularly in high-technology markets.

How can a firm accelerate product development? A major study of the global computer industry by Eisenhardt and Tabrizi (1995) provides some important benchmarks. The research examined 72 product development projects of leading U.S., European, and Asian computer firms. The findings suggest that there are multiple approaches for gaining speed in product development. Speed comes from properly matching the approach to the technological and market conditions that surround the product development task.

For well-known markets and technologies, a *compression strategy* appears to speed development. This strategy views product development as a predictable series of steps that can be compressed. Speed comes from carefully planning these steps and shortening the time it takes to complete each step. This research indicates that the compression strategy increased the speed of product development for products that had predictable designs and that were targeted for stable and mature markets. Mainframe computers fit into this category—they rely on proprietary hardware, have more predictable designs from project to project, and compete in a mature market.

For uncertain markets and technologies, an *experiential strategy* accelerates product development. The underlying assumption of this strategy is that “product development is a highly uncertain path through foggy and shifting markets and technologies. The key to fast product development is, then, rapidly building intuition and flexible options in order to learn quickly about and shift with uncertain environments” (Eisenhardt and Tabrizi 1995, p. 91).

Under these conditions, speed comes from multiple design iterations, extensive testing, frequent milestones, and a powerful leader who can keep the product team focused. Here real-time interactions, experimentation, and flexibility are essential. The research found that the experiential strategy increased the speed of product development for unpredictable projects such as personal computers. The personal computer market is characterized by rapidly-evolving technology and unpredictable patterns of competition. Rather than forcing all projects

through a highly structured process, Eisenhardt and Tabrizi (1995) suggest that speed comes from adapting the process to the new product development task at hand.

Course Coverage and Suggestions. Built on a foundation that emphasizes marketing's interdisciplinary role in the firm, the business marketing course can explore the new product development process in greater detail than in the traditional marketing management class. Special attention can be given to alternative approaches for organizing the new product development process, the determinants of new product success, the special challenges involved in new service development, and alternative mechanisms for bringing R&D and marketing together. Moreover, since the prominent themes in practice center on the development of high-technology products and services, students secure additional grounding in high-technology marketing and how planning differs in that domain.

CENTRAL THEMES AND KNOWLEDGE AREAS

The business marketing course provides a valuable forum for developing a student's knowledge of the competitive realities of the business market, supply chain management, and other areas that occupy the attention of practitioners. Table 2 highlights the central themes and knowledge areas that comprise the undergraduate business marketing course.

Business Market Characteristics

To lay the groundwork for the business marketing course, the integrating questions are: What are the similarities and differences between consumer-goods marketing and business marketing? What customers comprise the business market? What forces influence the behavior of business market demand? Special attention is given to the unique characteristics of each of the three business market sectors—commercial firms, institutions, and government—and the nature of the procurement process in each sector. Emphasis is likewise given to supply chain concepts and the relationship management strategies that purchasing managers employ.

TABLE 2. The Ingredients of the Business Marketing Course: Themes and Knowledge Areas

Theme	Desired Knowledge
Business Market Characteristics and the Nature of the Procurement Process	The distinguishing features of the business market, the major types of organizational customers, the structure and orientation of the procurement process
Organizational Buying Behavior	Themes of organizational buying behavior and the individual, group, organizational, and environmental forces that shape the decision-making process
Evaluating Market Opportunity	The concepts, methodologies, and information sources for evaluating and measuring market opportunities, analyzing the bases of competition in an industry, and selecting market segments
Relationship Marketing	Theories, concepts, and strategies for managing relationships with customers, organizations in the channel of distribution, and strategic alliance partners
Marketing's Cross-Functional Relationships	Concepts, organizing frameworks, and special requirements for managing relationships with other functional areas during new product development and during the design, development, and implementation of marketing strategy
Managing and Integrating Business Marketing Strategy Variables	Selected theories and concepts for managing each strategy variable, strategic options for combining them into an integrated marketing strategy program on a domestic or global scale, and procedures for monitoring and controlling business marketing programs

Organizational Buying Behavior

Since the market segments served are comprised of organizations rather than households, organizational buying behavior occupies a central position in the course. As purchasing assumes a more strategic role in the firm, the business marketer must understand the competitive realities of the customer's business and develop a value proposition that advances the performance goals of the customer organization.

The specific objectives that frame this component of the course center on advancing the student's understanding of:

- the decision processes that organizational buyers apply as they confront different buying situations and the resulting strategy implications for the business marketer;
- the formal evaluation systems and analytical approaches that organizational buyers employ when measuring value and evaluating supplier performance;
- the individual, group, organizational, and environmental variables that influence organizational buying decisions; and
- how a knowledge of organizational buying characteristics is of significant operational value to the business marketer when designing marketing strategy.

Evaluating Market Opportunity

Government at all levels, trade associations, trade publications, and private research companies publish a significant amount of economic data on a national, state, and county basis. Most of the data is collected by standard industrial classification (SIC) code—renamed the North American Industrial Classification System (NAICS)—allowing for an industry-by-industry analysis. These data sources are useful for defining target segments in the business market, estimating market potential, forecasting sales, evaluating competitors, and projecting market trends. Drawing on these information sources, students can explore specific techniques that can be applied in measuring market potential, segmenting the market, and forecasting sales.

Relationship Marketing

Some buyer-seller relationships in the business market fit the characteristics of transactional exchange while others are more collaborative in nature (Webster 1992). Knowledge of the different forms that relationships take in the business market provides the foundation for developing specific relationship marketing strategies for a particular customer. The central tasks of relationship marketing include identifying target segments, choosing individual accounts within these segments, developing product-service offerings for these customers, and

evaluating relationship outcomes. Since strategic alliances are assuming an increasingly important role in business marketing strategy, attention can likewise be directed to the special challenges and opportunities that these relationships present.

Marketing's Cross-Functional Relationships

By exploring the relationship between marketing and other business functions such as R&D, manufacturing, and logistics, students gain a more integrated and realistic view of strategy design, development, and implementation. Strategic plans emerge out of a bargaining process among functional areas and special relationship skills are required to work effectively across functions. Various functional units operate under unique reward systems, time horizons, and orientations. By understanding the common barriers that divide functions and by recognizing the contribution that each makes to strategy, the cross-functional knowledge of the student is advanced.

The marketing-R&D interface merits special coverage in the course. A shared appreciation of each function's distinctive skills contributes to creating competitive advantage. When harmony prevails, R&D can articulate the technological possibilities, while marketing thoughtfully assesses the possibilities in light of market opportunities and competitive realities. Collaboration creates new, sharper conceptualizations of how technology can profitably serve customers and strengthen competitive advantage.

Managing and Integrating Strategy Variables

Business marketing programs increasingly involve a combination of tangible products, service support, and ongoing information services both before and after the sale (Cespedes 1995). When organizational buyers select a product, they are buying a given level of product quality, technical service, and delivery reliability. Other elements may be of importance—the reputation of the supplier, friendship, and other personal benefits flowing from the buyer-seller relationship. Consistent with a relationship marketing perspective, this suggests that special attention should be given to the service elements that support product strategy and define the total customer offering. Other distinctive marketing strategy topics that can be covered in the business

marketing course include high-technology product management, national account management, industrial channel strategy, value-based pricing, logistical support, and new service development processes.

A valuable organizing framework for exploring the integration and control of marketing programs is the *balanced scorecard* approach developed by Kaplan and Norton (1996). By complementing financial measures of past performance with specific measures of the drivers of future performance, the approach seeks to translate a firm's strategy into a comprehensive set of performance measures that guides strategic control and action. Organizational performance is examined across four perspectives: financial, customers, internal business processes, and learning and growth. Well-suited to business marketing applications, the scorecard examines financial results as well as the underlying factors that drive long-term financial performance and competitive advantage.

COURSE DESIGN

To achieve desired learning outcomes, lectures can be augmented with a variety of learning tools in the undergraduate business marketing course (Lichtenthal and Butaney 1991). Included here are cases, industry analysis projects, demand analysis exercises, and small group class discussion assignments. The particular blend chosen varies based on the preferences of the instructor and the background and needs of the students. As a rule, lectures assume an important role in providing students with a business market perspective and an appreciation of the special challenges that marketers confront in serving organizational customers. Once a foundation is developed in particular areas, cases and other learning aids can be used to add variety to the course, to integrate key concepts, and to enhance the students' skill set.

Skill Development

From Table 3, observe the important role that cases and course projects can assume in developing the skill set of business marketing students. For example, cases and industry analysis projects provide a vehicle for improving the analytical, critical, and communication skills of the students. For the undergraduate course, a mix of cases is appropriate. Shorter cases can be used to isolate particular areas, such as organizational buying behavior while longer, more comprehensive

TABLE 3. Skill Development in the Business Marketing Course: An Illustrative Profile

SKILLS	DESCRIPTION	LEARNING VEHICLE
<i>Analytical Skills</i>	Ability to identify and analyze market data presented in secondary sources or cases, evaluate this data using appropriate concepts and theories, and apply the resulting information in reaching sound conclusions to new and recurring marketing problems	Cases Industry Analysis Projects Market Analysis Exercises
<i>Critical Skills</i>	Ability to analyze and evaluate proposed solutions to marketing problems by exploring the adequacy of supporting evidence, the theoretical or practical relevance of the choice options, and the unique characteristics of the environmental context	Cases
<i>Research Skills</i>	Ability to use secondary sources of information in exploring the nature of competition in a market, industry trends, the composition of markets, market potential, and a firm's financial position	Industry Analysis Projects Market Analysis Exercises
<i>Communication Skills</i>	Ability to organize, write, and effectively present a marketing plan that appropriately details and persuasively supports a proposed marketing strategy	Cases

cases can be employed to integrate important content areas and to bring closure to the course.

Industry analysis projects provide an alternative vehicle that can be used in the course. The goal here is to improve the students' analytical and research skills by providing them with hands-on experience at using a wide variety of sources of industry and company information that supports decision making in business marketing (Bunn 1995). Such projects can be built around an assessment of a particular firm's product, its competitive standing in the industry, and its current strategic course. Shorter market analysis exercises that center on market opportunity assessment can also be used.

A Two-Course Sequence

To strengthen the skill set of its business marketing students, Miami University offers an innovative two-course sequence. Here students who perform well in the first course and meet certain grade point average benchmarks in the undergraduate business program are given the opportunity to register for the advanced workshop in business marketing.

The workshop is organized around a series of “live cases” that business marketing executives present. In advance of the presentation, the executive provides some background on the company and a particular marketing problem. Likewise, the students do library research to secure additional background on the industry and the company’s performance history. The executive then visits the campus, presents the situation, and addresses questions. After deliberations, a preliminary set of recommendations is offered by the students and the visiting executive provides feedback. Following the visit, a student team develops a comprehensive final report for the client firm. The advanced seminar is embraced by students and has received long-standing support from business marketing practitioners.

CONCLUSIONS

The undergraduate business marketing course provides value to the important constituents of a marketing department. First, the content and focus of the business marketing course are closely aligned with important themes in business practice. This strikes a responsive chord with practitioners and recruiters. Clearly, recruiters who seek marketing graduates place a premium on those students who understand business-to-business markets, organizational buying processes, and relationship management. Indeed, at most universities, the roster of companies that recruit on campus is dominated by business marketing firms. Most entry-level positions in marketing are in sales and a large portion of these are concentrated in industrial sales. Candidates who demonstrate a grasp of business marketing fundamentals are easier to train and, compared to their peers, offer the potential to make a more immediate contribution to the firm’s operations.

Such evidence strongly suggests an expanded role for business marketing in the undergraduate curriculum through a more frequent

offering of the class and through multiple sections as resources permit. By increasing the proportion of students who are exposed to business marketing, a marketing department is providing added value to its students and business constituents alike. Some marketing departments may further strengthen their relationships with the business community by building an area of specialization in the business marketing area. This could be achieved by augmenting the business marketing course with personal selling and sales management electives. Such a concentration provides students with the knowledge fundamentals and skills that are sought by the majority of campus recruiters.

Opportunities also exist for strengthening the coverage of organizational markets in other courses in the marketing curriculum, such as in the required consumer behavior course. By infusing a systematic treatment of organizational buying behavior into the course, students develop a sharper grasp of how buyers behave and how markets operate. The traditional consumer behavior course provides a conceptual foundation for moving from individual decision making to group decision making and from the household to the organization. Selected readings can be used to aid the transition.

Second, the business marketing course occupies a unique niche in the undergraduate business curriculum and provides a contribution to other departments in the College. As major accreditation organizations, like the American Assembly of Collegiate Schools of Business (AACSB), are placing increased pressure on business schools to integrate the curriculum, cross-functional themes provide the heart of the business marketing course. Emphasizing an interdisciplinary orientation, the course ties together core business concepts from different business disciplines and demonstrates the managerial relevance of these concepts.

Third, and most importantly, the business marketing course serves the needs of students. By extending their knowledge of markets beyond the consumer-goods domain, by deepening their understanding of how organizations make buying decisions, by strengthening their grasp of relationship marketing theories, by exposing them to the competitive realities of high-technology markets, and by providing them with decision-making skills in this important area of marketing, the business marketing course provides special value to students.

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