Reflections of an Accidental Marketer

This past February, I was honored at the American Marketing Association (AMA) Winter Educators’ Conference as the 2008 AMA/McGraw-Hill/Irwin Educator of the Year. That is about as big a deal as it gets in our profession, and I was truly honored. When you get this honor, you also get to give a speech to a captive audience at the Awards Luncheon. The preparation for that speech made me reflect on what my career has been about, and I thought the speech went off pretty well.

Why do I bring this up? Well, Ram Desiraju, Journal of Marketing’s book review editor, is a clever and persuasive guy. He is clever because he hit me a couple of weeks before I was to get this award and invited me to write this essay. First, he congratulated me for receiving the honor and positioned this series of essays as “intended to offer the marketing community at large an opportunity to peek inside the mind of our very best academics.” That was just to soften me up. He followed by noting that I would probably have done the bulk of the work for my award speech anyway and closed with the promise that there would be no reviewer reports to deal with. I am sure you will agree that this guy can sell—how could I say no?

I delayed writing for several months because of other commitments but also because the most recent essayists—Vijay Mahajan, Roger Kerin, the late Dick Wittink, Glen Urban, William Wilkie, and Russell Belk—have set a pretty high bar, to say nothing about what Randy Pausch, and his “Last Lecture”, has put out there.

I have also found this essay to be a bit difficult to write because, if my career in retrospect appears to have been orderly and planned, it was anything but that. As my title indicates, I am an accidental marketer and, indeed, an accidental academic. My educational background is engineering and operations research. I have never taken a marketing course or, indeed, any course in a business school. So, how did I get here? As Geoffrey Rush said often in Shakespeare in Love, “It is a mystery … or at least a happy accident in my case” (Madden 1998).

An Accidental Start

The late 1960s, when I entered a doctoral program at Columbia’s Engineering School, were strange times. We were in the midst of student protests over the Vietnam War and the draft, and there was turmoil on university campuses everywhere. In March 1968, I successfully lobbied to turn a summer job offer at Mobil’s Computer Systems and Management Sciences Department into a full-time position after I learned both that I was likely to be drafted and that Mobil had a perfect record for getting draft deferments for its employees. I never knew I was so critical to the Vietnam War effort until I read the letter that Mobil wrote to my local draft board. Happily, Mobil was willing to support my (part-time) doctoral studies.

I joined Mobil with an MS from Columbia in 1968 when I was 21. Between then and the time I completed my degree as a part-time student, I had to take doctoral classes at night and to study for exams on my own. I also had to pass technical reading proficiency in two foreign languages (a requirement that, alas, has since disappeared—why DO we want those who follow us to suffer as we did?). As a part-time student, I knew the other students only casually from the classes we took together, and I had no real knowledge about how doctoral programs worked—with mentorship, collaborative research, and joint study behavior being the norm. That lack of socialization and knowledge had some benefits though.

The Industrial Engineering/Operations Research Department at Columbia had its own way of assessing possible doctoral students. It was fairly lax on “admission,” but after students completed their course work, they were required to take a set of five candidacy exams; first came linear algebra, probability theory, and real analysis in one four-hour block of 80-minute exams; second was linear programming and statistics a week later in a three-hour block of two 90-minute exams. If you failed any single exam, you failed the candidacy. You had two shots to pass the entire candidacy exam; if you failed the second time, you were given a PE (professional engineer) degree.

As a part-time student, I heard that the exams were supposed to be tough, but I didn’t realize how tough; for example, I didn’t have access to prior exams, as the full-time students might have had. I was distracted because my wife,
Dorothy, was pregnant and due the week after the exams were scheduled—I had images of being interrupted during the exam to run to the hospital. (Happily, my daughter arrived on schedule, a week after the exams.)

After I took the exams—and fortunately passed—I found that of the 18 who took the exam, only 2 passed; this success rate was about normal for these exams. It seems that it had been five years since someone had passed on the first go. Given that I was just beginning to raise a family and had a good job, it is unlikely that I would even had taken the exams if I had known the failure rate.

Back to my day job…. Mobil was an ideal training ground for someone like me: I was interested in real operations research and in developing systematic approaches for solving actual business problems. What a fabulous work environment it was; my group manager, Rudolph Reinitz, received his PhD under John Little when John was at Case Western. Rudy retained John as a regular consultant at Mobil, and I got to know John there. My direct supervisor, Ambar Rao, had recently received his PhD with Russ Ackoff at the Wharton School, and Russ was another consultant I got to know at Mobil.

As a side benefit, I was able to publish six articles in top journals based on the projects I worked on at Mobil (Lilien 1973, 1974a, b; Lilien and Rao 1972, 1975, 1976), and I was keen to find a problem at Mobil that would serve as my dissertation. I initially planned to work on a math programming problem involving the optimal deployment of oil spill pollution clean-up resources, but that project never got off the ground. Had it, there is no doubt my career would have been quite different.

One of my internal Mobil clients was the market research department. It had run an advertising experiment and, following an aggressive heavy-up test, could not find any effect of advertising on a diary panel of gasoline consumers. Because I had learned consumer diary panel analysis at a summer job I had a few years earlier at Lever Brothers (another happy accident), I was asked to have a look. What I found was that the ad experiment had taken place during a gasoline price war.

After a bit of investigation, I discovered three things. First, no one had yet studied and modeled the effect of price variation on individual brand switching, so I had a unique data set. Second, the data and, possibly, the model I had in mind might provide the basis for a dissertation. Third, one of the world’s experts on stochastic models of buyer behavior, a fellow named Donald Morrison, was a professor at Columbia, though he was in the business school, not in the engineering school. I invited Don to lunch at Mobil’s expense, gave him a page-and-a-half outline of my idea for a dissertation, and asked him what he thought. He said he thought the idea had some merit. I asked him if he would supervise my dissertation. He agreed.

I think I met Don six times for an hour or two each during the following eight months before I defended my dissertation. So I suppose Don would agree that I was probably not his highest-maintenance doctoral student. Nonetheless, Don gave me gems of insight and feedback; for example, when I asked him if he wanted me to work on Chapter 2 first—my proposed literature review—he said no and suggested that I do that last because it would likely narrow my thinking and dampen my creativity. He recommended that I carefully scan the literature only after I had thought deeply about the problem and had done my best to attack it on my own. That advice—focusing more on deep thought and creativity than on heavy referencing—is one I have tried to pass on to others.

I defended my dissertation and turned 26 (past draft age) at about the same time, so I had a choice: I could stay in a secure, well-paying job at Mobil or try my hand in academia. I decided to take a chance with the latter and chatted with Don, asking him what engineering schools he would recommend.

Don told me that a few business schools, such as his alma mater, Massachusetts Institute of Technology (MIT), would actually suit me better than an engineering school. He then arranged two campus interviews for me. One school was just not right for me, but the fit at MIT seemed good.

My late father, who owned a printing shop and was a practical man, found this choice of job curious. “Have you ever taught?” he asked. “No,” I said. “And this MIT Sloan School—isn’t that a business school, and aren’t you an engineer?” “Yes,” I said. “And they want you to teach what? Marketing?” he asked. “That’s right, dad.” “Well, this marketing field must have really low entry barriers,” he concluded.

So there I was in marketing—first, because of the Vietnam War and the draft; second because a math programming project at Mobil on oil spill pollution clean-up got shelved; third, because an MIT grad, Don Morrison, happened to be in the business school at my university; and finally, because our field, fortunately, is quite inclusive and actually does have low entry barriers.

The MIT Years

When I got to MIT, they put me in an office next to John Little. I think John felt he needed to keep an eye on me. (I think, secretly, he still feels that way.) While I was at Mobil, important and interesting problems regularly emerged from internal client requests. I was at MIT for a few weeks, and no one brought me any interesting problems, so I went next door and asked John what to do. “Now you are in academia,” he said. “So you have to make them up.” “How do I do that?” I inquired. “Ask important questions,” he replied.

I tried to take John’s advice and scanned our field. I noted that almost all the top academic research (including my dissertation work) focused on the half of marketing that is now referred to as business to consumer (B2C), with a minuscule amount focusing on the other, business-to-business (B2B) half. The reasons were clear: lack of data, few and less publicly visible transactions (though each of much higher dollar volume), longer purchase cycles, huge customer heterogeneity, much greater power on the buyer side of the dyad, complex purchasing processes, and so on.

It seemed that tackling the important B2B problems might require different concepts and approaches. As if to confirm this observation about the neglect of B2B, I noted that MIT, an “institute of technology,” had never, by the
time I got there in the early 1970s, offered an MBA elective in B2B marketing (then called “industrial marketing”). I developed and offered the first such course at MIT and also began a program of research in the area. I dedicated much of my early work to this difficult-to-address domain, and I even found students who were interested in it as well.

Not surprisingly, when I first came to MIT, I knew little about academia, never even having been a full-time doctoral student. When I met Jean-Marie Choffray, who joined the program as a doctoral student the same time I started as an MIT assistant professor, I did not know that junior professors with their diplomas not yet dry don’t become dissertation advisors. Jean-Marie was interested in some of the same B2B problems as I was, and we hit it off right away. Work that emerged from his dissertation won the AMA best-paper award (Choffray and Lilien 1978a), and we expanded it into a book (Choffray and Lilien 1980b).

Allow me to offer a bit of additional background about MIT in the 1970s. I was making a decent salary at Mobil, but our household income took a hit when my wife left her job for maternity leave in 1971. We were managing on my salary alone, but things were tight. Then, I accepted an offer from MIT at a salary that was half what I was making at Mobil. Summer money would have been helpful, and MIT encouraged me to find some way to provide my own summer supplement (more about that to come). At a welcome reception, one of the deans said to my wife that she must be proud that her husband is an MIT professor, a prestigious post indeed. She smiled, said that she was proud, but noted that you can’t feed your kid prestige.

Shortly after joining MIT, I did two things. First, through my connections with my ex–Mobil colleague Ambar Rao, I opened a Boston office of the firm that he and another Mobil colleague, Arthur Shapiro, started, called OR/MS Dialogue; our office specialized in studies of alternative energy systems and new product modeling. We landed a large contract from the Department of Commerce to study the market potential for solar powered heating and cooling systems that served as the data source for Choffray’s dissertation, as well as several other publications (Choffray and Lilien 1978b, 1980a).

Second, with John Little’s help, I became connected with the Association of National Advertisers and began the advisor studies, a series of investigations into the effectiveness of industrial marketing communications budgets. This work lead to a series of papers (and to some summer financial support for me) addressing an issue that the field still faces—How can return on investment of B2B marketing communications be assessed, given the long purchase cycles, multiple purchase influencers, and networked influencer patterns that are common in that marketplace (Lilien 1979, 1980, 1983; Lilien and Little 1976; Lilien and Ruzdic 1982; Lilien et al. 1976; Lilien and Weinstein 1984)?

So my time at MIT set me off on one of the two main themes of my academic career—the study and nurturing of the field of B2B marketing. It also marked the beginning of my second focus. During my scan of the field that followed John Little’s comment, I noted that most of what passed for “marketing science” or marketing analytics at most business schools—other than a few, such as MIT and the Whar-
negative effect. Such an outcome could lead to a cut in funding for the demonstration programs—and who wanted to fund such a thing?

Our frustration with the government’s attitude lead to research on the optimal entry timing for new technologies, for which both positive and negative word of mouth was possible (the latter emerging because of premature launch). Calibrating the model with data on photovoltaics (Kalish and Lilien 1986) enabled us to delay the government from building a demonstration project in the Southwest United States by at least two years; the project could have demonstrated that the current photovoltaic technology had the potential to be a significant fire hazard. The Energy Lab environment led us to examine the innovation diffusion problem from various angles, providing a nice research environment for my second doctoral student, Shlomo Kalish (Kalish 1983, 1985; Kalish and Lilien 1983, 1986).

MIT was not what I would call nurturing; it was a tough place, but as anyone who grew up in any tough neighborhood will tell you, such an upbringing can be an asset. I recall one of my first research seminars. I rarely got out more than two or three sentences before someone challenged me or interrupted me with a question. It felt like a dissertation defense, but I had been through other such seminars at MIT and knew that this was normal; indeed, one of the harshest seminars I recall was one that I attended given by the late Nobel laureate (and my occasional tennis partner) Franco Modigliani. I knew it was not personal; it was just the way seminars were run there (I am originally from New York City, so I did not actually find that behavior unusual). At the end of my seminar, one of my senior faculty colleagues came up and said “not bad.” I counted that as high praise indeed and was elated.

Because of the nature of the place, I came away from MIT with new skills and a network of outstanding colleagues both at MIT and in the greater academic arena through my MIT connections. In addition, I saw firsthand how one excellent academic model works. I shared an office suite with John Little, Al Silk, and Glen Urban, three top academics with dramatically different work styles. Early in my time there, when I was trying to figure out how to adapt my own work style to MIT’s system, John Little counseled me not to waste time on that effort; he said that if your style doesn’t match up well with where you are, go find a place where the match is better.

The Penn State Years

While at MIT in 1980 I got a call from Paul Rigby, then associate dean at Penn State’s Business School, telling me that I had been nominated for a unique position there. As a native New Yorker who viewed Boston as a small town, I had no idea where Penn State was. “State College is actually the name of a town?” I asked. “And where is that exactly?” I supposed it was somewhere in the Midwest, surrounded by corn and cows, and I told Paul I had no interest. Paul, though low key, can be very persuasive, and he convinced me to visit.

While I was there, the search committee asked me what I would do if I had a position called “research professor,” which would require no teaching, would entail my own administrative assistant, would provide a budget to support myself and my students, and would have reporting responsibilities outside departments and directly to the dean. I had to think about this. After some reflection, I told them that aside from catching up on my sleep, I would try to build some sort of institution that facilitated research and interaction between academics and practitioners in the B2B domain.

I had had prior success engaging multiple firms in collaborative research in the industrial marketing area with my advisor studies at MIT, so I had some credibility, and they made me an offer I couldn’t refuse. As luck would have it, Irv Gross, another graduate from John Little’s operations research group at Case Western and current director of marketing research at DuPont, had a similar idea.

With Irv’s collaboration and Penn State’s research professor position, and with Dave Wilson firmly implanted as a senior B2B scholar there, it seemed that Penn State would be an ideal place to execute such a plan. So I decided to leave MIT and join Penn State—which indeed is in the middle of nowhere, but a very pleasant nowhere—and we formally founded the Institute for the Study of Business Markets (ISBM) 25 years ago, in 1983.

Irv retired as ISBM’s executive director in 1996 but not before he was able to locate Ralph Oliva, then senior vice president at Texas Instruments, as his more-than-able successor. Ralph has been a colleague, mentor, and close friend and has brought the ISBM to the position that Irv, Dave, and I envisioned when we founded it. Ralph, whom I love, is fond of saying that he has the same relationship with me (through the ISBM) that he has with his wife, Kat: He brings in the money, and I spend it … hopefully wisely.

I am proud of the accomplishments of the ISBM over the past 25 years. We have funded fundamental work in the B2B domain; indeed, a recent analysis has shown that ISBM-sponsored research includes 24 articles with more than 100 citations, including 3 that emerged from ISBM-sponsored dissertations with more than 200 citations. I find it equally gratifying to visit sponsoring firms and find internal presentations using ISBM-generated concepts and templates. I love both the practitioner-centric and the academic meetings of the ISBM; it is the best learning environment I know.

In addition, I am delighted with the success of some of the ISBM’s innovations. One goal of the ISBM has been to get more marketing academics interested and involved in B2B work. We have used the usual means: supporting research through direct funding, facilitating access to member firms as research sites, creating a successful dissertation support competition, and hosting a premier biennial academic conference for B2B academics. I have also learned that it is necessary to catch marketing scholars early. Thus, I am particularly pleased about some of ISBM recent innovations, such as our Web-based doctoral seminar series (IPSS, or the ISBM PhD Seminar Series, which was conceptualized and championed by my colleague Raj Grewal), which provides academic seminars by the top scholars at many universities for B2B doctoral students around the world; our biennial doctoral “camp,” which introduces doctoral stu-
dents both to the top scholars and to the most pressing research issues in the field; and our recently introduced Data Resources and Education Resources programs.

Despite some modest successes, there remains a large gap between the B2B world in marketing and the B2C world. That gap leads to many exciting B2B research challenges. For example, drawing on the most recent ISBM (2008) trends study, the most important domain for investigation involves developing a deeper understand of B2B customers and their needs. To quote from that research, “A key focus for [B2B] researchers and practitioners for the rest of the decade will be bringing new tools, techniques, and approaches for deeper understanding of customer needs—and the opportunities to create new value—to their firms. [B2B] marketers are encouraged to help their firms explore both the ‘right brain’ as well as ‘left brain’ sides of the customer needs picture.” This area alone can provide lifetimes of opportunities for interested researchers.

Penn State was quite a change for me from MIT in a number of ways. One such difference is illustrated through the following sequence of sketches:

**Frame 1: Teaching Analytics to My Penn State Students and My MIT Students (on the Right, as If You Couldn’t Have Guessed)**

**Frame 2: Simplifying the Discussion of Market Response Models So That Both Students Get It (but the MIT Student Knows the Adbudg Model)**

**Frame 3: Making the Modeling Skills of the MIT Student Accessible to the Penn State Student Through Spreadsheets and Instant Graphics (First Lotus 1-2-3 and Then Excel)**

Because my only prior teaching experience was with MIT masters and doctoral students, when I entered the real world of Penn State, I was greeted with students with a much lower mathematical literacy than I had found previously. Mathematics is a language and can be efficient and powerful with fluency and completely opaque without such fluency (Frame 1). Numbers are a bit better (Frame 2), but humans have a universal ability to grasp information easily through pictures and graphs. So it seemed to me, in the mid-1980s when Lotus 1-2-3 was introduced, that here was a vehicle that might be used to make marketing models accessible to those without strong mathematical ability. I spent a summer writing a book and software package to address those issues, and the book (Lilien 1986) and its successor (Lilien 1988, a version aimed at a broader audience and built on the newly dominant Excel platform) saw some modest success at several schools.

However, the challenge was much greater than I could address with my own modest skills. That is when fate, in the person of Arvind Rangaswamy, intervened. Arvind, whose excellent work on applied marketing analytics I knew well, was looking for a new position and was considering joining Penn State. I worked like Penn State’s football coach, Joe Paterno, works on recruits to get Arvind to come, and we discussed what we might do together. I was delighted to find that we had almost identical visions—that texts such as *Marketing Models* were simply inaccessible for the majority of marketing managers who needed to make business decisions and that much more was needed, especially in the domain of software and related teaching materials. That began our now more than 15-year collaboration on the *Marketing Engineering* series (see Lilien and Rangaswamy 1998; 1999a, b, c; 2003; 2004; Lilien, Rangaswamy, and De Bruyn 2007); it has become more of an obsession or passion than a project, and it binds us the way children bind parents. That material has been used by more than 8000 stu-
It was with great enthusiasm and energy that I began my presidency and was eager to make my mark. How-
to follow the late George Carlin’s dictum: “Keep only cheerful friends: The grouchies pull you down.”

It has often been said that academics care so much about their work because the stakes are so low. Every time I get peeved about something professional or complain about perceived overwork, I remind myself that I get paid to do what I want, that I have nearly complete control of my calendar, that I have job security matched only by the clergy, that I have nearly complete control of my calendar, that I have job security matched only by the clergy, that I can say no to almost any request (even if I don’t). In other words, I try to keep some perspective on the relative importance of my professional activities. My wife, Dorothy, and my daughter, Amy, never let me forget that I definitely did not have this perspective in the early years, and I know I missed out on a lot. Now my daughter, with the able help of my son-in-law Glenn, has provided me with a wonderful granddaughter, Alanna, who will not let me regress to my old ways.

If you are still reading this, you can probably tell that I am having a hard time figuring out how to close. Maybe that is just as well—I am going to keep on doing what I do for as long as I think I can still do it pretty well (probably not at long as JoePa, but he is an inspiration), and I expect to continue to have fun doing it.

REFERENCES


