On academic marketing knowledge and marketing knowledge that marketing managers use for decision-making

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In his article ‘What is marketing knowledge?’, Rossiter (2001) offers a very explicit view about what marketing knowledge is and what marketing knowledge is not. According to Rossiter, marketing knowledge is declarative knowledge (‘know what’), and should be distinguished from procedural knowledge (‘know how’). Marketing skills and ‘tacit knowledge’ are excluded, and there is a clear distinction between marketing knowledge and marketing abilities.

By delineating marketing knowledge in this way, it seems that Rossiter deliberately restricts the meaning of marketing knowledge to academic marketing knowledge, which is mostly taken as a synonym for ‘marketing science’. Rossiter sees marketing knowledge as ‘true’ knowledge (epistemologically: ‘best beliefs’), implying that marketing knowledge has a prescriptive role, and should enable its user to find the best course of action in a given situation. In the remainder of his article Rossiter discusses a classification of four ‘forms’ in which marketing knowledge can appear. This is a praiseworthy and useful endeavor to provide more structure for the difficult stuff that marketing knowledge is, but we should realize, that due to the limitation to academic marketing knowledge, this classification of forms only refers to the subset of marketing knowledge so defined.

I think that restricting marketing knowledge to academic marketing knowledge is unnecessary and not productive. Marketing decision-makers in practice have a much richer treasure of marketing knowledge at their disposal than the codified ‘body of knowledge’ that has emerged from systematic academic research. However, I do agree with Rossiter that ‘marketing knowledge is absolutely fundamental to our discipline’ (2001: 9). So, there is every reason to engage in a debate on this topic. I will contribute my view on marketing knowledge in the next few pages.
I believe that marketing knowledge comprises much more than academic marketing knowledge, and that there are different types of marketing knowledge and also different sources of this knowledge. As is true for knowledge in general, marketing knowledge can be deep knowledge or surface knowledge, explicit knowledge or tacit knowledge, and objective knowledge or subjective knowledge (Wierenga and Van Bruggen, 2000). I propose to take the practice of marketing decision making as the starting point for a definition of marketing knowledge. Consequently, my definition of marketing knowledge is: All the insights and convictions about marketing phenomena that marketing managers use or can use for making marketing decisions. Clearly, one source of marketing knowledge that can be used in decision-making is marketing science. However, marketing science is a young academic field and at this moment the field has insufficient empirically generalized relationships for a marketing manager in practice to derive management guidelines exclusively from this source of knowledge (the special issue of Marketing Science, 1995, presents the relatively small yield of empirical generalizations and few have been added since). We will elaborate on the distinction between academic and practitioners' marketing knowledge in the following section.

**Academic marketing knowledge and marketing knowledge used by practitioners**

Figure 1 presents a Venn diagram illustrating academic marketing knowledge (MKA), marketing knowledge used by practitioners (MKP), and their overlap. These three elements are discussed below.

**Academic marketing knowledge**

Academic marketing knowledge (MKA), which is the left-hand side of the figure, can be defined as best beliefs (in an epistemological sense) about marketing phenomena based on systematic analytical and empirical research. Academic marketing knowledge is characterized by terms such as marketing laws, marketing principles, empirical generalizations, and marketing science. An early example of an insight from marketing science is the so-called Dorfman-Steiner Theorem (Dorfman and Steiner, 1954) about the marketing mix. This theorem implies that a necessary condition for profit maximization is that the values of price, advertising, distribution, and product quality must be set at such levels that price elasticity, the marginal revenue product of advertising and distribution, and the quality elasticity times price over unit costs are equal. This theorem and similar results from marketing science can help marketing managers to decide on the values for marketing mix instruments such as price and advertising.

A huge research effort has taken place in marketing, especially over the last four decades. As the result of analytical and empirical work, meta-studies and empirical generalizations, we now have a much richer insight into marketing processes and the effects of marketing variables that are useful for marketing
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Figure 1
Venn diagram of academic knowledge (MKA), marketing knowledge used by practitioners (MKP)

decision-making. This growing amount of academic marketing knowledge is reflected in the development of the contents of textbooks. The current state of the art can be found in Kotler (2003) for marketing in general, in Blackwell et al., (2001) for consumer behavior, and Rossiter and Percy (1997) for advertising. However, even if a marketing manager could be aware of all the achievements of academic research in marketing, this would definitely not be sufficient for the manager’s decision-making.

Marketing knowledge used by practitioners

The right-hand side of the figure deals with the marketing knowledge actually used by decision-makers in practice (MKP). Marketing practitioners use much more knowledge than only the products of marketing science. First of all, decision-makers usually have extensive experience, which produces a significant amount of expertise. One result of this experience (possibly combined with formal marketing education) is that a marketer has at his or her disposal a mental model of the task domain or a set of mental models for different parts of the task domain. A mental model consists of variables deemed relevant and the supposed cause-and-effect relationships among these variables. Mental models help decision-makers to
diagnose and solve problems. Mental models tend to be qualitative, subjective, and incomplete (Wierenga and Van Bruggen, 1997). They may well be at variance with reality, yet they are very important for a decision-maker's day-to-day actions.

A manager does not always solve a problem by going back to first principles, as a scientist would do. Going back to first principles means that an explicit account is made of the variables involved, the relationships between these variables, and the objective that is to be achieved. For most problems there is simply not enough time for this. This does not mean that a manager does not use knowledge in solving such problems, however.

Wierenga and Van Bruggen (1997) have developed a classification of marketing problem-solving modes (MPSMs). They distinguish four different ways in which marketers make decisions: (1) optimizing, where the marketer searches for the best outcome; (2) reasoning, where the marketer uses a mental model for reasoning about the problem; (3) analogizing, where the marketer, when confronted with a problem, searches his or her memory for a similar problem, and takes the solution of this previous problem as the starting point for solving the new problem; and (4) creating, where the marketer searches for novel and effective ideas for coming up with innovative solutions.

Solving problems with the help of optimizing and reasoning, the first two MPSMs, implies an analytical approach. Rossiter's four forms of marketing knowledge (marketing concepts, structural frameworks, strategic principles, and research principles) also seem to belong to this analytical approach. However, people also have a different system of reasoning, which has been called the 'associative system'. The associative system is characterized by parallel processing of information, soft constraints, intuition, creativity, and associative memory (Sloman, 1996). The MPSMs of analogizing and creating clearly belong to this category. We think that the associative system, corresponding to the marketing problem-solving modes of analogizing and creating, is quite dominant in marketing decision-making (Van Bruggen and Wierenga, 2000).

Also, analogies play an important role in marketing decision-making in practice. An important source of knowledge by analogy is the collection of earlier cases, from the decision-maker's own experience and the cases that he or she has heard about. Sometimes, the solution of an earlier case has to be adapted to deal with specific aspects of the new problem. Not only do marketing decision-makers practice analogical reasoning a great deal, but analogical reasoning has been observed to be used by many other professionals, such as physicians, architects, and lawyers (Riesbeck and Schank, 1989; Leake, 1996).

As already mentioned, it is often said that marketing managers possess intuition, which helps them with decision-making. Intuition sounds a bit like a mystery, but according to Simon (1955), instead of speaking about 'solving a problem by intuition', it would be better to speak of 'solving by recognition'. The power of an expert is that the expert is very good at recognizing the pattern of a particular problem and can immediately generate the solution that corresponds to this problem's pattern. From this perspective, solving by intuition is very close to solving by analogy.
Finally, a marketer uses *creativity*. Although, on the one hand, creativity can be considered as producing 'new' knowledge, creativity often consists of new combinations of existing knowledge (Kao, 1996).

Our conclusion is that marketers use all kinds of knowledge for decision-making. Usually, different types of knowledge are combined for arriving at a decision. For example, take the problem of designing a sales promotion campaign. A marketer who has to design a sales promotion campaign will have developed sales promotions before and will have heard of many others. The manager may use the analogy of the current problem with earlier experiences to come up with an idea for the campaign. This can be an explicit process, but it may also happen that the manager intuitively knows (through an implicit pattern-recognition mechanism) which design would be 'best'. The manager may also be aware of analytical results from marketing science (e.g. the SCANPRO model; Wittink et al., 1988) that can help fine-tune particular elements of the design, e.g. the optimal size of the price-cut in a price discount campaign.

The MKA–MKP overlap

An interesting question is how large the overlap is between academic marketing knowledge and the marketing knowledge actually used by practitioners (i.e. the shaded area of the Venn diagram in Figure 1). Or, looking at the overlap directionally, how important is the role that academic marketing knowledge plays in actual marketing decision-making? Of course, one would hope that at least the academic marketing knowledge relevant for a particular marketing decision-maker is included in the mental model(s) of that decision-maker. But even then, the overlap between MKA and MKP might be modest. Academic marketing knowledge is taught in the universities. Rossiter cites a study about marketing managers (Hunt et al., 1986), which found a very low correlation between the success of marketing managers (measured in terms of income achieved and title received) and the possession of a degree with marketing major. This would imply that academic marketing knowledge plays a very small role in the development of marketing abilities. Of course, the situation may have improved since 1986, but still it seems a safe statement that academic marketing knowledge has a modest share in the total quantity of marketing knowledge that a marketing manager uses.

**What to do about marketing knowledge that is not marketing science**

What about looking at the overlap in the other direction? One possible strategy of marketing scientists, with respect to the type of marketing knowledge in the right-hand side of the figure, is simply to ignore it. In that case, all our resources for academic research can be devoted to expanding the scientifically codified body of knowledge about the marketing phenomena of our field.

However, the marketing knowledge used by practitioners may just be too
important for marketing scientists (academics) to ignore. One argument for this is its overwhelming use. But the value of managerial judgment for the quality of marketing decisions has also been convincingly demonstrated in empirical research (Blattberg and Hoch, 1990; Mahajan and Wind, 1988; Morwitz and Schmittlein, 1998). In an interesting twist, even Rossiter (2001), who advocates a strictly academic interpretation of marketing knowledge, expects that the writings of practitioners produce a very good yield of marketing principles. He also recommends studies with experts from practice and the codification of 'practitioner marketing knowledge'. So it is clear that there is value in the marketing knowledge of practitioners.

I think that we should have a research agenda for the marketing knowledge that is used, often very successfully, by practitioners, but does not (yet) belong to the sacrosanct body of knowledge of marketing science. In other words: the marketing knowledge used by practitioners should be an object of research in marketing science. A research agenda could contain the following items:

• Get more precise insight into which knowledge is actually used, how it is used, and what the value of this knowledge is. In marketing we know a lot about consumer decision-making, but our insight into decision processes of marketing practitioners is very limited. For example, we should know more about the effects of the cognitive style of the manager and the role of experience and expertise in connection with the use of marketing knowledge.

• Develop methods for distinguishing between 'good' knowledge, i.e. knowledge that improves the quality of managerial decision-making, and 'not so good' or outright 'bad' knowledge. Not all the knowledge that practitioners use is perfect. As we have seen before, knowledge of practitioners is often subjective and can be biased, and some routines may simply lead to bad decisions (Bazerman, 1998; Boulding et al., 1997; Moore and Urbany, 1994).

• Develop marketing management support systems (MMSS) that can capture relevant knowledge, represent it in computer programs, and make it available for marketing decision-makers. The majority of marketing management support systems, so far, has been of the mathematical modelling and optimization type with a strong data-driven orientation. There is a need for knowledge-driven MMSS that support qualitative aspects of decision processes, such as searching for analogous situations or being creative. There is now a rich supply of suitable technologies available, e.g. expert systems, case-based reasoning systems, neural networks, and creativity support systems (see Wierenga and Van Bruggen, 2000, chapters 5 and 6).

• Examine to what extent the methods developed in the field of knowledge management for capturing, organizing, formalizing, distributing, and applying knowledge (Nissen, 1999; Nissen et al., 2000) can be successfully implemented for marketing knowledge. Basically, two strategies for knowledge management can be distinguished (Hansen et al., 1999). One is the codification strategy where knowledge is carefully codified and stored in databases, where it can be accessed and used by decision-makers. The other strategy is personalization, where
the knowledge is supposed to reside in persons (experts) and the knowledge management system facilitates finding the appropriate expert for a problem at hand. It is an interesting question which strategy will work best for marketing knowledge.

- Develop a test for measuring marketing knowledge in the extended sense as propagated here. One of Rossiter's (2001) aims is to develop a test for marketing knowledge as described in his article. This will be, from his perspective, a test of academic marketing knowledge. But, as we have seen, academic marketing knowledge is only a subset of the marketing knowledge a practitioner actually uses. In order to measure somebody's ability for making high-quality marketing decisions, somehow we should also incorporate the knowledge from the right-hand side of the figure. It is a real challenge to find out how this can be done.

In summary, I have argued that marketing knowledge comprises much more than academic marketing knowledge (marketing science). It is evident that marketing managers have a rich supply of knowledge sources at their disposal for their decision-making in practice. Marketing academics should not exclusively concentrate on enlarging the codified body of knowledge of marketing science. They should also deal with the question of how the 'other' marketing knowledge can be effectively used for marketing decision-making, with the purpose of improving the quality of marketing decisions.

Note

1 Formulation taken from Kotler (1971: 59).

References


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