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Teaching Marketing

John Quilkey *

Ralph Waldo Emerson's dictum that "if you build a better mousetrap the world will beat a pathway to your door" is likely to be true only if mice are a problem, cats are scarce, and the world knows where you live. This realisation has persuaded governments, the business community, and some economists that the most profitable level of output or sales for firms or industries depends on the optimal acquisition and use of market information as well as on the allocation of other productive resources. According to this view, consumption efficiency is as important as production efficiency and the two are interdependent and jointly reliant on distributive efficiency. While these statements merely paraphrase standard Pareto conditions, they do not attract universal assent from economists. Merchandisers, governments and statutory marketing authorities and the business schools only grudgingly allow that efficiency in consumption as part of the associated product differentiation may be either a useful conceptual tool or of serious import in markets. The outcome of the current mixture of "beliefs" is that there is conflict between the perceptions of the expected outcomes of the use of market information and the mechanisms by which consumers and producers achieve their utility and profit maximising goals.

The principal differences between neo-classicist marketers and the marketers in the field (merchandisers) are matters of both emphasis and methodology. The neo-classicists in the main have a fine grasp of modelling but fail to account for the differences between the theoretical variables in a model and their available empirical counterparts. The merchandisers on the other hand have a sound practical marketing sense but take little or no advantage of the insights that neo-classical concepts provide. Properly viewed, the approaches are complementary rather than stark alternatives.

My preferred introduction to a marketing course is one which emphasises

the evolutionary nature of the demand and supply parameters of markets and the algorithms provided by neo-classical theory to derive maxima for consumer satisfaction, producer profits and net social surplus. The substance of these ideas are best presented in the context of highly differentiated products and markets in which a variety of price and non-price offers are made by producers and traders. Where such an approach is employed it is possible to link neo-classical applied economics with the language and thrust of the business school merchandising approach.

A partial guide on how to start has lately emerged. In his presidential address, Richardson (1986) pointed briefly to the undue interest in and effort devoted to analyses of supply rather than demand. He also decried the virtual absence of rigorous treatment of product dimensions other than price and the lacunae in most of the marketing literature in agricultural economics with respect to "non-competitive" characteristics of markets. The empirical work required to take account of these characteristics will hopefully induce economists to limit their attempts to extract market knowledge from recycled, highly aggregated time series. The necessary intimate detail relating to customer, firm and product characteristics are likely only to emerge from detailed cross sections, and at best longitudinal cross sections, which allow for the evolution of market parameters.

Some of these views have been canvassed before by Wright and Musgrave (1981) and lip service is paid to them in the plethora of marketing texts of the Kotler *et al.* (1980) ilk written to service business schools and which aver to distressingly few components of neo-classical economics which they consider to be useful. There have been similarly few attempts to build conceptual bridges from the economist's side. The spirit of such an enterprise is implicit in what Schroder (1988) had to say recently on niche marketing.

From both teaching and research perspectives it would seem appropriate

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that the bridge-building process from the economist's side could well commence with a broadening of the options available in agricultural economics to include offerings from schools of behavioural sciences, history, philosophy and anthropology. Alternatively it would be more efficient if teaching of marketing were to incorporate the insights derivable from these disciplines as part of core courses.

The addition of new courses is not an open-ended process and some hard decisions will have to be made about the extent to which options become core elements or are linked in a structured way to achieve particular course objectives.

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Comment

Phil Simmons*

From my experience as a manager of economic research I believe that tertiary agricultural economics education has two major shortcomings. First, a large proportion of new graduates have poor writing skills. Their problems in this area revolve around ignorance of elementary grammar and lack of precision in written expression. The second problem that I perceive is that a significant proportion of economics graduates appear to lack any knowledge of economics. These individuals should have been failed from programs yet somehow have managed to get degrees.

Writing Skills

I am not an educator and thus do not know whether instruction in English expression should be in specific writing skills courses or integrated with existing courses. However, I believe that the university has a role in imparting such skills. If education is to work in the interests of the community, and not simply in the interests of educators, graduates with new degrees must be finished products that are useful to someone. In this vein, producing a graduate in economics who cannot express himself or herself in writing is the equivalent of producing a car without wheels. That is, it will not go anywhere until substantial further investment is undertaken and the employer is ill-equipped to make such investments effectively.

Unskilled Graduates

About 10 per cent of the pass level economic graduates with whom I have professional contact do not understand micro principles at all. (The law of demand is either a hazy academic riddle to them, or something they accidentally

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