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## David Schmittlein on Marketing

At the request of *Customer Needs and Solutions*, David Schmittlein, a marketing professor and the John C. Head III Dean of the MIT Sloan School of Management, reflects on a few wide-ranging issues raised by the Journal's editorial board members. The interview was conducted by Catherine Tucker, a marketing professor at MIT Sloan School of Management and a member of the editorial board, on behalf of the Journal on Dec. 5, 2013. Excerpts of this interview are printed here, and the full videotaped interview is available in the public domain.

**CNS:** The first question I want to ask you, which is a big question, is what marketing professors should be working on. What sort of real world problems are you hearing from marketers and other stakeholders, that we are not working on but that we should be?

**Dave:** Thank you very much. Thank you for the chance to spend this time together. It's a little bit intimidating to imagine that people would actually revise some of their research ideas based on these kinds of conversations. But there are a few things that I hear as big issues that I think marketing can contribute to.

There are a few things that I hope marketing academics, marketing professors, and marketing researchers might think about. One big issue to begin with is what exactly we mean by marketing and what kind of thought leadership we expect to come out of marketing.

Marketing is a business function. It, as you know, relates to issues around product design, and pricing, and promotion, and so on, and communication programs. Marketing is also a sector, and some of the quite interesting activity that happens and that marketing practitioners, but also marketing professors, are driving relates as much, I would say, to the sector as it does to marketing as a function.

That relates in some ways to the way that new media are evolving. As institutions, they are quite interesting institutions and quite important institutions. They provide opportunities for some of the basic disciplines, psychology, economics, management science, and so on, to be reflected in the way that we understand the sector, or we understand those institutions.

Even beyond both marketing as a function and marketing as a sector, there is the old notion, and I hope we don't lose it, of marketing as a concept, marketing as a philosophy, marketing as a perspective that starts with people who understand customer value well.

The need for researchers who are pushing the envelope in understanding customer value, in understanding consumer decision making, if you like, but in a very broad context is greater than it's ever been.

If I invite some faculty to maybe, in some ways, broaden where their research trajectories might take them, it probably has as much to do with that sense of marketing as a concept as it does with function and sector, although there's plenty of great things to do in both of those areas also.

With marketing as a concept, you think about how important it is in innovation to understand well the ways that big science turns into or doesn't great inventions, and from there into great new products, and from there, sometimes, into new ventures.

There are avenues into that very broad set of questions that marketing faculty could address and, in my experience, don't very much address. They address consumer reactions to new product ideas, some elements of new product design, but there are elements of this process around the way that people make decisions where marketers could have a very important role and relevance.

In a way, marketing could be the engine driving the understanding of this big issue, and it isn't in many cases. If we take another example, we know that global supply chains are too tight. There is too much risk in those systems because of the desire for efficiency.

There are roles and relevance that various aspects of management science in marketing, of decision making that comes from marketing, survey design that marketers know about that has a very central relevance to understanding what people really do in designing global supply chains, why they make the tradeoffs that they do, and how we understand an element of systemic risk.

Marketers don't see many of those issues, I don't think, as their challenges. They are always, in this case, I think, too often seen as someone else's challenges.

In fact if we take that idea of global systemic risk and you look at the headlines that you see in the "Financial Times" or the "Wall Street Journal," section by section and page by page there are different aspects of systemic risk that come to the forefront.

Marketing could be at the center of much of global financial systemic risk as well inasmuch as it relates to investor decisions, consumer household finance decisions and so on, both in the US and around the world.

Yes, there are some marketing faculty members who concern themselves with some of those issues. But I think they're seen as a bit tangential or off on the side, rather than central to what marketing is about. To what extent do marketers choose to take the hugely valuable insights that they have around managing complex systems, around personal psychology, around the role of supply and demand economic systems in the big issues of the day. Others who know much less about these issues take on the big challenges and may or may not reach out to a marketing professor for a piece of insight. I think that I would love to see especially, and we could name other large challenges like this, manufacturing is another great example of a setting in which marketers see themselves as having a bit of a role.

Yet if you think about the way that manufacturing systems, or, to use another example, healthcare systems need to be very substantially redesigned, marketers don't think of themselves as being responsible for the whole issue.

Going out and getting some economists or statisticians as needed. They think of themselves as having a little piece of the issue. I would like to see marketing move more into the center of some of these kinds of considerations.

**CNS:** Building on this idea that marketing makes itself unnecessarily narrow sometimes, do you feel like that the production of knowledge in marketing is still concentrated in North America and Europe? What do you see as the opportunities in emerging markets?

**Dave:** I think there are different measures. First to all of our friends in marketing all around the world, I love the work that everyone's doing.

[laughter]

**Dave:** I don't mean to diminish the impact of anyone. I think if you look at the creation of talent, the new marketing faculty that are very active in research.

I think North America, not only though marketing Ph.D. programs but also economic psychology and so on, continue to a very high place, and are held in very high regard as the training ground for people who are ready to do important work in marketing.

Many of those people are pursuing, increasingly, interesting opportunities professionally, but especially as academics, as professors around the world at some of the developing, some new and some not so new, but developing academic institutions. That's great to see.

That is going to change the landscape of the development of thought leadership in marketing. Those things don't happen overnight. It would be unrealistic to expect them to see that.

In terms of the ongoing creation of marketing knowledge, I would like to see, I hope to see more of a global distribution of thought leadership in marketing. In part because I think that context matters because access to interesting problems, especially big problems as we were just saying, is very important to the potential for marketers to make a big difference.

I think that the more different contexts that marketing professors are exposed to, the better off the whole discipline will be. The more that we have seeing how marketing opportunities are perhaps a little bit different in some Islamic countries would be very good for marketing.

I think it would be good for those countries as well to see how marketing faculty are engaged in a very personal way with economic development in India, and perhaps how some of their former Ph.D. colleagues are experiencing a different kind of economic development in China or in Turkey, and share some of those experiences with each other. That's hugely valuable to marketing as well as, I think, to those societies.

The thought leadership continues to be very strong from North America. But not only is it a pie and we're just dividing it up in different ways, I think the opportunity to do more interesting work is growing at the same time as we become more globally distributed.

**CNS:** Great. We've tackled increasing the reach of marketing geographically. Let's now pick up on the comments of other domains that we should be perhaps thinking about in marketing. Have you got any views about whether our discipline should spend more time on problems outside their for-profit domain? For example, social enterprises, political science, public causes, these kind of things. Because we've mentioned healthcare before. But how about the broader spectrum of the world outside for-profit companies?

**Dave:** I think breadth is good. I think tackling important challenges of the day is very good. I don't know about the extent to which it's easy or becoming easier to characterize those challenges as challenges that relate to for-profit companies, for instance, versus those that relate to non-profit companies. Honestly, I've never been a big fan of, with respect to non-profit management as a discipline.

But there are certainly marketing issues that relate to things like effective ways to get HIV treatment out of urban centers, and into rural settings in sub-Saharan Africa.

There's a great opportunity for marketing to make a positive difference there. Whether the mechanisms through which that difference could likely be manifest is through a non-profit social entrepreneurship setting, or a for-profit social entrepreneur is not something I want to worry too much about.

I think the thing to worry about is the role and relevance of marketing in so many important settings where people need better access to more innovative products and services and, in some cases, lower cost access to those kinds of things.

If you turn this around a little bit, I think it is time or even past-time where for-profit enterprises have a greater need to explain why the world needs them, what it is as a social purpose that they fulfill.

But I don't mean sustainability, narrowly. I don't mean even a triple bottom line kind of thing. Why does the world need financial institutions? What social function do they serve? How do we know that they're serving those functions well? As long as we understand an organization fulfilling a social purpose well, whether they're organized as a for-profit or non-profit I think doesn't matter so much.

All kinds of organizations that don't seem to be meeting a social purpose as seen by society are going to be in a different kind of trouble, and I'm not sure marketing is going to help them.

[laughs]

**CNS:** Great. In our attempt to find another dimension to broaden the reach of marketing, another question is broadening our reach across disciplines. That is, and the way the editorial board wanted to phrase the question is to ask you about the extent to which you would advise a young researcher to pursue traditional marketing methods versus taking more of an interdisciplinary, or even trans-disciplinary approach to tackling some of these, now we've laid out the scope of where marketing could be.

**Dave:** Yes. A first piece of advice to young marketing faculty has to be to hope that they find a personal balance, between work that interests and excites them, and work that will be seen as valuable by the particular set of colleagues that they happen to choose. You have to be mindful of both.

If there isn't a good fit with what colleagues value, then it's probably a good idea over the right timeframe to move to an organization, a marketing department, or some other part of a university that really does give you the chance to pursue where your passion lies.

I, as we've seen, I prefer a relatively broad definition of the scope of impact of people who may, for organization convenience, be called marketing faculty members. I'm a little bit proud, if you'll forgive me, with the way that MIT is organized, and the values that I think MIT brings to considering faculty and the value of their impact. As a school, we are a bit less organized by business function or only by business function than some other leading schools. I think that's all to the good for us.

Some of our faculty I think would be as likely to describe themselves based on the particular problems that they're working on right now, and the particular basic disciplines that they draw on than on a business function, to the extent that a business function is marketing or managing human capital or strategy or accounting or finance.

I would prefer to see more of all of that. But in terms of advice for that younger faculty member, I think having a honest, open discussion with colleagues about the portfolio or the set of work that they will come to value at the appropriate times is very important. I don't mean to be too naïve about the ways that those things do, and must direct the priorities of young faculty.

**CNS:** If we now are dealing with a young Ph.D. student, what advice would you give them regarding training in basic disciplines? That is, to what extent should they be focusing their efforts on what we've traditionally considered marketing versus receiving a training in a discipline like economics or psychology or something like that?

**Dave:** In a way I think when we think about, when we discuss what the exposure to marketing typically means in Ph.D. programs, it would be a little bit provocative I think that young scholars increasingly are getting, at least at highly regarded Ph.D. programs, are getting deeper exposure to one or more basic disciplines of their choice.

I don't know if that's gone as far as it could or should or should go even further, but having that exposure to a basic discipline I think is very, very valuable. I would hate to see Ph.D. students fail to receive or to pursue that.

But I would go in a different direction as well in hoping for something that many Ph.D. programs really don't do very much. That is a broad exploration of what business decision makers actually do, why they do it or don't do it in particular ways, and what, in terms of thought leadership, what the world feels that it needs most from schools of management.

That can't be 90 percent of what a Ph.D. program offers. But I think it has, those kinds of perspectives have gotten smaller, not larger, over the last 20 or 25 years in doctoral programs. I think that's been the detriment of our field long-term. Fewer Ph.D. students have MBAs, of course, and the MBA is not a panacea with respect to the way people understand management decision-making.

But, the number of people coming out of Ph.D. programs who know quite little about the way organizations are managed, and who are expected to go into MBA program teaching, or sometimes undergraduate program teaching, and help people make business decisions feels a bit unfair. Unfair to the students, unfair to the young faculty, and unfair to what the world feels that a school of management should offer.

I know that some other deans have been quite forceful about this issue in feeling that at least the MBA set of core courses should be the subject of some part of a Ph.D. program or a doctoral program. So that, if nothing else, a young marketing professor would be able to have a meaningful dialog with a young finance professor, or a young accounting professor. Unless those other faculty are themselves not too well attuned with respect to their own business function, but know a great deal about the same basic discipline as the marketing person, they have relatively little to talk about with each other.

I think with respect to both relevance of research, but also with respect to the educational mission that we imagine these people fulfilling, I think a greater exposure to what people do in business would be valuable.

**CNS:** Now if I was to push you a little bit and we were to take, I guess, a more negative or somewhat competitive perspective, we've talked about the Ph.D. student, we've talked about the young faculty member. To what extent should we be worrying about people coming from other disciplines, by which I am particularly referring to computer science, information systems and so on, and working on what have traditionally been marketing problems? How do you view this development? Should marketing be trying to fight some kind of rearguard action to make sure that we keep that in marketing? What should we be doing?

**Dave:** Honestly, I think it's mostly to the good. I think the marketing problems, the issues are worth attacking. The more, the merrier with respect to creative minds pursuing those kinds of questions.

For me, the one anxiety is about the extent to which someone from a computer science or pick some other discipline outside of marketing is coming to marketing to solve a problem not that a marketing professor has, but to solve a problem that the world has in the context of marketing.

If they're doing that, then I think, again, let a 1,000 flowers, and a 1,000 people bloom with respect to approaching those issues.

Sometimes because we are being, if not negative, at least a little more provocative here, I think the presence of people coming from other disciplines who sometimes don't share the perspective that marketing research, researchers in marketing should solve business problems in marketing can undermine the extent to which marketing faculty as well feel that they need to actually solve actual marketing problems.

To what extent does that computer scientist in marketing lead the marketing person to be, if you will, a junior varsity computer scientist or economist, or what have you change the nature of what seem to be or what are purported to be the problems worth solving. To move out a bit further away from anything that some organization's ever going to use. I've seen that happen also.

But I've seen very positive effects from people from other disciplines coming in, and bringing hugely valuable new approaches to marketing questions also. I think it can be a positive and it can be a concern.

**CNS:** In some sense we've opened up this eternal question in marketing which, of rigor versus relevance. Now this is obviously an old debate. But the question is I guess for you is how much, say, do you think that deans or editors or senior scholars in the field have on the matter? How can we change this conversation to make it more positive rather than rehashing an old debate?

**Dave:** I think deans have a role. I think the role of deans is largely related to their ability to use their voice thoughtfully to highlight wonderful examples of research that tells the truth, that rigor and relevance is not a one-dimensional access where you choose your particular place among it. Rigor and relevance are two dimensions.

Our goal is to be out in that top-right box with as much of the work as we can. In fact in many specific contexts in research as well, it isn't really a tradeoff.

It is really a reflection of the kinds of capabilities and sometimes access that the researcher has. A dean can create great opportunities for access to interesting people, to interesting problems, to interesting challenges, to people who are working at those challenges from other kinds of disciplines.

In other words, to act to lower the barriers between departments or sometimes from school to school. To provide, for instance, through joint educational problems more excuses for faculty across a university to know each other better and to have opportunities to work with each other better.

Often, but not always, then to do work that is more richly textured with respect to its potential to have impact and to have relevance.

Senior faculty, I don't want to let my colleagues off the hook either. They don't always act as collective. But it's important for groups within a school to see themselves in this important respect as a collective and to try to speak as to a norm about impact, about relevance and so on.

I get to I hope argue for work that has the kind of rigor that will make us proud to know about it 20 years from now. But the kind of relevance that doesn't lead practitioners to say, great, maybe in 20 years someone will want to use that.

It's a false distinction. There are hugely important, complex, interesting questions right now that are amenable to deep analysis.

Many of the greatest researchers in marketing, honestly, through the years have not seen this as either or. They have seen it as both. I think if you list, if most people would list the greatest marketing faculty, I think you would not categorize them as a rigor person or a relevance person. Most of them are at least very good on one, and extraordinary on the other.

I think telling those stories is important as well. Being honest, sometimes the choices that particular faculty are making and are observed to be making by other faculty are a reflection of personal needs or limitations, sometimes, of the moment. Hopefully not forever.

Sometimes we're not willing to name those things and we need to. Sometimes colleagues aren't willing to name those limitations, and we need to. There's a conversation among senior faculty about what we choose to celebrate that I think can be beneficial. As I said at the start, I think deans have an important role in that conversation, especially in the celebration part.

**CNS:** Now are there any particular incentives, or do you see any incentive structures within our profession, as perhaps distorting us from these lofty goals?

**Dave:** Probably, for younger faculty there's this binary tenure, no-tenure outcome that looms extremely large for people. We have to decide if that's what we mean by an incentive. You could make a whole dissertation around how people think about that tenure choice. We've touched on that a little bit.



There are other kinds of incentives. I think, often the way they operate is institution-specific. The nature of a particular school or university would differ.

I think those incentives, it's difficult to paint with a broad paintbrush, whether those kinds of incentives are pluses or not so great. There was a time when sabbatical was an opportunity for faculty to immerse themselves in practice or in elements of relevance. That is not a very strong expectation that schools seem to have with respect to the way that sabbatical time is used.

Of course, there are other kinds of uses for sabbatical. It might be a deep dive into some aspect of economics or statistics or sociology, let's say. That's, again, an example of an incentive that maybe could be used in a slightly different way. Although, the landscape of competition among the leading schools doesn't make it easy to apply structures to the way people would use sabbatical time.

I'm a little skeptical about incentives being used more directly, especially financial incentives to try to get people to do work to undertaking query that wouldn't otherwise have done. But I do think that exposing people to interesting questions is not really an incentive, but it is important. If you do it well as an institution, it'll have an effect on the kind of work that people do.

**CNS:** It could be said that our field has put substantial emphasis on the quantity, in that we typically count publications when it comes to tenure, rather than the quality of the paper. This differs from other fields where to enable a Nobel Prize it's about that one paper, or those two papers. Do you have any thoughts for this?

**Dave:** In my experience, actually, schools differ quite a lot in the extent to which they're included to engage in an exercise that looks a lot like counting.

The way that voices come into that promotion process, for instance the way that people who may write a letter of recommendation in a tenure case are the kind of people who themselves tend to count publications, or don't tend to count publications but tend to look at some other indicator of impact surely make a significant difference in the way that the discussion proceeds with respect to tenure.

If you have a faculty that trusts the collective ability to judge impact, I think that's a very good counterweight to the inclination to count.

Of course, the question mentioned specifically counting papers or counting papers in particular places. There are other kinds of counting things that can be too narrow as well. Counting citations is another great example where we might care about the extent to which we should care others are paying attention to work.

Numerical citations are one, but not the only way to perhaps get a sense of that as well. I have a strong affinity for faculty who become as deeply familiar with the substance of the work and the impact that it seems to have, including impact on other scholars, as they can. People who engage deeply in a dialog at the time of the tenure decision about the nature of the work and the nature of its impact.

I think that the best schools of management tend to have faculty who feel that confidence and are included to undertake those kinds of discussions. It isn't getting easier to do that. As faculties get

larger, how much time the faculty has to engage deeply with each person's work and the broad-based discussion among a faculty of the impact of that work, it's not getting easier. But you could argue that it may be getting even more important.

**CNS:** Great. I guess I'd love to conclude the interview by asking your advice for this new journal, "Customer Needs and Solutions." Because as an independent and new journal we have a lot more freedom in implementing radical actions, than journals that have been around for a hundred years.

Can you think of a few things that you would like to see our journal do which perhaps could actually tackle, the broader agenda we've laid out for marketing in the future?

**Dave:** That's a daunting challenge. That's the probably the one I feel least equipped. I don't know that I have great insights into what would change the state of play with respect to the role of journals. I do think that it is possible for the role of journals to be significantly different.

The extent to which commentary is used and the way that commentary is used seems like a great idea. I don't know that it, in many journals, has quite achieved what people hoped that it would. There may be ways to play with the role of and the way that commentary evolves. Thinking of something a little more blog-like, if you will, or blog-and-commentary like.

Many journals have I think a little bit of an underlying sense that each word here is for the ages and must be considered for a rather long time.

Something that allowed perhaps through iterative commentary, great ideas and great observations on a particular issue to win out, and to maybe come to the forefront I think would be an interesting approach that starts to look a bit more like using the role of collaborative filtering, instead of the editorial review process to prioritize ideas.

Again, that's a very vague thought. The thoughts I have are deliberately a bit vague because maybe overarching all of this, I think there's an opportunity to listen through new opportunities to see what people attend to, what people engage with.

If you try some new things, you will, if you wish, see which of those things resonate with people. Then you have the opportunity to do more of those and to do things that are follow-on that would have, let's say the journal be a learning organization.

There's two pieces that you have to have for that. One is the willingness to experiment, and the other is the willingness to look at the results of the experiment and doing something different based on the outcome. Very few journals have much if any inclination to do that. At least at that level I'd like to encourage the journal.

**CNS:** OK, that's quite a challenge for us, thank you. Dave, thank you so, so much for joining us today and sharing all your thoughts. We very much appreciate it. Thank you.

**Dave:** Catherine, it was great to be with you, always.