

Att VI

**New Program Proposal
Master of Science, Marketing
Clemson University**

Summary

Clemson University requests approval to offer a program leading to the Master of Science degree in Marketing to be implemented in Fall 2006. If approved by the Commission, this program will be the only M.S. degree program in Marketing offered by a public institution of higher education in South Carolina.

The Board of Trustees of Clemson University approved the proposal on April 25, 2003. The proposal was submitted for Commission review on August 15, 2005. The proposal was reviewed by the Advisory Committee on Academic Programs at its meeting on September 29, 2005.

Comments at the Advisory Committee on Academic Programs' meeting of September 29, 2005, were generally positive. In response to questions about the demand for the program, given USC-Columbia's termination of their master's degree in Marketing, the Clemson representative responded that the times were different, there is a consistent demand from students at Clemson—even after having taken an M.B.A.—to return for more marketing courses, and that successful masters-level Marketing programs in the U.S. are highly focused. This proposal is purposefully focused on the analysis of marketing. The proposal for the program at Clemson contains information to show that the program will:

- respond to rising demand of Clemson students in recent years which has made the marketing option one of the most popular chosen career paths among students graduating from the institution's M.B.A. program;
- promote Clemson's objective of becoming a *U.S. News and World Report* "Top 20" institution, since almost all such institutions have a graduate degree in marketing; and
- benefit the state and the institution by attracting/retaining talented faculty and students, developing research in the Center for the Advancement of Marketing and Social Science (CAMSS), and raising the country's and world's consciousness about South Carolina through this program. The institution plans to implement the program on August 15, 2006.

The need for the program has been identified by the institution's perception of the convergence of market need with Clemson University's strategic objectives, mission, and vision. After the meeting of the Committee on Academic Affairs and Licensing on October 11, Clemson officials forwarded to the staff of the Commission additional statistics from the Bureau of Labor Statistics. These data show a rapid growth of market and survey research positions in the United States from approximately 22,000 to approximately 145,000 from 1995 through 2004. The two reasons given for this growth are the quickening of the information revolution and the increased global competition for the sales of products and services. Central to the program's curriculum is an emphasis on the theory, science, and technology of marketing. The proposal states that this is a distinct emphasis from the M.B.A. program in which the focus is on management studies.

The program is designed to be completed by full-time graduate students enrolled in a sequence of 30 semester hours of marketing and related subjects within one chronological year (fall, spring and summer). The program has been designed with the needs of the state and strategic business partners of Clemson and the state in mind.

Five new courses will be added to the institution's graduate catalogue in order to be able to offer this program of study. According to the proposal, the curriculum of the proposal will consist of seven courses in Marketing which will total 23 semester hours, and two courses in related studies of Statistical and Analytical Methods. The total number of semester hours necessary to complete the program will be 30.

According to the proposal, similar programs are found at the University of Texas-Arlington, the University of Wisconsin-Madison, and the University of Georgia. In addition, Master of Arts in Marketing programs similar to this one are found at the University of Nebraska and the University of Alabama.

A total of six faculty (1.5 FTE) will teach in the program beginning in Fall 2006. This faculty headcount and FTE commitment will remain the same for each of the first five year's of the program's operation.

The institution has constructed the program with different admissions requirements depending on whether or not a student has earned an undergraduate degree in business studies from a program accredited by the Association to Advance Collegiate Schools of Business (AACSB.) In addition, the admissions process will give preference to students with prior business work-related experience.

Enrollment in the proposed program is estimated to begin at 10 students (12.04 FTE) in FY 2006-2007 and increase to 25 students (32.49 FTE) in FY 2010-2011. If enrollment projections are met, the program will meet the current CHE program productivity standards.

According to institutional representatives, the program will be considered as part of the total group of business-related programs of study at Clemson in the next round of accreditation by the Association to Advance Colleges and Schools of Business (AACSB). The AACSB is the first and largest accrediting body for institutions with four-year and graduate business-related programs.

Additional physical plant allocations in classrooms, laboratories, and graduate student offices will be needed to accommodate the program as it expands. These additions will come from reallocation of existing space in the College of Business and Behavioral Science. A total of 6,000 square feet will be required to implement the proposed program in the first five years of its operation. Additional equipment totaling \$25,000 is also needed to implement the new program. No additional library resources will be required in order to accommodate the M.S. degree program in Marketing.

New costs for the program are estimated by the institution to begin at \$210,810 in year one and include program administration, faculty salaries, graduate assistants, clerical and support personnel, equipment and facilities. Estimated costs of the program are anticipated to rise to \$250,810 by the fourth and fifth years of the program in the same categories as in the first year of the program's implementation. Total estimated costs for the first five years of the program's operations are \$1,194,080.

Shown below are the estimated Mission Resource Requirement (MRR) costs to the state associated with implementation of the proposed program for its first five years. Also shown are the estimated revenues projected under the Mission Resource Requirement and the Resource Allocation Plan as well as student tuition.

Year	Estimated MRR Cost for Proposed Program	Extraordinary (Non-MRR) Costs for Proposed Program	Total Costs	State Appropriation	Tuition	Total Revenue
2006-07	\$242,575	0	\$242,575	0	\$144,916	\$144,916
2007-08	\$363,863	0	\$363,863	\$84,589	\$216,553	\$301,141
2008-09	\$406,900	0	\$406,900	\$126,704	\$242,372	\$369,076
2009-10	\$606,438	0	\$606,438	\$141,797	\$362,314	\$504,110
2010-11	\$606,438	0	\$606,438	\$212,109	\$362,314	\$574,422

These data demonstrate that if the new program meets its enrollment projections and contains costs as they are shown in the proposal, the program will not be able to cover new costs with revenues it generates by the fifth year of its implementation. Nevertheless, the institution is committed to offering this program and takes the position that the necessary funds to offer it are available.

In summary, the proposed program will add a new, unduplicated masters-level degree program in Marketing to the state's inventory of degree programs. According to the institution, this degree program is highly sought after by the industrial/commercial community in the state and nationally. The number of enrolled students is anticipated to grow to 25 headcount (32.49 FTE) per year, a figure which will then be sustained. The program has been developed with the needs of business and industry in the state in mind.

Recommendation

The Committee on Academic Affairs and Licensing recommends the Commission approve the program leading to the Master of Science degree in Marketing at Clemson University, to be implemented in Fall 2006, provided that no "unique cost" or other special state funding be required or requested.