Future Directions in Marketing Theory

A provocative look at conflicting pressures on marketing theory and suggestions for its future orientation.

RECENT controversial developments in marketing theory call for a reevaluation of goals and directions in the theoretical development of the discipline. In two widely read articles, one by Kotler and the other by Kotler and Levy, the authors clearly state the intention of extending marketing thought to processes and institutions previously considered to lie outside its traditional boundaries.1 This paper is designed to explore the probable causes for the Kotler-Levy position, to evaluate that position as an alternative to the more traditional one (quite well stated by Luck),2 and to suggest that there are at least two other appropriate directions in which marketing may move.

Some Roots of the Theory Controversy

The Questionable Assumption

An underlying assumption of marketing thought has been that material progress would lead, perhaps inevitably, to a “better” life. With more and improved goods and services, the traditional discontents related to scarcity would fade, possibly leading to a social solidarity and confidence unusual in the history of human affairs. Under that assumption, higher per capita income, continuous technological development, and growing marketing sophistication should be accompanied by increased personal satisfaction and general social well-being. But the events of the 1960s and 1970s have contradicted that understanding. Beef consumption and crime have risen together; the trend in divorce rates parallels the sale of home appliances; and public dissatisfaction may have grown as rapidly as disposable personal income and the variety of goods and services it would purchase.

The Growing Division between Theory and Practice

The second circumstance troubling marketing theorists has been the steadily increasing gap between theory and application. As theoretical positions became more sophisticated and intellectually satisfying, their importance to the marketing practitioner often marginally decreased. Studies embodying aesthetically attractive concepts from the social sciences, mathematics, and statistics reported theoretically consequential relationships and distinctions that had little to do with successful marketing techniques or that did little to increase consumer satisfaction. Models of consumer behavior, theories of channel efficiency, brand-switching analysis, decision theory, and innovation studies in too many cases have not had an effect on marketing performance significant enough to achieve acceptance by practitioners. Gains in efficiency (however measured) were increasingly marginal where risks were greatest: in the introduction of new products, the development of promotional campaigns, and the organization of channels. Sometimes that margin contributed to corporate success, but large success more often has hung on the creative imaginations and industrious commitment of persons involved in day-to-day marketing ac-

tivities. It would be naive to suggest that Land, Bluhdorn, Iacocca, Perot, or Mary Wells have concerned themselves with which nicety in marketing theory is more tenable.

The Decreasing Societal Significance of Marketing Success

As though the previous considerations were not enough to raise grave questions about the tentative body of theory, a third development has occurred. The action moved elsewhere. Crime and criminal corrections became ascendant as consumer preference in cameras grew trivial. The failure of schools grew large as the success of retail stores grew small. Announcements of God's death (though hardly novel after a hundred years of repetition) pressed the popular imagination more strongly than the announcement of an improved deodorant. And what freedom there was in the marketplace for goods contrasted ever more sharply with what freedom there was in the marketplace for jobs. Most of the activities in which marketing theory had been applied were being drained of high significance; the real distribution problems were in terms of bombs, arrests, diplomas, solid waste, medical services, welfare payments, and jobs. Thus, some marketing theorists, such as Kotler and Levy, grew uneasy with the apparent boundaries of their discipline.

The Established Position

While it is not possible to epitomize accurately a rather large body of theoretical analysis and related research, two of the characteristics of marketing thought are critical to an understanding of the "broadening the marketing concept" position and to the development of additional alternatives. These characteristics relate to the particular phenomena studied, the viewpoint from which they are studied, and the terminological discipline practiced.

Goods and Services Concentration

There are three broad economic markets at the macro level: the goods and services market, the money market, and the labor market. Marketing theory concentrates almost exclusively on the first of these. The practices and institutions with which it concerns itself are those that range from product planning to sale, even repeated sales. A formal statement with which both practitioners and academicians might at least partially agree could be:

Marketing theory should provide the basic knowledge required to assess alternative stra-

tegies and tactics of price, place, product, and promotion in terms of the probable return on various resource allocations.

No agreement concerning precise boundaries within which everything is marketing and outside of which nothing is marketing has been reached, but there has been a tendency for theorists and researchers to stay well within those that have been roughly defined. Hence, the marketing literature on professional services (medical, legal, accounting) is extremely thin; interest in governmental services that are purchased by the user has been equally slight. It seems likely that such oversights have been the consequence of a micromarketing viewpoint rather than definitional confusion.

Through the Eyes of the Channel Captain

According to traditional marketing thought, concentration on the marketing mix on one hand, and purchases on the other, involved a disciplined but limited view of the various practices and institutions marketing theorists chose to study. A retail store was viewed as an outlet for merchandise; the appropriate questions dealt with location, sales per square foot, pricing, promotion, and the like. Occasionally, a marketing theorist would observe collateral possibilities such as the inefficiency of the mom-and-pop store being at least partially offset by the provision of income to persons otherwise unemployable. But the generalization holds. No one examined with any consistency the retail store as an agency in the socialization of the young or as a gatekeeper for the exclusion of the poor, blacks, or other minorities. Although it might so function, such matters traditionally have been regarded as irrelevant to marketing theory.

The consumer was always considered as a consumer at the micro level. That is, he was always studied in the ways that fishermen study fish rather than as marine biologists study them. The prime theoretical question was what marketing mix would influence sales among which category of consumers. The point of view of the marketing theorist was virtually identical to that of the marketing manager, and particularly the channel captain, even when his conceptual analysis was without immediate practical consequence.

All of this combined to encourage the sort of myopia common to all specialists: the economic health of marketing institutions, and particularly the channel captains, became equated first with the economic health of the nation and then, by extension, with its social well-being. It was not unusual in the 1950s to hear marketers speak of their activities as "the delivery of a standard of living." Henry Ford II sought to supplant the phrase "free enterprise system," which was in

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some disrepute around the globe, with the term “consumerism,” unconscious of the eventual irony. Nader and others would make of that suggestion.

**Generic Marketing**

The Kotler-Levy position varies from more widely accepted notions of marketing in several ways that are subject to critical analysis. The intention here is not to examine the details of their presentations but rather to understand the central thrust of the argument, which tends to both enlarge and diminish the scope of the subject. Their enlargement of the subject lies in the contention that all organizations which seek cooperation with any sort of public in the attainment of organizational goals are marketers, that all activities designed to influence attitudes, opinions, and behavior are marketing. In short, political, religious, and educational institutions should all be regarded as marketers.

At the same time that a large amount of organizational behavior is subsumed as marketing, a considerable portion of individual behavior is carefully excluded. As Kotler has stated:

> The buyer who comes into his [the marketer’s] store and pays the quoted price is engaging in buying, not marketing, in that he does not seek to produce a specific response in the seller, who has already put the goods up for sale. If the buyer decides to bargain with the seller over terms, he too is involved in marketing. . . .

It seems quite clear that generic marketing is defined as an overt attempt to change the behavior of someone else. This may be consonant with the particular interests of those who have generally approached marketing as paralleling the interests of marketing management. Yet that viewpoint seems incomplete to others who have studied consumers seriously and seen the relatively complex activities during which product meanings change, friends are advised and asked for advice, and the framework within which subsequent marketing activities will occur is subtly or severely altered.

The position is not, however, nonsensical. Its primary function is to put marketing rather close to the center of current social and economic concerns. Recidivism among criminals is a marketing failure, school dropouts are unpersuaded consumers, and losing political candidates are simply the victims of inadequate market planning. Some might refer to the subject as transactional sociology, as persuasion, as attitude change, as social engineering, as public relations, or simply as government. All are legitimate overlapping terms, and there is no logical reason for excluding marketing from the list.

Even the most careless reader of Kotler’s article will have noticed that the old marketing myopia of seeing the world from the channel captain’s seat continues. The organization is the marketer and the “publics” are merely “buyers.” This seems to have as its corollary the dictum that marketing theory need not consider the public except as marketing targets.

Of course, it seems quite likely that some religious, political, educational, and other organizations can smooth their operations and improve their sales by the application of marketing theory. Any new way of looking at a situation can often reveal opportunities previously hidden, potential operating techniques formerly unconsidered. Certainly marketing specialists, whether theoreticians or practitioners, should be free to advise this new host of channel captains in their managerial efforts.

There are two potential difficulties in the broad acceptance of generic marketing as an adequate definition of marketing. They relate to its adequacy as a base from which to improve a rather young, tenuous body of theory, and the appropriateness of marketing theory and practice to other sorts of organizations.

**Generic Marketing as a Foundation for Theory**

There is little harm involved in thinking of a churchgoer as a consumer of religion or a teacher as a salesman of mathematics. The analogies are at least suggestive. But it seems sensible to ask what marketing theory can derive from an intensive study of religious practices or educational efforts. Marketing is heavily concerned with economic rationality in terms of store location, advertising effectiveness, merchandise assortments, pricing policies, inventory management, sales territories, and the like. Relatively prompt and specific consumer satisfaction characterizes the great majority of transactions.

In comparison, public schools spend what they are given—and make no assumption that improved mathematics instruction will increase income. Private schools budget for a loss on sales and rely on tax-deductible philanthropy to bring them close to a break-even point. The parishioner who contributes heavily to his church anticipates no salvation commensurate with his support. Political campaigns are so expensive that to regard the return as economic is to assume corruption more massive and more universal than even the cynic supposes. In all of these processes the “consumer” must concern himself with distant and indefinite satisfactions.

If there is a sense in which the nonprofit organ-

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3. Kotler, same reference as footnote 1, p. 49.
izations with their individual goals are enough like marketers that the study of their activities could provide a contribution to marketing theory, it lies in their persuasive programs, which are comparable to promotion. But even this comparability is suspect. In general, political, religious, and educational institutions relate their promotional appeals to deeply held attitudes and fairly fundamental cultural characteristics. They seldom plead convenience, price, fashion, or sensory pleasure as criteria for acceptance.

In all, there is little reason to believe that a general turn toward generic marketing will lead to the continued development of macromarketing theory. Equally to the point, many critics of non-commercial institutions regard the marketing viewpoint as already too pervasive and as anti-thetical to social well-being when applied to organizations such as political parties, religious sects, or schools. On educational plans for the underprivileged, Friedenberg says:

Their sophistication is essentially that of the research division of a competent advertising agency, which becomes more effective in selling the client's product as it becomes more astute at picturing in detail what the customers are really like, and more willing to adapt its appeals to their actual motives and life styles. What the agency does not do is question the value of the product to the client or the legitimacy of exploiting his motives.4

Silberman, Fortune editor, in his assessment of the failures of the much-heralded, widely promoted, and impeccably planned new high school curricula of the 1950s seems to agree: “For the most part, what were hailed as new methods of organization, new technologies, and new concepts of the role of the teacher turn out, on examination, to be more gimmicky and packaging than substantive change.”5

Kohl, Goodman, Herdon, and many others echo the complaint and have demonstrated more successful educational methods to which marketing seems little more than peripheral,6 since those methods are widely resisted by the educational channel captains who might promote them. The critical feature of such education lies in the acceptance of the student as a special person who must not be marketed into doing what the organization wants.

The recent acceptance of open classrooms, individually paced instruction, and ungraded reporting on student progress by some school systems is largely the consequence of a grass-roots movement in which what Kotler would call the “publics” have partially imposed their will upon the organization. Whether the innovations prove an improvement is in doubt. That their development was almost the reverse of “generic marketing” is not.

In psychology, Erikson implicitly suggests that being treated as a consumer militates against the development of an identity capable of growth.7 Fromm, Laing, Hampden-Turner, and others agree, often specifically and bitterly complaining that people as individuals are already too prone to see their relationships with others as marketing relationships.8

Among sociologists, C. Wright Mills saw what was not yet generic marketing as a critical aspect in social disorganization.9 Riesman and Gaudner, among others, agree either explicitly or implicitly.10 The entire existential school in philosophy, and those who can be loosely grouped as personologists, stand as less than mute witnesses to the problems resulting from such a partial view of human organization and affairs.

It seems unlikely, then, that the notion of generic marketing will either provide a springboard for a vigorous new marketing theory or, on the practical level, widely improve the performance characteristics of a great variety of social institutions. That is not to suggest that the Kotlerian position is sterile, merely that it is limited. There are other alternatives for the continued development of marketing thought and theory. Two of these are examined briefly below.

Alternative Marketing Viewpoints

In general, the viewpoint of a discipline should be toward the development of systematic theory that is in some sense useful. The aspiration to accomplish something worthwhile has never been completely divorced from the most abstract theorizing: Plato was as interested in good government as Harvey was in human health. Presumably, marketing theorists are interested in “good” marketing, that is, a system of healthy institu-

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tions and satisfied consumers. Concentrating merely on the notion of consumer satisfaction and none of the wider issues implied, one might simplify the problem for the consumer into the economic ability to make desired choices and the wisdom to make successful ones. These two conditions might be referred to as consumer income and consumer insight.

Consumer Income

It is usual for most marketing analysis to consider income as a given largely because it has ignored the workings of the labor market. For this reason, there is almost nothing in marketing texts concerning the consequence of a negative income tax, wage increases, or the economic utilization of unusual human resources. Yet marketing theorists could properly and profitably explore those areas.

Of course, analysis of this sort merely considers income as a variable controlled outside the purview of marketing theory. But by a partial reversal of the marketing concept, consumer income changes can readily be brought within the generally accepted discipline. To do this one must start his market analysis not with the consumer but with unused or underused human resources. The appropriate assumption would be that there is no human resource that cannot be converted into a consumer good. This implies both consumer satisfaction and producer capability and willingness. What is often lacking is managerial know-how. A case in point might be the resurgence of quilting that sprang from the recognition that garments could be made from quilts: the markets for the talents of Appalachian women had simply not been adequately explored.

It is difficult to see exactly what form a general theory of resource conversion would have, but it is not difficult to suggest that many human resources probably do not suit the corporate norm, which is capital intensive, administration heavy, and which requires uniform work hours at the employer’s place of business. To the best of this author’s knowledge, there is no contemporary method of categorizing human resources except in terms of such things as academic credentials, specific job skills, and the like. There may well be other human abilities and inclinations that have a natural affinity for some consumer satisfactions. What is in question is not a single insight suggesting that a particular set of unemployed persons could practice a particular craft such as jewelry making at home, but rather a systematic or theoretical way of discussing the relationship of unused time and talent to a variety of consumer wants.

Consumer Insight

It is commonplace to suggest that levels of consumption are less than perfectly correlated with any independent measure of human satisfaction, whether it is called happiness, emotional maturity, or self-actualization. Nonetheless, inordinate numbers of people of above-average means relate their dissatisfactions to insufficient purchasing power. It is a trivial exercise to claim that advertising (or marketing in total) has created a climate in which desires always outrun dollar availabilities or the capacity of goods and services to deliver the satisfactions anticipated. It is equally trivial to suggest that the consumer is always the best judge of his own needs and wants. The truth is that there is no real theory concerning the relationship of consumption and human well-being.

In general, the question asked in marketing research (even that of a highly theoretical cast) has been: Under what conditions does a consumer choose product A rather than product B? The comparable question related to a completely different theoretical position is: Under what conditions does a consumer have the insight to choose the product that is the more likely to deliver the satisfactions he is seeking? This question of consumer insight, or consumer ability to evaluate and predict, can be thought of in a quite narrow and specific sense. For instance, if two chocolate ice creams differ in sweetness and chocolate content and the preference for one is known in advance, what information or other circumstantial conditions will most often lead to a “correct” choice?

But the matter of consumer insight can be viewed in far greater depth. Consumer choices have a summative configuration that is intimately related to the life style of the individual. Some of these life styles are personally rewarding and socially valuable; some are psychologically immature and related to social disorder. Fromm refers to the products and services of the marketplace as satisfying either “life-furthering” or “life-hindering” needs. It seems doubtful that any such good-bad dichotomy is adequate for the discussion of such a complex question as the relationship of the production-consumption system to human well-being. Little is known of the various ways in which people move toward emotional maturity and self-actualization, but it may be presumed that such paths involve consumer choices and behavior which, in isolation, appear counterproductive, neurotic, and socially disruptive. Some marketing theorists, such as Thaddeus Spratlen, are concerned with the explicit values involved in the research and ideology of their dis-

To speak realistically of values, one must have some knowledge of the meanings of acts and products and the way in which they fit into a life pattern. For example, if it were discovered that most boys who worked their way out of the ghetto and became emotionally mature and responsive had at one time carried a switchblade and found it temporarily useful to their self-image, one might speak with less assurance about the values involved.

In short, there are many research directions that are intimately related to the major questions of our era, yet well within the "normal" limits of the discipline.


**MARKETING MEMO**

The Basic Threat to Our Institutions . . .

... an overly dominant adversary culture will remain the greatest threat to American institutions and public confidence in them, and ... understanding this danger is the key to avoiding collapse. I am not calling for any kind of a wave of anti-intellectualism, though that is possible if intellectuals fail to grasp the problem. I am calling for a higher intellectualism, one that grasps the dangers of the intellectual life itself, one that understands that while institutions need criticism when that is deserved, they also need support when that is deserved.

... One does not acquire confidence in institutions simply by proclaiming it. Yet if no one can write the full prescription, surely its beginnings lie in a greater self-awareness.

We could start by recognizing that our institutions have not served us inordinately worse than human institutions will, that even in our recent troubles they have shown many strengths, that something in our perceptions magnifies the weaknesses and diminishes the successes, that we have acquired a tendency to judge our institutions by impossible standards. We need to understand that much of this results from our own good intentions, but that overdone virtues can have a dangerous fallout. What we need to understand to start repairing the confidence in our institutions, in short, is that in the current crisis a good part of the blame lies not on our institutions but on ourselves.