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Historical Investigation and the Practice of Marketing

Considerable similarities can be found between some of the problems that arise in the practice of marketing and those encountered in the study of history. The author describes the four stages of the historical investigation process and explains the techniques historians use in working with various types of evidence. He gives examples of how these techniques can be applied in marketing practice, arguing that they can be a valuable supplement to the application of scientific method.

This article focuses on the process of historical investigation and the methods historians use in formulating conclusions about past events. It is not concerned with the study of marketing history as such, a methodology for which has been proposed by Savitt (1980); with the lessons marketers can learn from historical “facts” as described by Peterson (1987), Kantrow (1986), and Smith and Steadman (1981); or with the philosophy of historicism, though some of its basic tenets are reflected in historical method (Fullerton 1987a).

The point argued in this article is that historical techniques have validity when one is working with marketing data as well as historical evidence and can be a useful supplement to scientific method in the context of marketing practice, particularly in enabling marketers to be more comprehensive in formulating solutions. The purpose of the article, however, is not to explore the nature of scientific method as such; the issues in the positivist/relativist debate and other developments in marketing thought have been explored by such writers as Firtat (1984), Hunt (1983, 1984), Anderson (1983), and Peter and Olson (1983). Nor is the purpose to evaluate the potential of an interpretive or humanistic approach to knowledge acquisition in marketing (Hirschman 1986; Hudson and Ozanne 1988). The concern here is essentially with marketing practice, which is assumed to derive from what has been taught in recent years in business schools—that is, a version of marketing based on the logical positivist approach that has dominated marketing thought for some three decades.

The techniques used in historical investigation have evolved in response to the kind of problems historians commonly encounter and to the conditions under which they often have to work. In particular, historians may face a mass of information that is complicated, conflicting, incomplete, unreliable, and inconclusive. Such problems are not unique to history and may equally be encountered marketers. Consequently, some of the concepts underlying historical investigation are also relevant to marketing practice.

The marketing practitioner frequently must make decisions that cannot be justified scientifically within the generally accepted meaning of the term. Lack of reliable information, particularly on competitors’ likely strategies, sometimes leaves no alternative but to make judgments based on experience, a “feel” of the situ-

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ation, and a measure of imagination. The same can be true when a marketer is operating in developing countries. The affluent Saudi Arabian market is probably typical of many in terms of the absence of demographic data (no official census ever having been conducted) and the paucity of economic statistics. Research also is lacking in such areas as the influence of family, culture, and reference groups, the role of women in purchase decisions, and the relevance of the family life cycle to Saudi society (Tuncalp 1988). The practitioner confronted by such a situation hopes to ascertain objective reality, but must proceed pragmatically rather than according to scientific precepts. For the historian, such an approach would be perfectly legitimate and in historical investigation it is often the only way to advance. Explaining the rationale behind such an approach may help to legitimize and rationalize an aspect of marketing practice that often seems to be overlooked.

The Nature of Historical Investigation

The process of historical investigation was first formalized by the nineteenth century German historian Ranke. It involves:

- assembling the evidence,
- internal criticism (establishing the authenticity of the evidence collected),
- external criticism (testing the credibility of the authentic evidence by comparing it with other evidence available), and
- synthesis (organizing the credible evidence into a logical and meaningful account).

Though this process has developed in the field of historical scholarship, it clearly has universal applicability and can be used in any discipline and for any kind of subject matter (Gottschalk 1956, p. 28).

Beyond this similarity, there is a fundamental distinction between historical and scientific investigation. According to Windelband, the nineteenth century German philosopher of history, the scientist proceeds by quantification and abstraction to formulate general laws of nature that are true of many different sequences of events, whereas the historian seeks a more detailed knowledge of particular events that takes into account their unique nature (McCullagh 1984, p. 129). Historians study people in groups and in societies and so have to make generalizations about them. These are not, however, generalizations in the sense of scientific laws and so do not affect the validity of Windelband's distinction.

Historians often cannot satisfy positivist criteria in their pursuit of objective reality, but we should not assume that historical methodology is therefore less rigorous than that employed in scientific inquiry. Historians use the tools of scientific analysis when they are appropriate—for example, in working with computers and using techniques such as multivariate analysis. Also, some historians maintain that the outcome of historical investigation represents a higher order of truth than is possible though the application of scientific method. Elton (1967), for example, contends that historical investigation is concerned with a reality that is independent of the inquiry itself, because the events being investigated actually occurred and cannot be rearranged for the purposes of experimentation. Historical truth, in Elton's view, therefore may be regarded as "more truthful than mere truthfulness" (p. 54).

Elton's is an extreme position. Rowse (1963) proposes a compromise that would probably be accepted by the majority of historians: some aspects of historical study clearly lend themselves to rigid scientific analysis, but others equally clearly do not. In the latter areas, historians are obliged to rely on techniques that are specific to historical investigation. Such techniques are examined in the following sections.

Historical and Marketing Phenomena Compared

Though marketing is generally taught as a "scientific" subject, its practice (as distinct from its theory) appears to have much in common with traditional historical investigation. Let us assume that a scientist and a historian are faced with the need to explain a particular happening. For the scientist, the first step would be to see if it could be compared with other happenings of a similar type that have been classified together to form a law. Scientific laws are statements about invariant relations between certain events or properties, and are universal in their scope. The scientist is thus able to predict that happenings like the one under consideration can be expected to occur in the presence of certain conditions. A scientific law can be tested and verified by providing those conditions and observing what occurs.

The historian, in contrast, does not attempt to predict but to explain. History in any case cannot predict in the scientific sense because the relationships between the various components of human action are not constant, and historical happenings cannot therefore be replicated for verification (Gardner 1952, p. 54). Marketers likewise cannot reproduce happenings at will under constant conditions, especially when environmental forces are involved (Kirkpatrick 1983). One might argue that because the precise conditions and circumstances facing the marketer at any given point in time are unlikely ever to have existed before, any attempt to generalize is pointless and can only mis-
lead. It is certainly true that generalization inevitably involves a lack of precision that can mask subtle differences, and that those differences may well have an important influence on the outcome of an event. However, such generalizations are often necessary in practice, given the constraints of time and money under which most marketers work, and so the search for absolute accuracy in the historical sense, though desirable, is usually not feasible.

Marketers generalize in order to help formulate solutions to specific problems, and not, like scientists, as a step toward establishing more general propositions. For practical purposes it is often convenient to group happenings for discussion and comparison. Were this not the case, there would be nothing to be learned from experience. An advertising agency, for example, draws on its collective experience of work for other clients and in other markets when planning a campaign, and a marketer contemplating a particular strategy looks at cases in which it has been used in the past. This type of generalization, however, is incidental to the main focus of activity, the emphasis being on the individuality of the problem under consideration. If a decision made by a marketer is later questioned by top managers, the reason will not be that it flew in the face of any “law” or did not represent a step toward the establishment of a new one, but that some important factor was not considered or was interpreted incorrectly.

Marketing’s focus on the nature of individual phenomena does not mean, however, that either its scholars or its practitioners can be said to have a genuine historical orientation. Fullerton (1987b) sees a certain irony in this—though marketing is concerned with bringing about change in such areas as consumer behavior and product innovation, it often appears to assume the environment in which it operates to be largely static. The pervasive influence of positivism leads marketing models to be presented in the manner of scientific laws, and consequently they are regarded as having universal validity. Textbook writers sometimes refer to findings from previous decades, seemingly without thought as to how or whether the intervening time span may have affected their relevance or applicability. For example, most international marketing texts draw on the work of Hall (1959, 1960), apparently without considering whether his approach to understanding foreign cultures is still valid today.

Practitioners are certainly aware of the dynamic nature of the marketing environment when confronting competitive strategy or contingency planning, or taking account of changes in consumer taste and behavior. The focus of their attention, however, rarely extends more than two or three years into the past, anything earlier being considered “ancient history” and therefore irrelevant. Hollander (1987), who has often drawn attention to the guidance available from the past, suggests this lack of awareness may be due to what he regards as the generally oversimplified and platitudinous treatment of marketing history in most textbooks.

The Role of Language

Further similarities between marketing and historical investigation can be observed in the role of language. The historian’s use of language is quite different from the scientist’s. The scientist needs a precise vocabulary so that scientific laws can be formulated with a high degree of exactness. Such precision is possible because many of the terms used in science are measurable and immutable. The historian, in contrast, often must work with evidence and concepts that cannot be measured, and therefore cannot make general statements about them with anything approaching scientific precision. This situation produces a need for a different kind of language which, though accommodating immeasurable entities, still permits subtle and extremely precise shades of meaning (Handlin 1979, p. 194).

The language of the marketer also contains generalizations made for purposes of convenience, which may be impossible to define precisely and may be subject to many exceptions. The point here is to not detract from the meaningfulness of marketing terms, but to observe how the demands put on language by the marketer are different from those of the scientist and nearer to those of the historian. In addition, however, the meanings of these terms tend to change over time in a way that scientific terms do not. There is no better evidence of this evolution than the changes in the meaning of “marketing” itself (Rayburn, Cooke, and Abercrombie 1985).

Besides needing to express extremely general concepts, both marketers and historians require a more expressive mode of language than the cold precision of science permits. The marketer of today, or the historian of tomorrow, who has to assess the implications of Islamic fundamentalism, will need a vehicle sufficiently sensitive to express a range of emotions from the height of religious fervor at one extreme to degrees of resignation and fear at the other. Figures and factual statements are insufficient for such a task.

The implication here for marketing is that business schools must have a greater awareness of the need for students to be able to work with language, as distinct from being able simply to write it correctly. (This ability should not be confused with stylistic elegance which, though desirable, carries with it the danger that form will come to dominate content.) If such appreciation of language could be passed on to a new generation of practitioners, marketing could reach new and higher
levels of expressiveness and sensitivity that would not be possible through the language of science.

The Evaluation of Evidence

The historian's skill in working with large masses of diverse, complicated, and sometimes contradictory evidence offers some valuable lessons for marketers. Let us assume that a historian is piecing together an account of a battle. The opposing commanders could be expected to provide quite different descriptions of what took place in terms of strategy, combat, the merits of their respective armies, and even perhaps the result. Their respective explanations as to why one army was successful might also be somewhat different because each would know only one side of the story. A commander might criticize his opponent's failure to launch a counterattack at a certain point, for example, not knowing that the other side was short of ammunition. There might also be apparent contradictions between the account of a general directing the battle from a vantage point overlooking the whole area and that of an infantryman engaged in hand-to-hand fighting in one particular sector. One could give the broad picture in terms of strategy and tactics; the other could give graphic details of heroism and death in the heat of the battle. They might attribute their side's success to quite different factors, but a complete account of the battle and a judgment as to why their side managed to overcome the opposing army demand that their versions of events be reconciled. The two versions are not necessarily contradictory, but are based on different perspectives.

The historian trying to explain a battle may seem to have little in common with the marketing practitioner or the professor in the classroom trying to explain the success or failure of a particular marketing strategy, but let us consider such a situation more closely. Top managers involved may have given their accounts of what took place in internal memoranda, annual reports, press briefings, or even (as in the case of the "cola wars") in books. Senior executives may have given interviews at various times to the trade press. Salespersons in the field, the private soldiers of the campaign, will have filed their reports of day-by-day confrontation with the enemy at the retail level. Consumer research and retail audits provide casualty figures and information about territorial gains and losses. Promotional expenditures reveal the power of the armament deployed by each side. The evidence is complex and often conflicting, yet a full understanding of what has happened demands that all the sources be reconciled to permit an assessment of the influence of the various factors on the eventual outcome. For the marketer such an understanding is not an end in itself as it is for the historian; it is the foundation upon which future strategy must be formulated.

The need to reconcile the various items of evidence available is an important feature of historical method. Events do not occur in isolation; they interact and are interdependent. To arrive at the truth, the historian needs not only to understand and assess the evidence, but also to use it to make an imaginative reconstruction of what actually occurred. According to Victor, "It's not just establishing the facts but linking them together. If you can take three facts and join them together, then you've learned something" (Kantrow 1986, p. 87). Historians have to fit together the various items of evidence so that they form a coherent whole, rather in the manner of a jigsaw puzzle in which every piece must be fitted into position to complete the picture. "The truth is the product of this double process: understanding what the evidence really says, and understanding how it fits together" (Elton 1967, p. 83–84).

Marketers can learn much from the historian's meticulous approach to the assembling and evaluation of evidence, and the painstaking fitting together of all the pieces. Realistically, this approach will probably remain a counsel of perfection, given the pressures under which practitioners generally have to work. Nevertheless, it is tempting to speculate that some celebrated marketing fiascoes might have been avoided if the decision makers concerned had acted according to the rigorous dictates of historical method. In the case of the New Coke launch, for example, an unfavorable factor (consumers' strong sentimental attachment to traditional Coke) apparently was overlooked. The outcome might have been different if all the pieces of evidence had been assembled, evaluated, and reconciled, and their interaction and relative importance understood.

Objectivity and the Exercise of Judgment

Because of the broad scope of historical inquiry, historians have to work with complicated masses of interrelated factors, the relative importance of which is often difficult to determine, and with a variety of facts and events that defy measurement. The larger the subject being studied, and the more complex and qualitative the material being evaluated, the greater the extent to which historians must rely on subjective judgment (Gardiner 1952, p. 98).

Historians have no scientific test for relevance, no laws against which to test phenomena, and no means of "burning off" or refining extraneous matter. They therefore have to be guided by the application of judgment to the happening under investigation and the circumstances surrounding it. This is not to say that his-
torical judgment lacks validity, but rather that it is an alternative to the scientific approach because the criteria used for assessing the validity of an explanation are not the same as those applied in scientific research. The historian is not concerned with producing statements falsifiable by experimentation, but in making judgments about people and events. Judgment is the end of the process of historical investigation.

Much of what is presented as factual knowledge in marketing actually consists of interpretations (especially of research data), beliefs, and assumptions. Nevertheless, marketers generally operate on the basis that facts are objective, but that a judgment is subjective and therefore inferior. Most historians, however, take a different view. The “facts” of history may be finite objects such as coins or ruins but they may also be derived from personal testimony, in which case they have no objective reality, being instead symbolic of something that was real at some earlier point in time. Because the latter type of “fact” can have no existence outside the historian’s mind, it must accordingly be subjective. This view should be distinguished from the interpretive concept of multiple realities (Hudson and Ozanne 1988). Most historians would not deny the existence of objective reality, but would argue that such reality—or at least a reasonable approximation of it—can be reached by the subjective as well as by the objective route. For the marketer, the same would hold true of consumers’ accounts of their purchase or usage behavior given during an interview. It is unwise, therefore, for the marketer to equate “subjective” with “biased” and so to assume it to be inferior to “objective fact.” Though more difficult to work with, “subjective fact” can still yield objective conclusions (Gottschalk 1956, p. 42–43).

In historical investigation, judgment may have to be exercised in relation to not only the evidence being assessed, but also the delineation of the area of investigation. This decision often cannot be other than subjective and, having set the limits, the historian may be faced with a subject of such magnitude that it defies any kind of treatment that could be regarded as objective in the scientific sense. “A large subject is like a mountain, which no beholder ever sees entire: if he climbs it he sees only selected aspects; if he stands off, he sees but an outline and from one side only; if he flies over it, he flattens it out” (Barzun and Graff 1970, p. 185).

Here again there are parallels between historical investigation and marketing practice. Marketers also work with large and complex subjects, and have to make crucial decisions about the scope of their inquiries. In the area of consumer research, for example, the definition of the problem, the choice of survey method and research company, the interpretation of the findings, and the drafting of the summary (the only part of a report that many people will read) are all the subject of judgments. The more widely considerations range, the more subjective the outcome is likely to be. Yet if those considerations are too closely constrained, there is a danger that they will be affected by marketing myopia.

Judgment is the application of the marketer’s or researcher’s skills, experience, knowledge, and a measure of intuition to a particular set of circumstances. If properly exercised it enables the marketer to make qualitative decisions and to operate successfully in areas where hard data may be lacking. We must question, however, whether the practicing marketers of today are being suitably prepared to operate in this way. How many marketing programs, for example, include consideration of the nature of judgment as such, as distinct from the provision of analytical tools? Surely there is a lesson to be learned here from historical study.

**Causation**

The determination of causal connections is a major concern of both marketers and historians, though for somewhat different reasons. The historian is involved in explaining past happenings, whereas the marketer seeks to understand the relationship between a particular marketing strategy, the environmental conditions and countervailing pressures to which it was subject, and performance as measured by such indicators as market share. If that relationship can be determined, it will serve as a guide for future strategy decisions.

In everyday common-sense terms, causal connections are not complicated or difficult to establish. A car runs over a nail and a tire goes flat. X pulls the trigger of his gun and Y becomes dead. We need not investigate such events in detail because the causal connections between them are well known.

Unfortunately, causal connections in marketing are rarely as simple as that between the nail and the tire. Marketers generally assume, for example, that advertising influences consumers to buy products, thus leading to increased sales. In spite of increasingly sophisticated analytical and research techniques, however, the cause and effect relationship between advertising and sales is generally difficult to demonstrate in terms that would satisfy the critical historian. Indeed, Schudson (1986) argues that though advertising may help to sell goods, it is effective not because it actually persuades consumers to buy them, but because investors, salespeople, and retailers believe it will do so.

By taking the shorter route, marketers run the risk of producing answers that may be superficial, simplistic, and misleading. Given a situation in which an innovation is introduced into a culture and change takes
place within that culture, it would be easy to assume a cause and effect relationship. As Mandelbaum (1977, p. 140) points out, however, it is also necessary to take into account such factors as the background into which the innovation is introduced, the personalities of people involved, and the whole complex pattern of influences at work. No single cause can be isolated from the surrounding conditions.

There is no easy answer to this dilemma. Unlike the scientist, the marketer does not have standard tests to determine whether an event satisfies a precisely formulated law. However, an instructive lesson can be found in the thoroughness of the historian’s approach to problems of causation. Historical study demonstrates repeatedly the dangers inherent in making superficial judgments that might blur the distinction between immediate causes and root causes. The German invasion of Poland in 1939 was the immediate cause of World War II in that it prompted the British government’s declaration of war. The root causes, however, are to be found in the circumstances surrounding Hitler’s rise to power, the provisions of the Treaty of Versailles, and German territorial aspirations in the late nineteenth and early twentieth centuries.

Possibly the importance of the analysis of causation is more fully appreciated by those marketing planners who adopt a global perspective, and draw on such sources as brand and company histories and environmental scanning. Only too often, however, practicing marketers are confronted by situations in which the pressure is for quick solutions. In such cases it would be well to remember that the historian’s explanations of causation tend to be long and complex not from choice, but from necessity.

The Role of Imagination and Immersion

Historians are well aware of the need to invoke a measure of imagination as part of the investigative process. The object of a work of history, according to Ranke, should be to show things as they actually were ("wie es eigentlich gewesen war"). To achieve this goal, Ranke’s compatriot Herder demanded that the historian should feel himself ("einfühlen") into his subject (Marwick 1971, p. 38–39). A good example of this approach is provided by Tuchman (1981, p. 20), who describes how she set about acquiring a feel for events at the outbreak of World War I by driving over the battle areas of August 1914.

Besides obtaining a feeling of the geography, distances, and terrain involved in military movements, I saw the fields ripe with grain which the cavalry would have trampled, measured the great width of the Meuse at Liège, and saw how the lost territory of Alsace looked to the French soldiers who gazed down upon it from the heights of the Vosges. I learned about the discomfort of the Belgian pave and discovered, in the course of losing my way almost permanently in a tangle of country roads in a hunt for the house that had been the British headquarters, why a British motorcycle dispatch rider in 1914 had taken three hours to cover twenty-five miles. Clearly, owing to the British officers’ preference for country houses, he had not been able to find the headquarters either. French army commanders, I noticed, located themselves in towns, with railroad stations and telegraph offices.

This process of total immersion in a period is important for three reasons. First, as Tuchman’s account graphically illustrates, it enables the historian to reach a deeper understanding of the various forces at work, and to detect subtle nuances and inflections that might otherwise be overlooked. Second, it is a defense against anachronisms and historical gaffes, pitfalls into which the unwary scholar might stumble when making judgments about other periods or cultures on the basis of values implicit in his or her own. Third, when definitive evidence is lacking, it gives the historian the ability to proceed intuitively by being able to think and feel as people at the time would have done.

Powerful analogies between history and marketing suggest that imagination based on intuitive understanding may an important ingredient in many marketing decisions. Intuitive action may be dictated by lack of time or money, limited potential payout, or the desire to seize a strategic advantage by acting quickly. Intuition can also be important in the generation and screening of ideas (Hoch 1988). It has been written of Ray Kroc (McDonalds) and Jobs and Wozniak (Apple Computers) that they were driven by their own intuitive beliefs in the marketplace potential of their offerings (Gross and Neuman 1988). "Whether called insight, judgment, intuition, executive ESP, wisdom, or a sixth sense, these skills help executives see things that other people don’t see and incorporate factors computers cannot handle. This quality, more than any other, may be what separates the true executive from the hundreds of thousands of managers" (Harper 1988).

The positivist assumptions underlying much of marketing thought mean that imagination in marketing is not applied as systematically or with the same degree of understanding as it is in history. Like a muscle, it needs to be strengthened and exercised (Harper 1988). Hoch (1988) has shown that failure to make correct intuitive judgments about consumers is the result of lack of knowledge, arising from the separation of marketers from the people who buy and consume their products. To avoid this separation, marketers will, for example, make calls with the salesforce and observe focus group sessions. One marketer of the author’s acquaintance used to spend a week every year at a blue collar holiday resort to keep himself in touch.
Surely marketers can at least acknowledge imagination as an important factor in decision making by practitioners, and bring discussion of it into the open.

**Forecasting**

Forecasting is not actually a feature of historical investigation as such, because historians are not concerned with the future. The aim of the historian is to describe and explain particular past events that are the results of human action. Even if such action could be measured, there are no fixed relationships between its various components, so history itself cannot provide the means to predict in the scientific sense.

Nevertheless, because the course of future events derives to some extent from the course of events in the past, a knowledge of the past is essential in forecasting. The use of historical data, however, remains subject to three caveats. First, whatever views one might hold about the cyclical nature of history, the observation that history does not repeat itself exactly is beyond dispute. For example, Hollander (1960) has shown that the wheel of retailing hypothesis lacks universal applicability. Many historians, in fact, would argue that history does not repeat itself at all. In the words of the English scholar H. A. L. Fisher (1952, vol. I, viii), “I can see only one emergency following upon another as wave follows wave, only one great fact with respect to which, since it is unique, there can be no generalizations.”

The second caveat is that the lessons of history have to be learned from analogies and, as in the case of a lawyer looking at precedents, the question of selection is absolutely critical. For instance, a company may be guided in its policy making by a decision taken at some point in the past but, when viewed in its historical context, that decision may be seen to have been based on certain conditions that no longer apply (Smith and Steadman 1981). Currently many strategists and planners undoubtedly are wondering whether any historical analogy provides a guide to the likely course of events in Europe after 1992, and to what extent the Black Death or other plagues of the past can act as a precedent for the AIDS pandemic.

The third caveat is that the marketer has to consider the possible effects that learning from history can have on human action. “When something happens the second time, the response to it may differ from what it was the first time” (Katona 1974, p. 8). There is, of course, no guarantee that people will learn anything at all, but even if they do, there is no means of telling what they will do as a result (Gottschalk 1956, p. 269). Suppose a pharmaceutical company finds that its product has been the subject of tampering, and it is in a situation comparable to that faced previously by the manufacturers of Tylenol. Even if the company were to follow policies and procedures identical to those used in the case of Tylenol, it has no way of telling whether consumers would react to them in the same manner.

What historical knowledge offers the marketer, therefore, is not the ability to forecast in the scientific sense. The lessons of history are not didactic precepts or universal norms, and do not provide instructions for action. They can, however, enable the marketer to make reasonable predictions and provide guidelines within which decisions can be made.

The problems posed for international marketers by recent events in China demonstrate the value of a historical perspective. Winkler (1990) has shown how historians can provide an understanding of the underlying forces that led to the Tiananmen Square massacre, and can identify analogous situations in Chinese history that can help predict the future course of events. Clearly, anyone evaluating the potential of the Chinese market cannot make sensible forecasts about the country’s likely economic and political stability without understanding how the recent unrest developed and what it represented.

In addition to providing facts for analysis and interpretation, historical study offers techniques that can be of particular value in forecasting. Fullerton (1983) points out that methods of demand analysis commonly used in marketing tend “to either ignore time or to associate it with excessively categorical patterns of change.” He draws attention to two historical techniques that marketers could adopt with advantage. One is impressionistic analysis, which may be described best as a portrait in words. Comparing this technique with a straightforward factual account is like comparing a painting by Renoir with an illustration produced by computer graphics; though the Renoir lacks clarity of detail, it captures mood and feeling in a way the computer can never do. For example, to understand the spirit abroad in Europe at the dawn of the Renaissance, one must turn to a work such as Huizinga’s *The Waning of the Middle Ages* (1970/1924); for a vivid picture of American life at the end of the last century, one should read Beer’s *The Mauve Decade* (1926). The technique also can be used to advantage in addressing subjects more limited in scale, as in Hungerford’s vivid portrait of Macy’s in *The Romance of a Great Store* (1922), and is particularly useful to social historians confronting such topics as changes in taste. A marketing application of impressionistic analysis would be an assessment written in early 1990 of the impact of the political and economic upheavals in Eastern Europe on that area’s marketing environment.

The second technique is counterfactual analysis, which enables the historian to estimate the importance of a particular variable in a situation by finding an
The historian of classical Greece can estimate the effect of the exclusion of women on domestic architecture by comparing Athenian dwellings, in which women were kept secluded, with those of islands such as Delos where they were not. In marketing this technique can help in identifying causal factors. For example, the importance of television in gaining acceptance for a particular innovation in the United States might be assessed by studying comparable data on the rate of diffusion in overseas markets where television advertising is not available.

Though these techniques offer interesting possibilities, their limitations must be emphasized. They provide clues to the range of possible behavior rather than to probable behavior, and enable one to take precautions against certain eventualities but not to control their outcome (Gottschalk 1956, p. 269; Stern 1963).

The Historical and Scientific Approaches Applied

The argument is made in preceding sections that historical method should be adopted as a supplement to the techniques normally employed in marketing practice. The manager, in other words, should not have to think in terms of one method or the other, but should view them as a duality, employing whichever is best suited to the needs of a particular situation.

However, as the following hypothetical example illustrates, in some circumstances the two methods could lead a manager to different conclusions and therefore to different courses of action. Because the intention here is to demonstrate basic principles rather than to present a detailed analysis, the reader is asked to accept the simplified form in which the problem and the evidence are presented.

Assume that a new marketing manager is appointed at company X and needs to take action to improve the performance of product Y. In spite of an increase in advertising expenditure, the sales of Y in the current year have remained at the same level as last year. As total market sales are slightly higher, Y’s share has fallen.

The current campaign has recently been criticized by an Advertising Age columnist who described it as esoteric and lacking in impact. This criticism has been disregarded by both the agency and company X’s senior managers, who claim to have a much better knowledge of the realities of the marketplace. They also point out to the new manager that the advertising budget, computed by regression analysis, actually achieved an increase of several percentage points in Y’s share of voice. The manager concludes, therefore, that the first hypothesis is not substantiated by the evidence.

His second hypothesis is that there is consumer dissatisfaction with Y’s quality and performance, which is affecting the rate of repurchase. The evidence here is conflicting. According to the company’s consumer affairs department, the number of complaints has fallen over the past two years. However, a manager from company A, a leading competitor, told one of company X’s suppliers that consumers were switching to A’s product B because of dissatisfaction with Y’s quality. Because this report is hearsay, and because company X is meticulous in its recording of complaints, the manager decides that the second hypothesis cannot be substantiated.

A third hypothesis is that sales of Y are being inhibited by its retail price, which is slightly higher than that of its leading competitors. Salesforce reports indicate that retailers strongly believe price to be the reason for Y’s sluggish performance. In addition, a recent trade press article has argued powerfully that expansion of the market is being held back by unduly inflated manufacturer prices, to the detriment of retailers and consumers alike. According to this article, a major Pacific Rim producer is assessing the United States market and feels he can gain a substantial share by undercutting American manufacturers. Though hypothesis three would not explain why total market sales have actually increased, the manager concludes that it provides the best explanation of Y’s problems, and proceeds to plan for a price reduction.

The Historical Approach

Now suppose the manager adopts a historical approach to the evidence that has been assembled. He first sets aside “facts” that are beyond dispute, such as figures for sales, advertising expenditure, and complaints received. He then subjects the remainder to internal and external criticism.

For ease of comparison with the scientific approach, we assume that his internal criticism begins with the evidence related to the effect of Y’s selling price on sales. His first task is to establish the authenticity or the falsity of the material contained in the trade press article. He notes that the article provides no substantiation for its claim about the impact
of current price levels, and no comment or direct quotation from the organization mentioned as a potential competitor. The article therefore cannot be regarded as constituting an accurate statement of the current position unless it is subsequently confirmed by some other source.

The salesforce reports are certainly authentic documents in the historian's sense, but they should be evaluated for possible bias on the part of either the retailers or the salesforce itself. Upon investigation, the manager finds that his predecessor had organized a successful promotion to retailers that led them to build up large stocks. As a result of Y's disappointing performance, they are now concerned about the slow rate at which it is moving off their shelves. Given this probability of bias, and retailers' beliefs in price reductions as a way of stimulating sales, the manager concludes that this evidence, too, lacks credibility.

When he looks at the evidence on product quality, he decides that though the comment by competitor A reached the company third-hand, that fact in itself does not mean the comment should be disregarded. In this instance, it illuminates an area where no other evidence is available. Though there may be bias on the part of either the supplier or the competitor, the comment can be cross-checked against other evidence in the external criticism stage.

Turning to the evidence on advertising, the manager notes that the research on the original concept was carried out almost four years ago. From his historical perspective, he wonders if the results can still be relied upon given the environmental changes that have taken place since. Just as a historian goes back to the original source whenever possible, the manager also looks at the report of the pretest of the current year's campaign. He finds it consisted of three focus groups, a procedure whose validity is open to question. Because membership of the three groups totaled 30, the statistical projection error could be as high as ±20%.

The manager now proceeds to external criticism, in which each item of evidence is tested against other evidence available. The salesforce reports and the trade press article seem to confirm each other in suggesting growing discontent among retailers. Neither, however, provides proof of a causal connection between Y's selling price and the level of sales. Further, the fact that total market sales have actually increased is incompatible with a picture of high industry prices acting as a deterrent to consumer purchasing.

Turning to the evidence on advertising, the manager notes that if environmental changes (or perhaps wearout) have taken place since the concept was originally tested, and if the results of the latest pretest are indeed not valid, the message in the current campaign may well not be relevant to consumers' needs. In that case, the judgment of Advertising Age's columnist would be correct and an increased share of voice would be likely to have little effect in terms of sales response.

The manager next looks for some reliable source against which to verify the evidence on product quality and performance. He finds, however, that there are no industry figures for complaints. Therefore, though complaints about Y have fallen, they could still be running at a higher level than those for competitive products, which would be quite compatible with the claims made by competitor A.

The fourth stage of historical investigation is synthesis, in which items of evidence are pieced together in a final comprehensive account. The manager's historical training makes him suspicious of the seemingly simple explanations of causation. Even though the current year's advertising may be ineffective, that does not necessarily mean it is the only cause of Y's failure to increase sales. If, as appears probable, there is also a problem with product quality and performance, research will be needed urgently to determine the relationship between these causal factors in terms of their effect on consumer perceptions and behavior.

As immediate action, the manager probably would opt for some form of sales promotion to try to increase market share and to restore retailers' confidence in Y. He would not, however, reduce the selling price, first because there is no evidence that a price reduction would be effective and second because it could further undermine consumer perceptions of quality.

Conclusion

The object of this article is to explain some of the techniques employed in historical investigation and to suggest how they might be appropriate for adoption in marketing practice, given the broad similarity in the subject matter of the two disciplines. Because of the circumstances in which many practitioners operate, the techniques described can help certain marketing decisions to be made more efficiently than is possible by the application of scientific method. First, they provide an alternative framework for assessing the validity of evidence, which may be of a kind that cannot be treated "scientifically." Second, by determining the interdependence of the various pieces of evidence, they help establish causal relationships that can be crucial determinants of future action. Third, they provide a modus operandi for situations in which scientific method can be of little or no help, particularly when the marketer is faced with an absence of hard data and a need to proceed intuitively. In addition, the role of language as part of historical method affords a greater degree of sensitivity in communication that many marketers could employ with benefit.
Though the historical method offers incremental benefits to the practitioner, it is not suggested that the positivist approach be abandoned. Both approaches should have a place in the practice of marketing. Some problems faced by practitioners can be addressed by scientific analysis, but others require an approach that is impressionistic and intuitive. The two approaches do not conflict; they complement and illuminate each other. Rowse (1963, p. 84) has written of them as constituting a duality of vision in historical study. A similar duality of vision is appropriate in marketing practice.

REFERENCES


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