Many developments of recent years indicate the emergence of a general science of human behavior. Of major significance in this movement toward integration in the social sciences was a volume representing the collaboration of nine specialists from the fields of psychology, sociology, and cultural anthropology. The more limited objective here is to call attention to some trends in contemporary psychology which are favorable to this synthesis and to application in marketing and economics.

Many fields of thought are marked by opposing schools. Psychology was for many years the most sectarian of all the fields laying claim to the name of science. The market analyst or economist admonished to learn more about psychology could scarcely tell where to begin. If he picked two books at random, he might find each author denying that what the other was writing about was psychology at all. The illustrations in one book might be devoted entirely to representations of the brain and nervous system, while the text would imply that the whole subject was merely a branch of physiology. Another book might deal with perception as if no other topic mattered in psychology and be profusely illustrated with optical illusions and other strange configurations. Still a third might present case studies in the interpretation of dreams, the interpreter drawing on theoretical principles of breathtaking scope but little in the way of visible support from empirical investigations.

It is to be hoped that the student and seeker, though chastened by these perplexities, will not be discouraged. The need for psychological perspective in marketing and economics remains. There is a main line of development in the psychological analysis of human behavior in general which is highly pertinent to the investigation of behavior in the market place. More is needed as to theoretical perspective than the principles of rational choice assumed by the mathematical economist or the kind of instinct theory which is extemporized by an advertising executive in order to meet a speaking engagement. Marketing will be increasingly recognized as a segment of the behavioral sciences. It will offer opportunities for the application of psychological principles and research techniques. Eventually marketing research will provide a laboratory for testing new psychological insights. Meanwhile, the market analyst who makes some attempt

* This paper was first presented on August 26, 1952, at the second Marketing Theory Seminar at the University of Colorado.

to keep abreast in psychology faces two serious hazards. On the one hand, he may come under the spell of one of the more doctrinaire schools and possibly not the most modern version of that. On the other hand, he may be so eclectic in his acceptance of anything which goes under the name of psychology as to acquire a melange of notions rather than a consistent and unified perspective.

This article has a twofold objective. First, an effort will be made to sketch a general viewpoint of human behavior which will facilitate the use of psychological findings in the analysis of markets. Secondly, some of the major schools or fields of psychology will be discussed in order to show what they can contribute to such a viewpoint. In several instances it will be desirable to comment on both the early beginnings and the current developments in a given school of thought. The pioneers characteristically insisted on the distinctiveness of their ideas with an evangelical fervor. Their disciples are generally more hospitable to the integration of these varied strands in a common pattern of thought. The needs of applied fields like marketing may facilitate this integration.

The Psychology of Problem Solving

Market analysis is consciously oriented toward problem-solving. Its aim is to aid the marketing executive in finding valid solutions for the problem facing him for decision. The appropriate psychological background is the psychology of problem-solving. This approach is sometimes designated as the psychology of adjustment. It attempts to describe and analyze problem-solving behavior. A problem arises for the individual when he feels the need for a better adjustment to his environment. In marketing, this need may be said to derive from uncertainty with respect to the outcome of established or proposed marketing plans and programs. But an adequate perspective for marketing cannot deal with the problems of the seller alone. Buyers, including consumer buyers, come into the market to solve their problems. Each party to a market transaction serves as a means whereby the other may advance his ends. The psychology of adjustment is concerned with means-ends relationships either in individual behavior or in interaction within a group.

Another name for the problem-solving approach is functionalism. The word function has many meanings but the emphasis here is on the way the individual functions in relation to his environment. Functionalism in psychology bears an honorable tradition, stemming from William James who is generally regarded as the founding father of scientific psychology in the United States. Possibly the most useful definition of functionalism is that provided by one of its most eminent contemporary exponents, Robert Sessions Woodworth. He says that functionalist psychology starts from the question of what men do and then goes on to the questions of how they do it and why they do it.²

The term is employed in anthropology and sociology to suggest a similar concern with ends-means relationships in a total situation or behavioral field. Boulding's resort to ecology for a new perspective on economic analysis is another expression of the functionalist approach. Marketing theory as it is beginning to develop is marked by an even more explicit functionalism. A general acceptance of the functionalist view in psychology will contribute greatly to the integration of the various segments of the general science of human behavior.

Matching Means and Ends

Instrumental or problem-solving behavior may be analyzed in terms of means and ends. The organism is conceived to direct its efforts toward attaining some goal even though it may not be pursuing a conscious objective. It makes use of its own energies or the resources of its environment as the means for accomplishing these ends. Problem-solving is defined here in the broadest possible terms as including any application of means to ends occurring in the continuing process of adjustment.

There are three distinct types of problem situations differing as to what the individual attempts to do about the ends-means relationship. In one case, both ends and means are in a sense taken for granted and in the other two cases one side or the other needs to be modified. It is the first type of situation that is most characteristically described as problem-solving. The end is given and the problem is to match it with appropriate means, making a selection from available alternatives. A very provocative writer on human behavior who is not strictly a psychologist describes this as the process of matching tools and jobs. This matching will often be preceded by analysis of the situation in order to determine what the problem is. Some psychologists emphasize rational insight as the ability of the individual to see his way clear through to an appropriate solution. Others insist on the prevalence of trial and error in some degree in all real life problem situations. Some make use of the idea of "behavior space" which might be described as the individual's mental picture of his situation and its structure in terms of the possibilities for action. Analysis is sometimes pictured as locomotion in behavior space. In other words, the rational individual explores the possibilities of the problem situation mentally as compared with an exploration which requires him to move about in his physical environment. The present viewpoint is that both types of exploration occur in actual problem-solving and that either becomes more efficient in the degree that the individual knows what he is looking for.

The problem-solving approach is explicit in the writings of many economists. Economics is classified by von Mises, for example, as a branch of "praxeology" which he defines as the art or science of formulating practical rules of action. Practitioners of this art go pretty far in making simplifying assumptions as to the kinds of problem situations which are of interest in economics. More serious in the present connection are the assumptions they make about the psychological processes of problem-solving. Fruitful results might accrue if the principles of marginal analysis were regarded as hypotheses about the nature of choice or evaluation to be tested by appropriate experiments. They are more generally regarded as part of the sacred canons of received theory.

It is currently being demonstrated that psychological experiment can throw new light on value theory. Malcolm Preston has shown in the psychological laboratory that subjects overrate opportunities for gain involving large risk and underrate opportunities involving small risk. Economists and market analysts are increasingly aware of the importance of expectations in determining economic behavior. George Katonah, who is both a

Footnotes:
3 Reported in a paper before the American Association for the Advancement of Science, December 29, 1951.
psychologist and an economist, summarizes psychological findings on this subject and suggests further lines of investigation.\(^\text{7}\)

Katonah also discusses the distinction between real decision-making and routine behavior,\(^\text{8}\) a distinction that was an essential part of the thinking of John R. Commons as expressed in his *Institutional Economics*.\(^\text{9}\) The first step in the rational consideration of a problem is often that of classifying it as routine or strategic, so that the effort devoted to its solution may be scaled accordingly. For the less significant problems the selection of a means for handling it may be practically automatic. The individual may be conceived as having a behavior repertoire on which he draws in such situations. An effective illustration used by Zipf\(^\text{10}\) is that of the workman who might require an assortment of tools at his work bench. If he attempted to lay them out in logical order, he would place the ones he needed most frequently nearest to his working position, grading off to those of least frequent use in the more remote end of the rack. It might also follow that the rational individual would keep the tools of most frequent use in a constant state of readiness while he could afford to take time to sharpen or adjust the tools he used only on rare occasions.

Modern psychology is making an increasing effort to identify principles of order or organization as they affect the individual's adjustment to his environment. Such principles are of interest to the market analyst who is concerned about the heterogeneous nature of markets. His problem often appears to be that of matching a unique segment of demand with production or marketing facilities which are uniquely adapted to serving this demand. He can get only limited help from a concept of marginal productivity which assumes that his real problem is that of allocating a homogeneous factor which can be evaluated in simple quantitative terms. In many marketing situations the process involved is matching or sorting rather than allocation. This is true of the consumer's problems as well as those of the producer or marketer. The market analyst must turn to psychology for an adequate theory of sorting. There has been some experimental work by Kurt Goldstein and others as reported in a recent summary of testing methods but the techniques would have to be drastically modified to get at the issues which are most significant for marketing.\(^\text{11}\)

**Improving the Available Means**

In the second basic type of problem-solving situation the end is taken as given but it is not to be assumed that the individual has an appropriate means in his behavior repertoire. To meet the problem the means must be created or perfected. In psychological terms the individual undertakes to acquire skills, habits or attitudes which will equip him for dealing with a specified type of situation as it arises. Much of the experimental activity in American psychology has been directed toward the development of laws of learning. This activity was stimulated in part by the program of public education in this country. Here was an inviting field for the application of scientific findings about learning.

The theory of learning is fundamental for many aspects of marketing. First of all, there are numerous problems which

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\(^{8}\) Ibid., p. 49.


\(^{10}\) Op. cit., p. 49.

are obviously of an educational nature. Sales training raises all the classic issues of learning theory such as repetition versus understanding, and reward versus punishment in reinforcing the effect of repetition. The tremendous diversity of sales training programs among large companies suggests that a better understanding of the learning process is needed in many cases.

There are other situations in marketing in which information and attitudes are to be transmitted but where it is not feasible to follow the formally organized patterns of the classroom. This is generally true with respect to the efforts made by manufacturers' sales organizations to secure adherence to marketing plans and policies on the part of distributors and dealers. Those who are most successful consciously start from the assumption that a plan must be based on an attempt to help customers solve their problems. That requires an understanding of what the customer is driving at, an ability to show him why the proposed method is a better means for achieving this end, and skill in utilizing the success of the plan to reinforce the new attitude or pattern of action which has been acquired.

The largest sphere of all for the application of learning theory in marketing is in attempts to reach the consumer through advertising or retail merchandising. A major objective of consumer advertising is to create or maintain preference for a brand. The attempt to inculcate buying habits has been the area of the first and the most persistent efforts to apply psychology in marketing. Individual marketing men with psychological training have played an important part in developing methods of measuring the impact of advertising. Some of these studies take the form of evaluation of the strength of the attachment which holds the consumer to the preferred brand. Experiments have been devised to break this bond, modeled somewhat on tests of tensile strength in an engineering laboratory. The results show striking differences both as between product groups and between brands.

Advertising is unlike the classroom learning situation because of the highly competitive element. It is a little as if a half dozen professors stood before the same class and all shouted at once in their attempt to convey information and shape attitudes. Some of the more complex learning experiments are suggestive for new lines of advertising research. These include experimental designs involving the interruption of a task, the conflict between approach and avoidance signals, and retention of information under various conditions.

Many learning experiments deal with the unlearning of fixed behavior patterns. In marketing, the introduction of a new product involves an attempt to change habitual behavior both in buying and using products. The notion of the threshold of response could be useful here. How much difference in price or in some dimension of product quality will it take to change buying behavior? How much greater is the response to difference when the subject is told what to watch for? Under what circumstances will a difference in one direction reinforce or cancel out a difference in another direction?

There are other fields for the application of learning theory such as the arrangement of super markets and other large display areas. Experimental work is being carried on in this field which is improved by psychological perspective. Another application may be in locating stores in relation to consumer travel and shopping habits. Package and trademark recognition is still a third possibility. An excellent summary is available for the
market analyst who may wish to design experiments of his own.\textsuperscript{12}

\textit{Reorganization of Ends}

In the third type of problem-solving situation ends rather than means constitute the problematical element. The goals sought are not appropriate in relation to existing means and the required solution is the modification or reorganization of ends. A stated end may be impossible of realization because it reflects a psychopathic obsession. A pattern of multiple ends may be unrealistic because of conflicts among them. The means adapted to achieve one goal may make frustration in another direction inevitable. It may be a question of degree so that the individual can expect only partial achievement of any objective if he refuses to modify his pattern of demands. This pattern is designated by psychologists as the level of aspiration. In some instances the individual may be called upon to adjust his level of aspiration upward rather than downward in relation to his capacities.

This third type of problem-solving situation raises issues with respect to basic motivations. Some psychologists have located the primary problem of motivation in the unending clash between society and the instinctive nature of the individual. Others have stressed instead the conflict between two aspects of the same personality, both rooted in instinctive drives. Motivation is looming larger today in psychology generally and particularly in certain schools which tended to neglect it a decade or so ago.

Motivation is one of the more difficult topics for scientific investigation. Motives are not open to inspection as is overt behavior. Motives are inferred as a way of explaining behavior. The layman is only too ready to impute motives to another individual. The psychologist sometimes seems equally rash in his generalizations concerning motivation. Reports of the individual concerning his own motives may be little more reliable than inferences drawn by others. He may see some advantages in misrepresenting his motives, his motives may be mixed, or he may not be wholly conscious of some of his deeper motivations.

Motivation is an absorbing topic for many market analysts. Various techniques are employed in the attempt to probe for motives. A question to consumers about the way they buy or use a product is often followed by the question "Why?" So-called depth interviews are supposed to make it easier for respondents to recall and report upon motivations. Projective techniques are used in the hope of uncovering attitudes or motivations which might remain hidden if respondents were questioned directly. Any approach to motivation still leaves much to be determined by the attitudes of the investigator and demands critical judgment as to the validity of both the original data and the method of interpretation.

The subject of motivation has been introduced here in relation to the third type of problem-solving situation, namely that calling for a modification or reorganization of ends. Any individual who aspired to bring about a fundamental change in the motivations of another would have to start with the assumption that such a problem-solving situation existed. There have been numerous instances of successful marketing campaigns in which advertising first persuades the prospective customer of the significance of a specified end and then claims that the advertised product is the best means of satisfying this end. Where this appeal succeeds it

may be assumed that modification has taken place in the level or character of the individual's aspirations.

Knowledge of motivation in marketing can be applied to more limited objectives than changing the level of aspiration. If the end desired can be clearly identified, the marketer can proceed more effectively in presenting a product or service as a means to that end. In either case, the study of motivation raises questions of plasticity versus stability in personality structure. While motives are not open to direct observation, changes in behavior patterns may occur in such a way as to justify inferences as to changing motivations. The market place offers exceptional opportunities for investigating the dynamics of motivation.

The Changing Structure of Means and Ends

This sketch of the functionalist viewpoint has dealt so far with three types of problem situations corresponding to three ways of adjusting means-ends relationships. To complete the picture, brief reference must be made to factors outside the immediate situation confronting the individual which condition this relationship. One of these is the structure of capacities and aspirations within the complete personality and the changes which occur in this structure in the course of the individual life history. Capacities change through maturation and decline. The character and intensity of aspiration also change over time. Thus the balance between means and ends may be changed for the individual aside from his problem-solving behavior. In fact, the unfolding of the life history and the consequent transformation of both capacity and aspiration is one of the factors which constantly poses new psychological problems.

The other great conditioning factor is the fact that individual problem-solving does not take place in a social vacuum. The interaction of individuals reveals the interdependence of both their ends and their means. Cooperating individuals pool their separate means to achieve a common end. Competing individuals seek to draw upon a common stock of means to achieve their separate ends. These two types of interaction are always present together in varying degrees and in a variety of patterns. The interdependence of ends and means has been cogently presented in a study by Mark May and Leonard Doob.13

The psychology of personality brings together into an integrated pattern the several aspects of problem-solving. Its focus is on the complete personality reacting to and upon the environment as a whole. The special topics of rational insight, learning and motivation all find an appropriate place in this pattern. Indeed, the study of personality extends beyond the scope of instrumental behavior. The immediate concern of the market analyst and economist is with goal directed behavior. It is well to recognize, however, that instrumental activity occurs within a broader matrix of behavior.

In addition to the instrumental aspect, there is what LaPiere calls "congenial behavior."14 That is activity which is not goal directed but may be regarded as an end in itself. The individual engages in instrumental behavior in order to have the opportunity of engaging in such congenial behavior as eating, drinking, entertainment and social intercourse. In the over-all economy of the personality some balance must be found between these two aspects of behavior. Both occupy time and absorb energy. The indi-

13 Mark May and Leonard Doob, Competition and Cooperation (New York: Social Science Research Council, April, 1957).
vidual who puts in too many hours in acquiring the means of enjoyment will never find the time for enjoyment. Economic theorists at one time attempted to balance the pain of effort against the pleasure of consumption and thereby to explain the equilibrium of supply and demand. For the individual personality equilibrium or disequilibrium may be analyzed more directly in terms of alternative uses of time and effort.

The qualification must be added that some types of behavior are both instrumental and congenial while other types may be neither. Many people genuinely enjoy their work and indeed find their main gratifications in that direction. That is likely to continue so long as the individual exercises mastery over the work situation. If he is driven beyond the point of his capacity or endurance, recreation or relaxation may be essential to restore his instrumental efficiency. At the other extreme there are social gatherings ostensibly serving as occasions for congenial behavior only. Yet in terms of striving for status and recognition, participation may be largely instrumental for many of those present.

Behavior that is neither congenial nor instrumental might be described as symptomatic. It does not fit into the pattern of the individual's adjustment but may be regarded as a symptom of maladjustment. Symptomatic behavior is functional to the extent that it may be correctly appraised by the individual's associates or by a professional analyst. The symptoms may cause them to modify their behavior or to find ways to help the individual to modify his. Behavior which borders on the symptomatic in the eyes of the observer may be functional in relation to a most fundamental need. That is the desire to defend or enhance the individual's conception of himself. This conception is designated as the "phenomenal self" in a recent book. It describes the various techniques used to meet threats which create feelings of inadequacy or insecurity. This type of reaction frequently enters into behavior in the market place. It also constitutes a problem for the market analyst in securing information since some lines of questioning may offer an apparent threat to the respondents' self-esteem.

Personality structure changes during the course of the life history, bringing a corresponding shift in means-ends relationships. The individual cherishes aspirations which he expects to see fulfilled at a later time, as well as demands for immediate gratifications. He counts on developing capacities for later action beyond the scope of his present powers. The evolution of the self is in the direction of a more complex structure, both internally and in the process of continuous adaptation to the environment. The life history approach has been used in a tentative way in market analysis. There are much greater possibilities in that direction. For example, there may be a period for the typical individual in which controlling attitudes and preferences become established for each major class of commodities. If that period can be identified, promotional efficiency could be greatly increased by expending most of the effort on just those people who are in the right stage of their development to respond.

Social Interdependence of Means and Ends

The psychology of personality in much of the current literature merges over im-
perceptibly into social psychology. It is now recognized that much of the structure of personality is acquired in a social setting. The ego is defined for the individual largely in terms of his relationships to various membership or reference groups. The fact that activities concerned with the drive for status are "ego-involved" places them in a central and dynamic position in his whole pattern of behavior.¹⁶

In solving a problem for himself, the individual is perforce solving the same problem or some other problem for his associates. He participates in a system of action which owes its cohesion to the fact that all participants assume that it is a means for achieving their ends. In marketing systems as in other systems, the analyst must take account of the psychological as well as technical factors affecting the productivity of a system. There are problems of communication in achieving simple understanding. There are problems of negotiation in going on from understanding to effect agreements. Emotional as well as rational factors determine the persistence of such working relations or the reactions when agreements are suspended. Market behavior provides a rich vein of material for analysis by the social psychologist.

Having presented a point of view in broad outline, a brief summary is in order before going on to the contributions of the various psychological schools. The market analyst and economist are interested primarily in the instrumental or problem-solving aspects of behavior. To solve a problem means to do something about the relationship of means and ends. Taking the individual's behavior repertoire and his level of aspiration as given, the solution consists in matching means and ends. In a second type of situation, the behavior repertoire must be modified in relation to ends. In a third type of situation, the level of aspiration must be adjusted in relation to means.

The psychological topics of rational insight, learning, and motivation are especially important for this analysis. Those aspects of problem-solving can be integrated within the framework of a functional theory of personality. All psychology becomes social psychology when the interdependence of ends and means for associated personalities is granted.

Every leading school of psychology began with revolt against some previous viewpoint. It first goes through a divergent stage in which its leaders push to the extreme their unique claims for attention. Doctrines persist as controversial weapons even though they may not be essential to the basic position taken. Later on a more conciliatory attitude develops. A convergent stage begins in which a school draws closer to other established lines of thought either by adopting some of their insights or by investigating their key problems by methods of its own. While all of the schools to be mentioned here were founded in the twentieth century, their evolution has been rapid. All have passed out of their divergent stage and are well along in the stage of convergence. Gestalt, behaviorism, and psychoanalysis have all contributed to the broader functionalism that is developing today.

RATIONAL INSIGHT IN GESTALT PSYCHOLOGY

Gestalt psychology arose in German as a revolt against the associationism which holds that all mental images are built up out of many small sensory elements. It started as a theory of perception which held that the whole has overriding importance as compared with its parts.

The word "gestalt" is the German for pattern or configuration. The mind was said to be innately equipped to see any situation instantaneously in terms of a dominant configuration. The leading figures in this school all immigrated to the United States in the midst of their careers. While they shared with the behaviorists the belief that psychology should develop as an experimental science, they were opposed to them on some key points. They emphasized the role of rational insight and conscious thought. For the strict behaviorist, consciousness was not a meaningful subject for study since it was believed to have no causal influence. Gestalt psychologists were able to devise experiments which indicated that insight rather than mere fumbling trial and error was present in the problem-solving of laboratory animals.17

Gestalt became the gospel of the here and now. The subject solved his problem in terms of the structure of the immediate situation. Past experience had little to do with his ability to find a solution. Habit was not acknowledged as a tool but was regarded as a hindrance to be overcome. In its early stages, gestalt had little to say about learning or motivation. It did lay the groundwork for a more comprehensive psychology of problem-solving. It had some useful things to say about principles of organization which guided the individual in grasping a problem situation.

The position of gestalt with respect to the lack of relevance of past experience was moderated somewhat by Kurt Koffka. His position is that past experience may be necessary but not sufficient for the solution of problems through rational insight. He formulated laws of organization which operate both in perception and learning. These laws are suggestive for the analysis of any problem situation. He also stated a general principle of action. According to this principle the individual will act in such a way as to reduce tensions anywhere with the behavioral field consisting of the ego and its environment.18

In its later forms gestalt comes to be known as field theory. The field is comprised by the individual and his environment. The field has a structure from the viewpoint of the individual consisting of the possibilities which are open for action or by the obstacles which obstruct action. The emphasis shifts from mere perception to movements or manipulations to accomplish results with the field of action. The man primarily responsible for this shift of emphasis was Kurt Lewin, who had been associated with the leaders of gestalt in Europe. His thought developed along somewhat independent lines in this country. Motivation was one of his primary interests and he developed the concept of level of aspiration. He made use of terms drawn from the mathematical fields of topology and vector analysis to express some aspects of the orientation of action within the field.19

Current functionalism can draw extensively upon gestalt concepts pertaining to problem-solving. Gestalt psychology has the same predilection for experiment and loses little of its own value by receding from extreme positions on such issues as the relevance of past experience. Gestalt ideas have strongly influenced leading psychologists and sociologists who are not strictly members of that school themselves. A few people with this type of background are now active in market analysis and attitude research.

Throughout the social sciences it has exerted a healthy corrective influence for the tendency to discount the role of rationality and to magnify the irrational and nonrational aspects of behavior. To the extent that rational decision-making is a major interest in marketing and economics, gestalt may be recommended as the most inviting approach to an understanding of how it functions.

**Behaviorism and the Theory of Learning**

Early behaviorism, like gestalt, was a fighting faith. It constituted a rebellion against several positions prevailing at that time. On the methodological side, it repudiated introspectionism or the notion that valid information could be obtained from the subject’s verbal reports of his thoughts and feelings. Its theoretical objective was to explain behavior in strictly mechanistic terms eventually related to movements of impulses along nerve tracts. The physiological unit underlying all behavior was the simple reflex arc by which a stimulus led to a predetermined response.

The fundamental factor in learning was the conditioned reflex. Everyone has heard of Pavlov’s dogs which were conditioned by being offered food after the ringing of a bell. Thereafter saliva would drip from their jaws whenever the bell was rung even though no food was offered. The learning of any new pattern of behavior by either animals or humans was supposed to rest on extensions and elaborations of this simple process.

In its more recent developments behaviorism constitutes a more ample and flexible framework of thought. Most representative of the school today is Clark Hull. Instead of the direct connection between stimulus and response, Hull finds that there are four elements in every act of learning. These elements are drive, cue, response, and reward. The term “cue” corresponds here to stimulus in the earlier analysis. Drive is recognized as a separate factor and might be characterized as a state of readiness of pent up energy which is released into action by the cue. The reward is the gratification arising from success in whatever is attempted.

The reward re-enforces the effect of learning. Adequate reward has been shown to reduce the number of trials necessary to learn a new pattern of behavior. Hull’s work, stating his position, is highly technical but he has been adequately interpreted in popular style by two of his followers. This interpretation will be found in “Social Learning and Imitation” by Neal Miller and John Dollard.21

A psychologist who offers one of the most satisfactory perspectives for the applied fields has been mentioned previously. This writer, E. S. Tolman of the University of California, is classified by many as a behaviorist, although he prefers to call himself a gestalt psychologist. He designates his special version as “sign gestalt.” He contends that the individual does not learn mere sequences of movements but paths to a goal. All action is oriented toward the achievement of goals and the individual learns to recognize certain things as signs pointing the way toward the goal. His leading work is still a fundamental source even though it was published in 1936. It was called *Purposive Behavior in Animals and Men*. There is also available a much more recent statement of Tolman’s general position. It appears as a chapter in a book previously referred to, *Toward a Gen-

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eral Theory of Action. While Tolman is often classified as a behaviorist, he is by no means a simple stimulus and response behaviorist. In fact, one of his most influential ideas is what he calls "intervening variables." These are the factors which intervene between stimulus and response but which are not accessible to direct observation and the existence of which can only be inferred. These intervening variables include the individual's attitudes and values and the whole set of relationships making up what Tolman calls his behavior space.

Behavioristic psychology was the first type to have a major impact on advertising. John B. Watson wrote what is still the best known work in the field. He then left university teaching to become a member of the staff of the largest advertising agency in the world. This was more than a fortuitous circumstance in the career of an individual. Behavioristic thinking was quite congenial to advertising executives of that day. They could readily accept the notion that their responsibility was to implant buying habits that would be exercised automatically on behalf of the products which they represented. They had practical reasons for discounting the importance of rational thought in every day behavior, paralleling the theoretical reasons of the behavioristic psychologists.

Behavioristic assumptions are still valid over a large part of the field of marketing. Most of the consumer purchases on any given day are largely controlled by habit. The pattern of buying habits is stable enough to allow short range forecasts of demand to be made within a moderate range of error. The fallacy lies in the underlying assumption that because much behavior is routine no other kind is possible. Actually routines in the market place may not spring from the conditioned reflex but from a rational decision that certain types of transactions deserve nothing more than routine handling. The marketer should avoid the false distinction of thinking of himself as a problem-solver but regarding his customers as elements subject to manipulation. Many of the detailed findings of behaviorism will serve equally well within the framework of a psychology of problem-solving.

**Psychoanalysis, An Approach to Motivation**

Psychoanalysis originated outside the domain of professional psychology. Freud and other pioneers were practising physicians interested in the treatment of deranged or neurotic individuals. They developed a theory of motivation out of their clinical experience. Other psychologists concentrating on motivation had relied on the notion of multiple instincts. William McDougall, for example, listed twelve basic drives. While Freud, Jung, and Adler developed theories that were essentially instinct theories, their views were considerably more sophisticated than those of earlier students of motivation.

Freud and the other psychoanalysts posit a conflict of motives based on instinctive drives to explain neurotic breakdowns. There are several distinct formulations of this view, including an earlier and a later version by Freud himself. The common feature is the polarization of motivation around two conflicting tendencies. In his earlier work Freud found the central conflict to lie between the instinct of self-preservation and the instinct of reproduction. The struggle between the ego and the sexual libido took on many forms. Impulses which the ego would not consciously recognize

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were driven back into the unconscious. In order to reorganize the individual's motivations these suppressed desires had to be brought out in the open. It is this theory of the pervasive influence of sex which continues to stand for Freudianism with the majority of laymen and many of Freud's followers.

In his later years Freud shifted the focus of his theory by bracketing the ego drive and the libido under a life instinct and opposing to this concept a death instinct. He felt increasingly the need for some means of explaining the aggressive and destructive tendencies of humanity. Hostility is presented as the natural attitude of members of a group toward outsiders but is said to be moderated within the group by gentler sentiments, arising out of the libido. This fleeting sketch, of course, does scant justice to Freud. His bold theories would be very significant in the history of psychology if they had done nothing more than precipitate a concerted attack on the problem of motivation.

Jung and Adler must be disposed of in even briefer compass. Carl Jung elaborated the biological and mythical aspects of psychoanalysis. Alfred Adler leaned toward the social and commonsense elements. For Jung the concept of libido was broadened to correspond to the total vital energy of the individual seeking an outlet through many channels. The concept of the unconscious was elaborated to distinguish between the personal unconscious and the collective conscious. The latter represents the ultimate psychic reality which the individual must penetrate in order to establish a sense of oneness with mankind. One of Jung's concepts which has passed into common parlance is his contrast between the introvert and extrovert types of personality.

The basic instinctive drive for Adler is the will to power. In some individuals this instinctive drive collides with an inferiority complex and eventuates in various types of compensation for inferiority. The socialization of the individual starts in early childhood. The social adjustment of the child sets a style of life which will condition the way in which he will meet all of his subsequent problems. The healthy individual is one who has achieved a balance between his egotistic and altruistic motivations.

The most influential contemporary exponents of psychoanalysis have tended to follow Adler in their emphasis on social and cultural factors while still insisting on their primary loyalty to Freud as the founding father. Franz Alexander is a relatively orthodox follower of Freud's later viewpoint. He prefers to speak of constructive and disintegrative tendencies rather than of a life and death instinct. These tendencies are supplementary aspects of a continuous process rather than standing in direct opposition. He grants the importance of the social environment in shaping personality. He stresses the irrational factors in social action particularly in his writings for a popular audience.23

Greater divergence from the ideas of Freud and still greater emphasis on the social factors shaping motivation are represented by Erich Fromm and Karen Horney. Both emphasize the social interdependence of individuals. Both find the source of maladjustment in the anxiety created by the individual's sense of loneliness and isolation. Karen Horney describes some general attitudes characterizing the individual's attempts to deal with problems of social relations. These are the alternatives of moving toward

people in the psychological sense, moving against people and moving away from people. Another set of concepts which is pertinent to a psychology of problem-solving deals with the consequences of unresolved conflicts. Waste of energy or misdirection of effort occurs in three principal ways. One is general indecisiveness in either large or trivial affairs. Another is the ineffectual or half-hearted application of effort. Still another is the inertia resulting from the lack of clearly defined objectives. These weaknesses correspond more or less to the three fundamental problem situations which have been described. Of some special interest in the writings of Fromm is his description of what he believes to be the destructive effect on personality of the marketing orientations in modern economic life.

Psychoanalysis, even as reformulated by such writers as Horney, goes beyond the limits commonly imposed by the scientific spirit. Its exponents stand ready to explain any aspect of human motivation or development. Its sweeping generalizations are neither internally consistent nor tested by the available empirical findings. Yet the total impact on the psychology of motivation has been a solid and momentous achievement. Scientific psychology has been challenged to accept or disprove the Freudian principles. As a result it has doubtless come to grips more speedily with some of the most difficult problems in its field. The importance of emotional forces as compared with rational considerations has been established beyond cavil. The existence of unconscious motivations has been demonstrated and much new light has been shed on the problems of inner conflict. Psychoanalysis can serve the market analyst as a source of hypotheses about market behavior but like all hypotheses they will need to be tested by the facts. In this respect its generalizations about motives are in the same position as much economic theorizing which has yet to be checked by factual investigation.

ADJUSTMENT BY THE WHOLE PERSONALITY

The psychology of personality originated in part as a protest against the overspecialized treatment of separate topics in psychology. Its exponents hold that the individual personality can only be understood as an organic whole. There is a structuring of internal organization reflecting both the biological nature of the individual and elements which are socially derived. Gordon W. Allport is a pioneer of this viewpoint. He suggests its essential character in defining personality as follows: "Personality is the dynamic organization within the individual of those psycho-physical systems that determine his unique adjustment to his environment."

This definition suggests several of the concepts which characterize the psychology of personality in addition to its insistence on the whole person as its subject of investigation. These are the ideas of structure, continuous development and individuality. These concepts are central to most discussions, but methods of exposition differ substantially. For example, both Ross Stagner and Gardner Murphy speak of three levels of personality structure but they are not using the word level in the same sense. The three

Karen Horney, Our Inner Conflicts (New York: W. W. Norton & Co., 1945).
levels for Stagner pertain to perception, motivation, and overt behavior. At all three levels he believes that structural variation takes place in two directions both related to the goals of individual activity. The individual attempts to approach or to avoid the specified object. In either approach or avoidance, activity may vary as to degree of intensity.

The three levels of structure discussed by Murphy are related to the process of the maturation of the individual. In infancy, responses tend to be simple and diffuse. Later on, response becomes more and more specific in relation to variations in the stimuli presented. Finally, organized relations are established among the differentiated elements of behavior. The most highly structured personalities are organized around dominant attitudes or goals. The self emerges into consciousness in the early stages of this process of differentiation. The self which the individual perceives is the product of his interaction with his environment and with other people. From the standpoint of the psychology of problem-solving there are important qualifications to be found in this picture of development. One result of the effort toward adjustment is that the individual evolves into a somewhat different personality both as to needs and abilities and thereby is confronted with a new set of problems.

These writers on personality tend to emphasize the unique adjustment of the individual rather than explaining his behavior by means of common motives. In this respect they are in opposition to the psychoanalysts. Each personality tends to achieve its own peculiar balance, drawing upon its cultural environment for elements it needs. Another book in the field attempts to combine social learning and the dynamics of inner conflict to explain the evolution of personality. The view is expressed that the psychiatric clinic offers the chief opportunity to study motivation since only persons in dire need will reveal their motives frankly. A chapter on reasoning and planning is especially interesting to the market analyst. Reasoning is said to consist in part of transferring trial and error from the actual situation to the symbolic level. More significant, however, is the way the problem-solver is enabled to work backward from the goal and thus discover a route to a solution.

The Parsons and Shils book previously mentioned had a chapter entitled “Personality as a System of Action.” This statement interprets the total personality within the framework of a theory of problem-solving. One of its several virtues is the effective integration of learning and habit formation into this general theory. These processes are designated as mechanisms when they are viewed in relation to the problems of the personality system. Three types of mechanisms are distinguished which are of direct interest to marketing. These are the mechanisms of allocation, defense and adjustment. The individual allocates his resources among his various needs or opportunities. He defends the integrity of the system by resolving conflicts among his various needs. He recognizes that adjustment to the external environment is a condition for survival and satisfaction.

FUNCTIONALISM IN SOCIAL PSYCHOLOGY

Social psychology places the functioning of the individual personality in the

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perspective of his interdependence with other personalities. It is only at this level that psychology begins to be fully serviceable to the economist and the market analyst.

It is essential to build upon an analysis of individual adjustment if social psychology is not to remain at the level of mere social philosophy. The individual is a biological organism which is also a member of a group. Psychology becomes social in working out the implication of group membership.

A large amount of experimental evidence has been accumulated to show how the group situation influences the individual. Sensory impressions are influenced as well as overt behavior. Results on discrimination of colors or odors come out differently when subjects are tested individually and in groups. The group situation affects both the speed and the accuracy of performance in certain assigned tasks. Participation in group activities can change such apparently fixed preferences as taste for foods. This aspect of group behavior has implications both for marketing and for marketing research techniques. Numerous examples are summarized in one of the well-known texts on the subject.\(^\text{30}\)

Of still greater significance is the desire to belong and the struggle for status in relation to various membership and reference groups. Individuals are loyal to groups because groups are instrumentality for achieving individual ends. Sometimes the most coveted goal is membership in the group and the feeling of prestige and security that comes from belonging. Sherif calls this type of attitude "ego-involvement." This concept is presented in the book just cited and more fully developed in his collaboration with Cantril previously mentioned. Wherever the question of personal worth is involved the direction and intensity of individual effort is affected in various ways. The ego is held to be entirely a product of social interactions rather than assuming an innate egoistic drive as do the psychoanalysts.

Another concept relating the individual to the group is that of playing a role in group activity. A group which persists for any length of time tends to attain a structure in which roles are assigned to its members. An individual may belong to various groups and play very different roles in each. Of special significance is the role of leadership. In loosely organized groups this role is not continuous but one individual may lead in one activity but be supplanted by another when the activity changes.\(^\text{31}\) Leadership in consumption is a significant phenomenon of marketing. Here also an individual may influence his fellows markedly with respect to one product but less so with respect to prevailing preferences for another type of product. The whole process of attitude formation is a complex group process rather than merely an aspect of individual behavior. Market analysis must find more effective ways of dealing with groups rather than merely isolated individuals.

While this discussion has ranged widely over the field of psychology, it has observed some strict limitations. The purpose has been to provide a perspective on psychology from the viewpoint of application in marketing rather than to undertake an exhaustive review of all aspects of modern psychology. At the same time the material used has come almost entirely from the writings of psychologists. There are insights to be drawn


from sociology and anthropology which are quite as important for the market analyst. This is not an attempt to construct a general theory of behavior but rather to survey the psychological groundwork for such a theory. It is hoped that it may provide some guideposts for the market analyst who turns to psychology for a theoretical perspective on problem-solving. The functionalist view in social psychology leads to a conception of the marketing process as group interaction by individuals each intent on solving his own problems.

The market analyst who desires a more comprehensive review of trends in psychology will find special interest in a recently published *History of American Psychology*. A final chapter lists leaders past and present in many fields of psychology including those which have been mentioned here. The author quotes J. S. Bruner and G. W. Allport as having identified 37 different schools or approaches in psychology. It is stated, however, that all of these can be reduced to two contrasting viewpoints, psychological knowledge as an end in itself and psychology as a means for the solution of the problems of society. The scientist and the problem-solver pose issues of conflict and cooperation even when they exist in the same personality. Those are issues which each market analyst and economist must resolve in his own way.
