MARKETING
THEORY AND PRACTICE

Third Edition

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Chapter 2

The Need for Theory in Marketing

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Introduction

The purpose of this chapter is to establish why it is considered essential that the study and practice of marketing should be founded upon a sound theoretical base.

To do this one must first specify what one means by ‘theory’ and then identify its role. Equipped with a definition of theory we may then enquire into its nature, which in turn will allow us to focus attention upon its function. This consideration suggests that theory is essential to the development of an integrated body of knowledge and raises the question as to how theory evolves or is developed.

A basic distinction is frequently drawn between ‘art’ and ‘science’ and we review what appears to us to be the difference between the two prior to a fuller consideration of the nature of science and the scientific method in the context of its possible relevance to marketing.

The definition of theory

The word ‘theory’ is normally associated in people's minds with the development of ideas or conjectures about the manner or ways in which part of the world works. From the Oxford dictionary we find that one derivation of theory is from the Greek θεωρία which was used in the sense of 'pertaining to or connected with public spectacles, religious functions and solemn embassies', which we presume were looked at by spectators as an attempt on the part of actors or participants to interpret one way of looking at part of the real world. With the passage of time the meaning of theory became more generalised and the Latin root theoria was used to mean 'a looking at or a speculation or a contemplation'. Today, however, we have endowed the word 'theory' with a more specific meaning and for our purposes will adopt the working definition suggested in the Oxford dictionary which defines a theory as being 'a scheme or system of ideas or statements held as an explanation of a group of facts or phenomena'.

The nature of theory

A review of human progress would seem to suggest that the main catalyst is a change in em-
phasis in the orientation of critical thought from a 'descriptive' basis to a basis which may be defined as primarily 'analytical'. For example, in the field of medicine early developments were confined to general descriptions of the human body and the naming of its various parts. In turn this descriptive base permitted the transference of ideas concerning the nature and causes of disease from one case to another. However, with Harvey's discovery of how the blood circulated the orientation of medicine changed from being one of description to one of analysis based upon a theory which satisfies the definition advanced earlier.

Just as Harvey's discovery provided the foundation for the modern profession of medicine so too have similar breakthroughs provided the basis for the development and extension of other fields of human endeavour. At the same time it must be recognised that many breakthroughs in thought and practice have occurred without the application of developed theory. Thus most early innovations were developed by inventors whose approach could be defined as pragmatic, as was the case when James Watt designed the first rudimentary steam-engine based upon his observations of the pressure exerted upon the lid of a kettle as a result of the build up of steam which took place when it boiled upon an open fire. The thermodynamic theory of heat transfer had not been developed, yet steam-engines were constructed and worked successfully for over a century before this theory was evolved. But, with the development of a theory of thermo-dynamics the design of the steam-engine underwent a revolutionary change, and from that time onwards they were designed largely according to theoretical principles rather than by studying and applying empirical data concerning the past design and operation of steam-engines. As a result of this application of theory the efficiency of the steam-engine increased geometrically by contrast with the arithmetic rate of progress which had characterised it prior to a statement of theory concerning its operation.

This same process of development from applied art to analytical or theoretical knowledge has held good in many fields of human activity. When these activities first developed they were essentially based upon the application of skill or technique and characterised as 'arts'. However, with the formulation and statement of a sound theoretical base a whole new insight into the activity began to emerge and the transition took place from art to science.

However, before going on to consider the nature of the differences between art and science it will be helpful if we delineate three basic requirements which any theorist must satisfy.

A basic requirement of any theory are definitions which state clearly the meaning of the various terms which will be used in that theory. The need for clear and precise definitions is obvious, for without them we will be uncertain as to what constitutes a relevant observation and how to interpret it in order to test the theory. In addition to defining the terms that are to be used, an area of science frequently termed 'semantics', the statement of an adequate theory also requires that we define the conditions or assumptions under which the theory will hold. The third requirement of a theory is that it should be built upon hypotheses about the way in which things actually behave or about relationships between things in the real world. In essence hypotheses are working guesses to which we attach a high antecedent probability that they will be validated by the collection and analysis of evidence or data. Thus a hypothesis differs from a theory in that it has not been demonstrated to yield predictions with an accuracy greater than that which could be achieved if predictions were made by some random device. However, once a hypothesis has been shown to be able to yield predictions with greater accuracy than would arise from such a random process, then we will term it a 'theory'. In turn, if a theory can be demonstrated to yield perfectly accurate predictions every time it is used, then that theory will take on the status of a 'law'.

The usefulness and quality of marketing theory will depend upon the way in which definitions, assumptions and hypotheses are combined together. The theory or model which is produced may be regarded as a simplification of a part of reality which usually fits the observed facts approximately rather than exactly. Thus the role of a researcher in any field is to try and impose order upon the observation he makes of that part of the real world which is his area of
interest, for otherwise these observations will be little more than a confused jumble of facts and ideas. The statement of a theory demands that these facts and ideas should be brought together in a related and meaningful way. Thus in many respects a valid theory is very similar to a road map. A valid theory, like a valid road map, requires to be based on facts if it is to be realistic and useful. If it is too detailed and incorporates every hedge and post upon the road it will be confusing and of little use to the driver using it as a means of getting from one place to another. On the other hand, if it is insufficiently detailed, it will be inadequate as a guide to real-life situations.

To be useful, then, a theory, like a road map, must satisfy certain functions, functions which to some degree are dependent upon the structure of the theory itself. Until now, researchers in the field of marketing have tended to limit the functions of theory to those of description and prescription, that is the ability to give direction. These two functions are basic to all theory but in addition there are others which should be performed by any theory with pretensions to adequacy, namely the functions of delimitation, generation and integration.

\section*{Delimitation function}

While the basic function of any theory is to describe part of reality such description must operate selectively. This selection is the delimiting function and means in effect that the theory cannot include everything in the world of reality. Thus a theory which does not delimit in this fashion would break under its own excess of explanation. The process of deciding what to include and exclude from a theory through this process of delimitation depends very much upon the purpose for which the theory is being constructed.

\section*{The generative function}

The generative function may be defined as the capacity to create testable hypotheses and encompasses the processes which we otherwise describe as theoretical speculation, creativity, or even ‘hunch’. Thus as well as being founded upon tested hypotheses a theory must also generate new hypotheses which will permit us to extend our understanding and knowledge.

When a theory is used to stimulate empirical investigation we speak of using the theory ‘heuristically’. The heuristic use of theory is often made by analogy, for example Freud used the physical concept of hydraulic fluid to express mental states.

\section*{The integrative function}

This function of theory refers to the ability to bring together the various constructs and propositions which have been elucidated by the researcher into a more or less consistent and useful whole. Thus the objective of theorists working in an area such as marketing must be to endeavour to integrate and pull together their ideas into a coherent and interdependent unit which warrants identification as a formal theory.

However, such a process of formalisation can have side-effects such as confusion and inconsistency. For example, in the field of marketing a number of independent researchers have attempted to construct complex theories of consumer behaviour in order to explain the buying process. Often, however, these theories contradict as much as confirm one another.

The integrative function is of prime importance in the development of theory. In many ways marketing like psychology has been going through a period in which the emphasis has been upon a number of micro or miniature theories which constitute an adequate explanation of some part or parts of the subject (the ‘piecemeal’ approach). Thus some observers are of the opinion that the first priority in developing theory in marketing must be the integration of these various pieces of emerging theory into a consistent whole (a ‘holistic’ approach).

\section*{The need for a theory in marketing}

As we indicated in Chapter 1, the practice of marketing has existed since the first exchange
practitioners from ‘fire-fighting’ activities and so leave them with more time in which to solve these problems. Thus the increasing complexity of business makes the need for theory even more pressing than hitherto in order to speed up and improve our decision-making capability. At the same time it appears that developments in other sciences have created the intellectual and analytical tools necessary to the statement of a theory of marketing.

Marketing and the scientific method

At a number of places in the preceding pages we have referred to science and scientific method and it is appropriate that we should now consider the relevance that these may have for the formulation of a theory of marketing.

As hinted earlier, the factor that tends to differentiate science from art or applied skill is that science goes beyond mere description and seeks to provide an explanation of why things are what they are. Thus one of the main objectives of science has been that of spelling out the interrelationship between the parts of the structure in order to derive laws or principles which may serve as a basis for prediction, decision and action. Prediction in any field of study is possible only to the extent that uniformity exists in the phenomena under study. Indeed it is probably because the conditions and events of a physical nature are found to have a relatively higher degree of uniformity that predictions regarding them can be thought of as comparatively reliable with the result that the methods by which such phenomena have been studied have become the standards for scientific research and the basis of what has been termed ‘the scientific method’.

In an article entitled ‘Is Marketing a Science?’ Robert D. Buzzell\(^2\) suggests that a science is ‘a classified and systemized body of knowledge...organized around one or more central theories and a number of general principles...usually expressed in quantitative terms, knowledge which permits the prediction and, under some circumstances the control of future events’. Invariably science that conforms to this definition is the outcome of a

relationship. However, in tracing the evolution of marketing from the early days of barter through to the statement of the modern marketing concept in the early 1950s, it became apparent that the need for a formal restatement of the basis upon which such relationships exist arose out of the separation which had occurred between buyer and seller. In turn the degree and extent of this separation reflects the development of a very complex and sophisticated system for matching highly specific wants with supplies of goods and services capable of satisfying these wants.

In recent years it has been fashionable to decry the operation of the marketing system and to give great attention to its deficiencies rather than to its achievements. In large degree it is felt that many of the deficiencies which exist in the marketing system arise out of a lack of understanding as to its actual operation. It is recognition and acceptance of the need to improve our understanding of the manner in which the system works which underlies the need to develop a workable theory of exchange. It must be stressed that the key word in the preceding sentence is ‘workable’ for clearly there are well-developed theories of exchange in economics and in the behavioural sciences. However, from our point of view these are inadequate for they are an oversimplified and stylised representation of real-world behaviour. Further, it is our opinion that a theory of marketing demands a synthesising of concepts from both the economic and the behavioural sciences if it is to constitute an adequate explanation of the true nature of exchange.

In many senses the practice of marketing today is in a very similar situation to that which obtained prior to the statement of the law of thermo-dynamics in terms of the development of the steam-engine. Thus, as Halbert has pointed out\(^1\), marketing needs to develop a theory both to improve operational performance as well as to satisfy an intellectual desire to evolve an explanation of a confused world. With the formulation and statement of a theory of marketing we could look forward to the more effective solution of immediate operating problems and so could concentrate our attention on the more important and basic problems which underlie them. Further, increased operational efficiency would also free
process known as 'the scientific method' which is usually recognised as possessing a number of clearly defined steps: (i) observation and measurement, (ii) experimentation, (iii) classification, and (iv) accurate generalisation.

Is marketing a science?

The question posed by Buzzell has long been debated by marketing academics being originally sparked off by Converse in 1945 and raged in the 1950s and 1960s fuelled by such authors as Alderson and Cox (1948),4 Vaile (1949),5 Bartels (1951),6 Hutchinson (1965),7 Jueck (1953),8 Baumol (1957),9 Buzzell (1963),10 Halbert (1965)11 and Taylor (1965).12 Three definite schools of thought can be identified:

1. Those who say marketing is not and never will be a science.
2. Those who believe marketing is a science.
3. Those who presuppose the attainment of science is possible and who either do not concern themselves with justifying their position or suggest that as marketing matures it will become worthy of the title 'science'. Others who may be included in this school are those who point out marketing's use of scientific method as justification of its evolving status.

Vaile13 was one of the earliest critics of the 'marketing is a science' school. In answer to Alderson and Cox's14 attempt at a single theory in 1948, he said 'When all is said and done, marketing will remain an art in which innovation and extravaganza will continue to play an important, albeit unpredictable part.'15 Hutchinson16 similarly eloquently dismisses marketing as a science. He too believes that marketing should be considered as an art or practice, more closely resembling engineering, medicine and architecture and that marketers should follow the medical profession whose members are called practitioners and whose work it is, 'as it is of any practitioner, to apply the findings of many sciences to the solution of problems'.17 Levitt suggests science is only used as a limited background to help marketers make decisions and reduce risks, but their objective must always be the practical application and thus 'The highest form of achievement is always art, never science.'18 He further believes that marketing will probably never be a science because little day-to-day guidance is possible. Taylor is also of the opinion that 'the act of marketing is an art'. He does, however, admit that in the course of the marketing practitioner's work 'he may publish observations and conduct experiments. To the extent that he does so and contributes to the field of conceptual schemes that are fruitful and that extend the range of theory in marketing, he functions as a scientist.'19 Weiss20 is perhaps the most scathing, suggesting that the Marketing Science Institute in the United States should drop 'science' from its title for all social sciences are merely disciplines and 'undisciplined disciplines at that'. Since behaviour can never be 'average', to develop diagnostic tools to analyse it, he insists, is irrelevant.

The 'marketing is a science' school is less polemic. Bartels21 suggests one commonly held view is that 'Marketing thought is ... seen beginning as simple inquiry and findings, progressing to the status of a discipline and emerging as science.'22 Most marketers, however, are more cautious and fall into the third category, believing marketing will be worthy of the title of science eventually, provided marketers do not concentrate on borrowing theories from other disciplines without validating them, but stick instead to building up theory from observation and the measurement of raw data.

Whether marketing is classified as a science or art is largely dependent upon the author's perspective and approach. If he is a practitioner, or favours the view that marketing should be approached in a managerial or institutional way, he is likely to insist that marketing is an art. The academic and researcher are more likely to believe that marketing is, or has the potential of being, a science. Numerous definitions of science have consequently been quoted to prove or disprove that marketing is a science. For example, Buzzell says that since science is 'a classified and systematic body of knowledge...organised around
one or more central theories and a number of general principles’ and since marketing lacks the requisite central tendencies, it cannot be termed a science. In addition, he suggests its ability to predict (another of science’s criteria) is limited. However, even the critics have to admit that marketing uses science and scientific techniques. Hutchinson23 seeks to resolve the problem by drawing a distinction between the scientist pushing back the frontiers of knowledge and the practitioner applying that knowledge. Ramond24 suggests the linkage is much closer, ‘using science is an art’. He goes on to show how scientific knowledge and methods can help practitioners operate most effectively. ‘Marketing, like medicine and engineering, requires the practice of many arts, important among which is the use of science.’

The supporters of marketing being a science frequently quote Homans,25 ‘What makes a science are its aims, not its results’, while others have taken dictionary definitions of science, for example, ‘any distinct branch or department of systematized knowledge considered as a distinct field of investigation or object of study, it is concerned with observation and the classification of facts and with the establishment of general laws, chiefly by induction and hypotheses’26 and matched the function of marketing accordingly. They point out that science is built up through the scientific method – the selection, registration and rearranging of facts into some workable form from which conclusions can be derived – and since marketing already uses this process it must be at least a potential science, but may not yet be science because it is still a young discipline. They refer to the fact that physics achieved the status of science before psychology, and psychology before sociology. Since marketing has not progressed very far along the evolutionary spectrum, it is only a matter of time before it arrives.

The battle tends to focus on one or two controversial areas. One is whether marketing meets the objectives of science. Most accept that science’s objectives are to derive laws and principles from studying underlying uniformities to serve as the basis for prediction. The ‘marketing is an art’ school argue that marketing phenomena are different from those in the physical sciences and do not therefore have a sufficient degree of uniformity to serve as the basis for prediction. The ‘marketing is a science’ school argue that there is sufficient uniformity and stability for making valid and reliable predictions, and measurement can be used in marketing equally well as it is used in physics or chemistry – the only difference being that ‘precision is a relative matter’.27 Also, while it is true that marketing is a complex discipline with numerous variables interacting within a wider dynamic framework, complexity is also common in physical sciences, but here it is often assumed away.

Another point of disagreement is whether the scientific approach is inductive or deductive. The ‘marketing is an art’ school say that true science is made up of laws that are empirically derived (and therefore more objective) while the social sciences have tended to rely on theoretical laws (i.e. rules of inference). Supporters of the ‘marketing is a science’ school are prepared to accept either or both types, for even subjective factors, they say, can be reduced to scientific statement in law.28

Perhaps Bartels sums up the definition of science debate the best by showing how marketing can be described to fit the definition of an art, a discipline or a science. The only reason for one’s choice is one’s approach. To define marketing as an art puts the emphasis on doing. To define marketing as a discipline stresses the academic side. To define marketing as a science is to see it as a body of knowledge with concepts, theories, principles and laws.

It would seem that to consider marketing solely as an art is myopically to deny the utility and function of science and restrict marketing’s development in the future. Despite the fact that most marketers will always be concerned with the discipline’s practical application, all effective practice is dependent upon evolving theory. Without better theory practice cannot become more effective and to regard theory as the opposite end of the continuum from practice is to exemplify the misunderstanding portrayed by many of the ‘marketing is an art’ school. The purpose of science as a problem-solving tool for society should be
sufficient reason to regard marketing as a science, and theory, an integral part of science, therefore has an essential role.

Science and marketing

While we have suggested that the basic distinction between art and science rests on the fact that the latter goes beyond description to explanation, none the less it is clear that the first step in the scientific method must be the collection and description of facts. Based upon observation the first distinction which a person is likely to make is qualitative, for example A is bigger than B and A is bigger than C. It is immediately apparent that such qualitative statements severely limit our ability to make inferences about the relationship between B and C. For this reason science lays great emphasis upon precise measurement and quantification and so enables us to make much more accurate and elaborate statements about the relationship between objects.

If we assume that the first step in the evolution of scientific methods is the chance or random observation of objects and events, then it is clear that our knowledge and understanding will be greatly improved if these observations are undertaken in a systematic manner. Even greater progress becomes possible when such systematic observation is complemented by experimentation. Experiments may be conceived of and undertaken for a variety of reasons but all rest upon the principle that every natural event is a consequence of preceding and ascertainable conditions of its physical environment. It follows, therefore, that if one changes the conditions in the physical environment then one will produce corresponding changes in the event. Amongst the various types of experiment may be distinguished exploratory investigations in which one varies input in a controlled manner in order to determine the effect upon the outputs; experiments to test accepted principles, for example Galileo's experiments with weights whereby he disproved the Aristotelian law that material bodies fall with velocities proportional to their weights; experiments to check on chance observations; and experiments to test hypotheses.

Clearly, experimentation results in a great improvement in both the quantity and quality of data available to scientists. However, to be meaningful this data must now be classified as a basis for analysis and a statement of accurate generalisations. This process whereby one develops generalisations from particular instances and events is known as 'induction' and, irrespective of the name given to them, all models, principles, laws and theories possess the common property that they are generalisations about an area of reality arrived at by the process of abstracting from reality.

Good representations of phenomena abstracted from reality can also be used to explain occurrences or even to make predictions. This method is known as 'deduction' - a process of reasoning from general assumptions or statements to particular conclusions. It is clear that deductive methods permit the verification of conclusions arrived at by inductive reasoning, and thus the cycle of induction, deduction and verification constitutes the framework of the scientific method.

The need for a scientific approach to the solution of marketing problems was well exemplified in a paper delivered by Colin McDonald at the Market Research Society's Seminar on Strategic Advertising Decisions in November 1974.29 Given the magnitude of advertising expenditures (£874 million in 1973 in the United Kingdom at the time at which McDonald was writing and now (1992) estimated at £8,769 million including Direct Mail), it is not surprising that marketers have long sought for some measure of the return on this outlay but, so far, with a singular lack of success. In McDonald's view this lack of success is due to speculative theorising which fails to observe the rules of the scientific method, and especially its failure first to observe and describe the phenomenon. Thus he comments:

I find myself very much in agreement with David Berdy30 when he categorises most of the approaches to advertising as ideological, or fundamentalist, and for that reason sterile, and complains of its failure to adopt a true scientific approach in spite of trying: Outside the pure sciences...there is an inverse relationship between preoccupation with theoretical
structures and the understanding of practical techniques or processes. You cannot observe a theory without observing facts; such short cuts are a negation of the scientific method.

In deciding just what one should observe, McDonald cites three basic questions posed by advertisers:

1. How should we decide the size of the advertising appropriation?
2. How should we decide the media mix?
3. How should we decide whether to have continuous or burst advertising?

He goes on to say that 'The second and third of these questions are subsidiary to the first one. The first question involves what advertising is trying to do (objectives) and how we measure that it is doing it; the other two questions are about how to achieve what is determined by the first.'

But, after reviewing the advertisers' viewpoint, McDonald is forced to conclude that an approach based upon measuring advertising's success (or lack of it) in achieving predetermined objectives is doomed to failure. As he trenchantly points out, 'The trouble is that, because there is ignorance of advertising effect, people have no basis on which to set objectives in the first place. Thus the objectives they do set (when indeed they propose any) tend to be circular; they reflect their existing preconceptions'. Accordingly, it follows that one must first observe, record and measure what actually happens as a result of advertising in terms of perception, awareness, attitude and behavioural change. In turn, as we are concerned with people, we must study them as individuals and over time, which militates against the type of aggregate and cross-sectional studies which have predominated in the past.

Once we have built up a sound base of observations, McDonald feels that we should not be so constrained by the true scientific method as to become heavily involved in experimentation. This opinion is predicated on the belief that the high level of interdependence between many marketing variables (for example distribution and promotion) makes it very difficult to separate out their effects and that attempts to do so may be sterile and self-defeating (as they often have been in the past). Thus experimentation should be used where feasible and appropriate but should not be regarded as a sine qua non of progression to the stages of classification and generalisation.

Throughout his paper McDonald returns again and again to the need for a sound empirical basis to theory founded upon observation and testing of these observations, for otherwise there is a considerable danger of falling into the trap of circular reasoning. As an example of this he cites the DAGMAR model which is postulated on a premise that this is how advertising 'should' work and validated by data or evidence which proves the point - in other words a self-fulfilling prophecy.

The development of marketing theory

Much of what McDonald has to say about the measurement of advertising effectiveness would seem to be equally true of many other areas of marketing. Perhaps marketers lack sufficient humility to get back to first principles and collect raw data as the basis for developing their own theory, or perhaps we place too much reliance upon the theories which we have borrowed from other disciplines without validating them. Whatever the reason we are inclined to subscribe to the general view that while marketing is not yet worthy of the title 'science', there is no reason why it should not become so. However, to achieve scientific status we must accept the rigour implicit in the scientific method and begin at the beginning with observation and measurement and not jump into experimentation, classification and generalisation without this essential foundation.

Assuming then that we accept the desirability of committing effort and resources to the development of marketing theory, and are prepared to adopt a scientific approach, what criteria should we seek to satisfy? On this issue we can do no better than reproduce Leslie Rodger's statement of the requirements of good theory.31

(a) it must provide the means of classifying, organising, and integrating information relevant to the factual world of business;
(b) it must provide a technique of thinking about marketing problems, and a perspective for practical action;
(c) it must make available an analytical tool-kit to be drawn on as appropriate in the solution of marketing problems;
(d) it should provide a basis for the explanation, prediction, and perhaps even the control of marketing processes and events;
(e) it should, in time, permit the derivation of a number of principles, possibly even laws, of marketing behaviour.

If we adopt these criteria then it is apparent that there are at least some ideas and concepts which enjoy currency among both academics and practitioners that go a long way towards satisfying them. Thus, while this chapter has been concerned primarily with establishing the need for theory and the benefits of a scientific approach to its formulation, in the process of which we have been critical of non-scientific methods, this is not to say that marketing lacks any theoretical foundations at all.

To date, however, theory is poorly developed in marketing. It can be evaluated in terms of (i) integration or cohesion, (ii) consistency of approach, (iii) practical applicability, (iv) sophistication, and (v) origin. While its role and function have varied through time – from a means of identifying problems to facilitating solutions and today helping to organise a much wider social system to explain the exchange relationship-theory on both the overall and the specific levels remains relatively unintegrated and its practical utility is limited in scope, lacking in sophistication, and its foundations lie largely within other disciplines. In terms of its inconsistency of approach, nowhere is this more clearly seen than in early attempts to develop a marketing ‘theory’.

Early approaches to marketing theory on the overall level

By considering the historical evolution of marketing theory on the broad level, it is obvious how disparate, eclectic and inconsistent in approach attempts at such a theory were. Marketing was conceived, or discovered, according to Bartels, between 1900 and 1910. Previously it had been incorporated into macroeconomic theory but at the beginning of the century the scientific study of management practice was developing. Attention thus turned from the public to private economic problems. Economic theory was seen to be inadequate and marketing began to borrow theory from other disciplines. Overall, however, marketing theory received little interest before 1941. Between 1940 and 1950, and closely associated with the ‘is marketing a science?’ debate, it was felt that there was an insufficient theoretical basis in marketing. The most significant contributions to emerge were those developed by Alderson and Cox and Bartels.

Cox and Alderson suggest that two factors promoted the call for a new theoretical perspective – first, dissatisfaction with the numbers and kinds of generalisations thus far achieved through sedulous accumulation of innumerable facts; and secondly, and perhaps more importantly, dissatisfaction with the adequacy of individual theories already incorporated within marketing, notably economic theory. Nevertheless, they believe that marketing is not doomed to a ‘fragmentary, superficial and inaccurate’ future, but that ‘the accumulating elements for at least a rudimentary theory of marketing are scattered throughout the literature of the social sciences’. Thus, while they dismiss the idea that a definitive theory of marketing can be developed immediately, they suggest certain insights and borrowing from such fields as group behaviourism and ecological studies, could, using a creative approach, help to develop some basic overall theory.

Wroe Alderson attempts his own creative approach through functionalism. Functionalism, first introduced into marketing by Shaw in 1912, is defined as an approach to science which first identifies some system of action and then tries to determine how and why it works as it does. Alderson’s normative theory of marketing systems examines the way organised groups function in continuous adjustment to an operating environment. The normative aspect of his dis-
Discussion specifies how decision-makers (problem-solvers) ought to behave if they want to achieve their goal — which is seen as survival. The economic, social and ecological environments offer various choices on both the supply and demand sides. Problem-solving is seen as an attempt to reduce the uncertainty. Thus the theory resolves problem-solving by decision-makers in different operating environments. It suffers several limitations. For example, Alderson assumes marginal utility theory in consumer behaviour, suggesting that two-thirds of all American consumers are rational problem-solvers, but to justify its claim to being a first step in marketing theory, it should not have to mirror reality in all its complexity. Such an approach, says Alderson, can be applied to all types of commodities and firms on the individual level, and will help explain how an entire marketing system continues to evolve through the activities of its components on the macro-marketing level. Thus Alderson provides a perspective for future model-building directed at either the general interpretation of marketing or the solution of individual problems.

Alderson is not the only writer who has attempted to use functionalism. McGary in 1953, identifying six marketing functions (contractual, propaganda, merchandising, physical distribution, pricing and termination), attempted to develop a theory of marketing. It is a deductive, speculative approach that envisages marketing as a social mechanism that develops with the growth of an economy and aids the adjustment of man to his environment. McGary, unlike Alderson, believes the consumer is imperfectly rational. While such controversies are inherent in a subject-matter with so many unknown variables, both McGary and Alderson provide the beginnings of an overall theory which simplifies, explains, may eventually predict, and which would seem to be of great potential value today.

Bartels, the other major contributor to general marketing theory, is concerned about the cohesiveness of marketing. He believes a holistic theory is necessary to bind together the proliferation of facts and the various viewpoints, concepts and approaches, which are constantly changing as marketing becomes more people-oriented and more subject to public and environmental constraints.

Bartels's perspective of marketing is summarised by his statement 'Marketing is the process whereby society, to supply its consumption needs, evolves distribution systems composed of participants who, interacting under constraints — technical (economic) and ethical (social) — create the transactions or flows which resolve marketing separations and result in exchange and consumption.' He then attempts to expand this into a general theory summarised in Figure 2.1.

Figure 2.1. Bartels's summary of marketing theory

![Diagram of Marketing Theory]


Whether such a diagram can be regarded as an overall theory is open to debate. Certainly it serves to epitomise the lack of sophistication associated with theory at this level. Bartels is the only author to call his work 'a general theory'. Others readily admit that their suggestions are merely perspectives that might form the beginnings of general theory.

Problems involved in the use and development of theory

Many of the major problems involved in using and developing theory are interrelated with the
acceptability of marketing as a science. The youth of the discipline and the nature of marketing phenomena are obvious initial handicaps. If it is assumed that any science starts with curiosity and that it is first necessary to understand and explain in order to predict and eventually control the future, marketing's progression along this path has been hindered from the early stages. Curiosity and inspection of marketing phenomena calls for definition, since it is difficult to predict without some precision of language. Unfortunately the essential step of formulating a language is still underway. The problem of definition revolves around three areas of controversy: (i) what kinds of phenomena and issues are perceived to be in the scope of marketing, (ii) what kinds of phenomena and issues should be included in the scope of marketing, and (iii) how can marketing be defined so as to encompass systematically all the phenomena and issues that should be included, while at the same time systematically excluding all other phenomena and issues. Since the scope of marketing is very broad, and the phenomena are complex, interacting and dynamic, responding to a much wider system, it is not surprising that the definition of marketing's boundaries and functions has varied according to individuals' perspectives.

Major perspectives adopted can be identified by using three dichotomies — micro/macro, descriptive/decision-oriented, profit/non-profit. By examining the various approaches and allocating authors to these categories, it is easy to understand why marketing is considered a science by some and not by others, and why theoretical development and agreement is more difficult. The practitioners like Levitt, Buzzell, Vaile and Taylor would suggest that marketing should be restricted to the profit/micro/normative definition, which can be traced to the 1920s, but received greatest emphasis in the early 1960s when the managerial approach to marketing was in fashion. Since marketing is purely evaluative and prescriptive if this approach is adopted, not unnaturally the authors regarding it in this light see marketing as an art. However, it is unnecessary, unrealistic and undesirable to restrict the definition of marketing to this extent. Marketing also includes positive dimensions which can be understood, explained and predicted, and therefore involves science. Furthermore, because marketing deals with the real world which is constantly changing, corresponding changes in foci and priorities are essential. The growth of the public sector, social and societal issues and other new values and priorities are now forcing the traditional definitions of marketing like the performance of business activities that directs the flow of goods and services from producer to consumer or user in order to satisfy customers and accomplish company objectives to be broadened. Thus profit/macro/normative and non-profit macro/ and micro/normative approaches to marketing are the most fashionable today.

In the past the problems of definition and the widening scope and changing foci of marketing have been exacerbated by the lack of interaction between academic marketers and marketing practitioners. The practitioner has tended to dismiss marketing theory as irrelevant, or an impossible dream, since (i) the various assumptions made by the theorist can always be disputed, (ii) marketing models are often seen as reductionistic and therefore useless, concentrating on the individual as opposed to aggregate factors like market demand, and (iii) static equilibrium models are worthless in the dynamic real world.

Yet, even the practitioner has 'rules of thumb' which could be seen as models to help him predict. Furthermore, his function of setting goals, analysing, planning, implementing and control corresponds to normative prescriptions given by the theoretician. Therefore, while the idea that theory and practice are separate is clearly wrong, at the same time, because the academic has in the past been of little help with his theories, which seek to explain the variables originating from other disciplines or which incorporate ceteris paribus assumptions, the gap between theorist and practitioner has been maintained. In an increasingly dynamic, unpredictable and complex world, new models, even if simple, are essential to allow the decision-maker to identify correctly the basic structure of the environment in which his organisation operates and allow him to predict relationships, for example,
that between advertising outlays and company demand.

Certainly some cohesion within the discipline is necessary and some framework which will be accepted by marketers must be developed. The answer would seem to lie in using criteria sufficiently broad to enable both schools of thought to regard marketing as a science. Since marketing has (i) a distinct subject-matter, being centred on transactional relationships, (ii) can be described and classified (as well exemplified by the marketing literature), (iii) has underlying uniformities and regularities on both a priori and empirical grounds, and (iv) can be studied by using the methodology of science, it should be regarded as a science. Such criteria overcome the criticism like lack of central theories, while the focus of the transaction provides some solution to the problems of definition. Through reconciling the two schools of thought in this manner, the way ahead to develop better theory specifically suited to marketing's needs rather than reliance on theories borrowed from other disciplines is open. The purpose of theory in broad terms is to increase understanding through systematised structure but the practitioner's cooperation will ensure that theory is developed in the right direction to maximum utility. It may be that some business practitioners are already coming round to this way of thinking if Newman is to be believed. He suggests that dating from the 1960s there has been a shift from the 'seat of the pants' type of decision-making to a new era of professional management based on regularly sought, expertly interpreted information. The practitioners' acceptance of marketing as a science can also be witnessed by the establishment of associations like the United States's Marketing Science Institute which has the specific aim of contributing to the emergence of science in marketing, stimulating increased applications of scientific techniques.

The case for accepting marketing as a science is clearly a good one. It diverts energy spent on arguing over the criteria of what is science to more fruitful application elsewhere and ensures a more integrated approach towards marketing from both the academics and the practitioners.

Notes and references

10. Buzzell, 'Is Marketing a Science?'.
13. Vaile, 'Towards a Theory of Marketing'.
16. Hutchinson, 'Marketing as a Science: An Appraisal'.
17. Ibid., p. 290.
19. Taylor, 'Is Marketing a Science Revisited?'
23. Hutchinson, 'Marketing as a Science: An Appraisal'.
32. Alderson and Cox, 'Towards a Theory of Marketing'.
33. Bartels, 'Can Marketing Be a Science?'.