THE HISTORY OF MARKETING THOUGHT
Second Edition

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to me during 1940 and 1941 by pioneers in the study of marketing. Therein they have explained some of the influences that directed their thinking and efforts into this new field of inquiry. In Appendix B is presented a comprehensive bibliography including a large portion of the books on marketing published since 1900. To emphasize the historical analysis intended, they are arranged chronologically according to the dates of their first editions. They are also classified in the literatures with which they are usually associated. Appendix C contains a classification of principal contributors to the various subject literatures.

Because the substance of this study has been developed over a number of years, inspiration has been drawn from many sources. During the writing stage, colleagues have read certain chapters and made helpful suggestions for their improvement. My indebtedness to all who have supported this effort is matched by the hope that the resulting work will help the student and practitioner understand the role that marketing plays in our society, as evidenced by the development of marketing thought.

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THE MEANING OF MARKETING

There are periods of such rapid social evolution in the annals of human history that one can scarcely tell which has had more effect upon the other: changes in thinking or changes in the environment. The years since 1900 have been such a period.

For much of the world this has been a period of slow progress and destructive warfare. In countries where industrialization was advanced, the establishment of a market economy wrought marked changes in the social and economic structure. In the United States, not only did the market economy develop, but a new attitude toward business revolutionized the economy of the country and gradually affected the whole world. That revolutionary element was identified by the term "marketing."

The development of marketing was a result of circumstances. Environmental conditions focused attention on market practices. Industrial production was expanding; inventions created new products; population, education, and personal income were on the increase; social values exalted financial success; and new and widening markets offered unlimited opportunity for initiative and innovation. At the same time, the manner in which people regarded the market and practices also changed. Increased attention was given to the market, to its institutions, to its social role, and to the improvement of the practices of those who were engaged in market undertakings. In those circumstances early concepts of marketing were formulated, and the modern practice of marketing was begun.

Those same circumstances gave birth also to the body of marketing thought that has since been developed. This thought consists of the accumulated understandings of marketing: the facts of our markets, rules of operation, principles of marketing behavior, and theories advanced for the achievement of certain marketing objectives. This thought has found expression in both periodical and book literature.

The influence of this body of thought during this century has been inestimable. It has given guidance to millions of businessmen and has been the chart for planning the structure of our marketing institution. It has been the voice of a new philosophy extolling and extending the role of sales promotion in the economy. The literature of this new body of thought has been read by college students of business. It has been the backbone of business teacher training programs on the graduate level. Even in secondary and vocational education, sometimes diluted and distorted, it has molded values, standards, and motivations of our society. Seldom has a literature been so influential or a society so receptive to the influence of a new body of thought.
SURVEY OF MARKETING THOUGHT

Marketing thought, through most of this period, has been developed as a spontaneous and voluntary contribution of those who were concerned with solving problems of the marketplace. Objective regard for this body of knowledge did not develop along with the thought itself, and it was not until the 1930s that much interest in the scientific character of this knowledge was expressed. Interest in application of scientific standards to marketing research and management was amply manifested earlier, but concern for whether the body of marketing thought approximated, or had the potential of, a "science," or why it developed in the manner in which it did, was not so soon forthcoming.

In recent years such consideration of the body of marketing thought has grown as a result of several factors. First, within the field of marketing have evolved new concepts, new explanations of marketing, which challenged those which had become accepted as basic marketing knowledge. Those who believed in the "rightness" of the marketing principles and theories evolved during the first half of this century grew to accommodate newer ideas. In the process, however, more objective scrutiny and appraisal of all marketing thought was required. Both the older and the newer elements in marketing thought came to be seen as understandings produced by the circumstances of the times. Thought that was produced in past decades took on new meaning when oriented in the economic and intellectual environment in which it was conceived. As marketing methods are a function or variable of a marketing objective, so marketing thought itself is dependent upon the factors that impel such thought at any given time.

Second, appraisal of the state of marketing thought has been impelled in recent years by upheaval in academic circles over the content of the marketing curriculum. Most marketing programs, until 1950, were based upon the structure of marketing knowledge devised up to that time. Increasing demand for education of students of business in broader management capacities turned attention from traditional to less orthodox concepts of marketing and thought structures. This development, too, has emphasized the relativity of marketing thought — its relativity to the problems to be solved in our economy and to the specific use to be made of it. Re-examination of marketing knowledge has been impelled by the effort to shape scholastic offerings to the present needs of our business and social community.

A third impulsion to the present growing interest in marketing thought springs from a broadening concept of marketing. Heretofore, marketing has been looked upon primarily as a technical business activity. It has been regarded also as an economic activity. More recently, however, it has been viewed as a social activity or institution — the activity of society providing for its material needs. Consequently, the structure of thought that had served the former, more narrow purpose and concept of marketing has yielded to a broader concept, with the result that marketing thought has been appraised from the standpoint of other social sciences. Interdisciplinarity, or the interrelating of marketing with other social studies, has contributed to marketing knowledge a number of concepts and methods of research. It is increasingly providing a social viewpoint that, by way of formulating new objectives for marketing, has caused restructuring and reappraisal of marketing thought.

EMERGENCE OF MARKETING

If marketing thought is an expression of what is known about "marketing," it follows that the beginnings of marketing thought would be traceable to the beginnings of marketing. If, as is commonly claimed, the beginnings of marketing are lost in antiquity, the beginnings of marketing thought would be equally ancient. That this cannot be taken for granted, however, is clear because the beginnings of marketing thought are associated with events following the turn of the present century. The problem posed by this inconsistency is simply this: Has marketing always existed?

Historical accounts of trade lead one to conclude that marketing has always existed. Six thousand years of recorded history shows the roots of both Western and Eastern civilization to have included various forms of trade. This is not conclusive evidence, however, that marketing has always existed. The issue relates to whether marketing is a concept or a percept.

Was the original use of the term "marketing" merely an application of a new name to an old practice? Or did it represent the discovery of something new, which demanded also a new name? It is believed that the term "marketing" was first used as a noun, in contrast to its earlier use as a verb, between 1906 and 1911. Could it be said that that was when marketing began? Or did it exist before? This is in part a question of semantics and etymology, but it is an important question, for what marketing is must be understood before the nature of marketing thought can be ascertained.

Two philosophic theories concerning the origin of language are interestingly discussed by Richard Chenevix Trench, in a series of lectures given in 1851. One theory, he says, is that language is an invention of man, an adornment, something he might create or not create, as his pleasure might direct. If that were the case, there might be found primitive people who had no language. But human beings who did not use language to communicate have never been found.

The other explanation of the origin of language is that it is inseparable from reason and is a spiritual faculty of expression, apart from man's ability to think. Man's word and his reason are essentially one and the same; the Greek language had one word for both. Accordingly, man's language has developed as his thoughts have developed. New ideas find expression in new words.

Emphasizing the indigenousness of words to a people's thinking, Trench wrote that the manner in which people become aware of thought deficiencies is by comparing their own language with another.

Compelled by such comparisons through having undertaken to transfer treasures of (another) language into their own, they become conscious (that) . . . another language has found no voice in their own . . . Men are so little accustomed, indeed so little able, to contemplate things . . . except through the invention and by the machinery of words . . . that the absence of words from a language almost necessarily brings with it the absence of any sense of that absence.

This is simply to say that thoughts find expression in words, that realities await discovery and naming, and that new thoughts — and thoughts are "things" — take new words.

The significance of this theory of language to the study of marketing thought lies in the fact that the term "marketing" was not used until early in this century.
and that even yet there is in other languages no equivalent for the word "marketing." The French, for example, use the term "le marketing," and in other languages also the English term is used to represent an idea that is not indigenous to their thinking or their vocabulary. The inference is that the idea that the term "marketing" represents has not always existed. If, therefore, the idea that "marketing" represents has not always existed, can it be said that marketing has always existed? No single change in distributive practice in the early twentieth century so abruptly impelled the use of a new name. But the confluence of ideas producing a new conception of distributive practice did produce that result and led to the initial use of the term "marketing." Marketing must therefore be regarded not simply as a practice but as a conception—a concept of a practice.

According to Trench, a problem in the development of thought is the use of a single term to designate a variety of concepts. This problem has been experienced in the development of marketing thought, for not only did "marketing" represent something different from "trade" or "selling" but throughout the usage of the term "marketing" it has been employed to represent a variety of slightly differentiated ideas.

By "marketing" was first meant that combination of factors which had to be taken into consideration prior to the undertaking of certain selling or promotional activities. The essence of "marketing" was the combination of factors. Blindness to and ignorance of that combination of factors is the reason for the absence of terms equivalent to "marketing" in other languages. In the development of marketing thought even in the United States, the conceptual, rather than the perceptual, nature of marketing has been too little appreciated, with the result that structures of marketing thought have not always included clearly defined concepts of the subject. In general, however, it has been treated as a business activity, a technical function, a practice, a trade phenomenon.

**MARKETING AND SOCIAL SCIENCE**

Thought about marketing reveals it to be more than simply a business activity. Economists have regarded it as a type of economic activity. But more than that, sociological research has shown increasingly that the institution of the market, and therefore perhaps marketing and marketing thought, is primarily a social rather than merely an economic institution.

Polanyi is an exponent of this idea; his writings lift the traditional subject of marketing out of the realm simply of business thought and place it in a much broader social context. From his viewpoint, marketing must be regarded not merely as a business practice but as a social institution. Marketing is essentially a means of meeting and satisfying certain needs of people. It is a highly developed and refined system of thought and practice characteristic of a period in the development of market economy.

Market economy, according to Polanyi, is a social system that has been developed mainly since the sixteenth century. In it economic factors have superseded other social institutions that were previously paramount. Assumptions made concerning man's behavior in the market, both as seller and as buyer, have been foremost determinants of economic and social practices. Marketing thought has been part of the superstructure built mainly upon economists' premises during this period, some of which Polanyi holds to be fallacious. By his timetable, not only marketing but also the market economy is new, for before the past few hundred years there had never existed a social or economic system similar to the market economy in which we are now operating. This is a system in which the market regulates and runs society rather than society's holding the economy subordinate to social interests. According to Polanyi, this autonomous market economy has risen to its zenith and is already in a declining stage, evidenced by the restoration to society of some of its social, moral, and ethical values with which the market economy has been in conflict.

A latent presumption in the practice of marketing has been that marketing gives to society more than society gives to it. The fact is that marketing is but one of several means of accomplishing a social objective. Polanyi explains that this objective is accomplished by societies in different ways: by reciprocity, redistribution, economy, trade, and the market.

Reciprocity, according to sociologists, is a social system wherein material needs are met through exchange carried on between individuals and groups in the form of gift-giving. Usually, surplus goods are given to those lacking such goods. Through a concept of symmetry, or duality, individuals or groups are paired for reciprocal giving. Rules govern the practice, requiring the exchange of equivalences, although not of numerically equated offerings. No records or administration is involved, and there is no concept of "truck and barter." When carried on extensively, this system is said to involve intracies the accounting for which modern record systems would be inadequate.

Redistribution is a social system involving the assembling of goods at a point from which they are redistributed by a duly constituted authority. An extended family, a tribe, or even a larger political group may be a unit carrying out this concept of centrality. This system provides for the needs of all by a type of rationing, providing also for those who do not contribute physical products but who serve the community in other ways, as well as those who are unable to make a contribution to the community.

**Householding, or oeconomia, to use the Greek term, is a third social system accomplishing what marketing does in our society. Autarchy is an essential feature of the household economy. It involves production for use, not for exchange. The unit of self-sufficiency is a closed social group. There is no need for trade or markets, although some goods are sold, despite the fact that production is for use rather than for gain. Householding was the system prevailing at the time of Aristotle, who recognized in the early markets then beginning to appear new concepts and new implications.**

In these three systems individual motives are disciplined by the general principles of behavior for the society, and the motive of gain is not present in any of them. Adam Smith's presumption of man's innate propensity to "truck and barter" was unfounded in sociological fact. Stemming from economic theory based upon that hypothesis, which did not even appear valid until after the Industrial Revolution, marketing thought had at the outset a variance from other social sciences with which it only lately has begun to become reconciled.

A fourth system of supplying society's needs is that of trade—marketless trade. Trade is a form of exchange which may be carried on in the absence of markets. Historically, it involved prices, in the form of equivalences, determined by treaty or administrative decision and not by behavior in a market place.
The Meaning of Marketing

MARKETING AND HUMAN DEVELOPMENT

Explanation of the appearance of marketing on the surface of the world's time and space is more difficult than the mere identification of marketing with a social system or a business philosophy. Nevertheless, conceive as to "why" is as important as analysis of "how" marketing thought has developed. Such speculation presumes causes, and causal interpretations of social developments are yet taken to be hypothetical and undemonstrable. Nevertheless, there are theories of determinism based upon a number of points of view.

Perhaps the most familiar to students of business is the theory of economic determinism, whereby the evolution of a marketing order is traceable to economic development. It might be said that in the natural course of the economic development society progresses through predatory, hunting, pastoral, agricultural, craft, manufacturing, and marketing stages. This is the outline of economic history; it arrays the stages through which underdeveloped economies even today seem to evolve. Marketing is associated with that stage of economic affluence which emphasizes distribution, consumer-oriented product innovation, service, etc. Thus, according to economic determinism, is explained the emergence of marketing in this era.

There are likewise other deterministic explanations of the evolution of the social and economic order:

1. The biological—whereby evolution is attributed to development of the species of man, his intellectual capacity, his physical strength, etc.
2. The technological—whereby progress is attributed to man's developing ability to use such instruments and forces as the wheel, the lever, fire, the plane, mathematics, chronometers, microscopes, steam, standardization, and management.
3. The astrological—whereby human events are related to positions and relations of celestial bodies.

Many other concepts of determinism are expressed in the theories intended to aid in understanding the changes that occur in human society. Not the least provocative of them is the theory of spiritual determinism, whereby human progress is attributed to a divine influence. The foretold patterns of the advent of this influence are the subject of prophetic literature, which is found in many writings, ranging from those of ancient patriarchs to those of Free Masonry. The prophetic account of spiritual determinism known as The Revelation of Saint John the Divine has particular reference to what is now called marketing, and it is of special interest inasmuch as some exegetes link the fulfillment of his prophecies with the twentieth century.

According to John, throughout a period in history, trade is predominantly characterized by deception and fraud. Increasing spiritualization of mankind is accompanied by the fall of materialism, and that event is attended by the ineffectuality of merchants and tradesmen who practice the former deceptions. Trade then continues on a higher level of practice in expression of a more spiritual means by which the needs of mankind are met.

If the advent of marketing has meant anything, it represents just such transition of trade from domination of seller interests to a consideration of buyer or consumer interests. Throughout history, commerce and trade have been associated with base practices, even throughout the nineteenth century under the sanction of doctrines of laissez faire and the Protestant Ethic. The
conception of marketing, however, introduced two new elements in trade: first, a more scientific character of management and, second, a primary service motive. As faintly as they have appeared at times, they nevertheless witness an unprecedented turn in the tides of trade.

The import of this observation is simply this: marketing thought can be regarded not less than as a portion of human intelligence and social development at this time. It is more than a business technique, more than an economic function, more than a social Institution. Our way of thinking about marketing reflects our way of thinking about life.

The serious student of marketing may well consider what incites such an event as the conception or discovery of marketing and how it evolves. Do men make the times in which such an event occurs, or have the times made the men? Has the evolution of something more fundamental caused men to perceive and to divine a more basic occurrence as marketing? Could such an idea have been uttered before "its time"? Hindsight shows that certain things were not known to men in the past. Had not the time come for them to be uttered? Was human thought not ripe for the unfolding of certain ideas? Are these maturities surface evidences of something deeper in the growth of civilization? Is marketing a fundamental phenomenon, or a passing one, in the sum of human knowledge?

ENDNOTES


EARLIER THEORIES RELEVANT TO MARKETING THOUGHT

The development of marketing thought began early in the twentieth century with the conception of marketing. It would be naive, however, to believe that marketing thought had no antecedents, for the period in which study of marketing began was rich in economic thought, which unquestionably influenced thinking about this new subject. To understand the evolution of marketing thought, some appreciation of the mental and environmental climate in which it dawned is necessary.

Like earlier economists, students of marketing were concerned with the practical problems of their day. Economists had undertaken to formulate theory to guide public policy. Over the years, as circumstances changed, new theories were forthcoming, based upon modified assumptions more in accord with prevailing conditions. By 1900, the body of economic thought consisted of many theories that had been developed in England, France, Austria, Germany, the United States, and other places. Their suitability to our own problems at that time was strongly debated.

The prevailing economic thought of their time was well known to early students of marketing, for they would have been exposed to the thinking of economists in their educational programs, and many were actually educated as economists. They were equipped, therefore, with a frame of reference when new problems of the market place came to their attention.

Unlike earlier economic theorists, who, although they brought forth divergent theories, remained in the ranks of theoretical economists, students of marketing evolved a body of thought that, by its nature, scope, and application, set them apart from the usual economists. Their studies were more empirical than theoretical, more practical than abstract, more descriptive than philosophical. They, too, were concerned with social and economic problems of the day, but from the standpoint of the business firm more than from that of public administration. Prevailing theories of value, exchange, price behavior, division of labor, and governmental regulation found new interpretation and expression through their work, in what has become the body of marketing thought.

The debt of early students of marketing to economic theory for guidance of their thinking should not be underestimated; yet the significance of the departure from theoretical economics that marketing thought represented cannot be overemphasized. For a proper appraisal, one must understand, first, the principal points in prevailing theory from which marketing thought departed as it developed and, second, the circumstances that impelled the new line of thinking.

In the remainder of this chapter these two areas of consideration are analyzed. First, a review is made of the contributions to thought made by Smith, Ricardo, John Stuart Mill, Marshall, the marginalists, and some more modern
economists, to determine how a traditionally trained marketing economist around 1900 would have thought concerning the market, value, production, government and business, the consumer, the role of business, the nature of man, social philosophy, and the state of the economy. Second, an analysis is made of environmental conditions that were at variance with assumptions underlying accepted theory and whose accompanying problems impelled the study of marketing for the solution of them.

THE MARKET

As study began to yield knowledge of marketing, certain established concepts of the market needed to be re-examined.

One was the idea that demand originates in the creation of a supply. This concept had grown out of economic situations simpler than those existing in 1900. Marketable supply began to appear in the household economy of the ancient Greeks; it was a prominent feature of the economy at the time of the Industrial Revolution. Wages earned by those who participated in production constituted the effective demand of individuals who bought the varied supplies offered in the market. J. B. Say generalized the phenomenon, saying that supply creates demand.

By 1900, however, it was being found that demand consisted of more than simple purchasing power. It reflected desire as well as ability to purchase, and new experiences with advertising and salesmanship were proving that desire could be increased and molded by factors other than the mere existence of supply. Such a concept of demand was not found in prevailing economic theory because, until that time, incomes had not been to any great extent sufficiently above subsistence levels to permit men to be subject to "demand-creating" influences. The increase of spending power and discretionary spending led to new thoughts of the relation of demand and supply in the market, which were developed in marketing thought.

Another concept of the market concerned its capacity to adjust itself automatically to a harmonious equilibrium. It had long been held that competitive forces work normally, in the long run, dissipate tendencies of disequilibrium in the market. Adam Smith characterized this tendency of the market as the "guiding hand," which produced under the motive of self-interest a generally harmonious consequence. This effect of competition continued in a measure through the nineteenth century, but, as competition diminished in some industries and trades, the assumptions found in traditional economic theory became increasingly invalid. Students of marketing found need for fuller explanation of short-run behavior in the market, and their explanations of this became a part of marketing thought.

A third idea of the market current in economic thought was that cost was the principal determinant of price, at least in the long run. Cost was held to consist of payments of wages, profit, rent, and interest. Some economists measured value in terms of labor or the "toil and trouble" of obtaining an item. With stimulus given to the analysis of demand by psychological studies of the late nineteenth century, demand came to occupy a more important position in price theory. Thus the concepts and work of the marginal utility analysts prepared the way for students of marketing who would find in the market, rather than in the process of production, explanations of price formation.

Earlier Theories Relevant to Marketing Thought

Prevailing concepts of the elasticity of demand were still another influence upon the thinking of early students of marketing. They were directly related to the theory that demand could be increased through promotional effort, while at the same time costs of production could be decreased as a result of larger scale of operation. The concept of elasticity, however, was the result of a long development in economic thought. Adam Smith had recognized that demand was not a fixed amount at all prices. To him, "effectual" demand was willingness to pay the natural price. Malthus, on the other hand, had a better appreciation of some of the subjective character of demand and recognized what he called "intensity" of demand. Jevons and the Austrians expanded that idea into a theory of diminishing utility. Alfred Marshall later generalized it in the concept of elasticity. His interpretation of demand has long been used by marketing writers as a theoretical basis for selling, advertising, and the promotional work of marketing in general.

THE MEANING OF VALUE

Value theory was another area of economic thought relevant to early studies of marketing, but, because economists had dealt mainly with value in tangible goods created in processes of physical production, new concepts of value were required after 1900 to justify the growing distributive activity.

In their explanations of value, economists leaned heavily upon input factors, determining their relative quantities and prices. For them, however, value was a characteristic of wealth, and wealth consisted of salable, tangible, material goods. Services were not wealth, and economists were in disagreement as to whether services that did not alter the physical product contributed to wealth — created value. With distributive services growing in importance at the beginning of the century, the question of whether they were value-creating was an important one for students of marketing.

Smith held that distributive activities contributed to value, but only indirectly. They extended the market, thereby making opportunities for increased production and for greater specialization of labor in production. Therefore, the contribution of distribution was made through the labor engaged in physical production. Malthus and some of his predecessors had a greater appreciation of the direct productive contribution of distributive service to value, but their views were not in wide circulation when students of marketing undertook to interpret its economic contribution. Various economists had distinguished different types of utilities, and in due course marketing students identified time, place, and possession utilities as three for which distributive activity was directly responsible. It was not until after many years, however, that the concept of "value added by marketing" was set forth.

Economists also distinguished in their value theories value-in-use and value-in-exchange. The former consisted of the general total utility inherent in an item; the latter was the power of one item to command another in exchange. Both were important in the development of marketing thought, but neither was fully explained by economists. The concept of value-in-use gained credence as the marginal utility analysis was employed to explain demand behavior. The earliest students of marketing did not employ this neoclassical concept, but later ones found it helpful in interpreting marketing.
PRODUCTION

Early students of marketing had no particular intent to prove the productivity of marketing, although they began their studies at a time when in economic theory trade was generally held to be unproductive. Not only productivity but even respectability was lacking from trade. From the time of the ancients Greeks and Romans to the nineteenth century, tradersmen were not held in high esteem. In fact, even in this century trade has been depicted as parasitic, their activities shrouded in the darkness of the market place.

The essence of this attitude was found in some of the earlier economic theories. In the eighteenth century, productivity was held by the physiocrats to be the production of a surplus over costs. Proprietors were the “productive” class; agriculturists were the instrumentality by which production was brought forth; merchants, artisans, and professional men were “non-productive”; laborers were considered passive and consequential. Such was the concept of productivity of the social classes identified in the Tableau Économique.

Productivity was defined not only in terms of the type of contributor but also in terms of what was produced. The physiocrats regarded as productive only that activity which yielded material goods; moreover, they held that production must result in a surplus above costs, which they called the produit net. Smith and his followers regarded production as any addition to value, yet excluded the performance of services on the ground that their value perished at the instant of production. No distinction was made between the production of consumer services and such business services as distributive activities.

Other concepts related to production, such as diminishing returns, marginal productivity, opportunity costs, and the representative firm, were included in economic theories of production, but in 1900 there was no clear concept of the justification of marketing as a productive activity or as a contribution to economic production. On the contrary, the popular impression was that the middleman added cost instead of value. Students of marketing, on the other hand, could see that distributive services did increase values, but the establishment of that fact in marketing thought was a long and gradual development.

GOVERNMENT

Another thread in the theoretical background against which students of marketing began the development of marketing thought concerned the relation of government to business. The attitudes of most people toward that lay somewhere between the extremes of governmental intervention and governmental nonintervention in business affairs. The twentieth century marked, in general, the transition in political philosophy from laisser faire to more positive governmental aid to and regulation of business.

Students of marketing would have been familiar with several concepts of laisser faire, and, being generally sympathetic with the interests of business, they would have placed great hope in the effectiveness of competition. Throughout the eighteenth and nineteenth centuries it was businessmen who were prominent in defining laisser faire for their periods. In the era of mercantilism, tradersmen advocated such governmental action as would foster and benefit trade, but they discouraged further intervention. In the time of Adam Smith, economic liberalists believed that all individuals in business should have equal opportunity but not the special privileges that they had enjoyed under mercantilism. The duty of the government was held to be the protection of society, the administration of justice, the establishment of public works, and the taxation of imports in order to make the nation self-sufficient. John Stuart Mill interpreted laisser faire to mean that the government should do no more than protect the general rights of citizens as individuals. In the latter part of the nineteenth century, businessmen took laisser faire to mean the absence of all reform legislation but the supplying by government of increasing services to the business community.

Against this background of thought, marketing writers attempted to describe the assistance that government organizations gave to marketing entrepreneurs, to interpret the regulations affecting marketing activity, and to encourage such competitive practices as would take full advantage of the opportunities open to business.

PHILOSOPHIC FRAMEWORK

The varied economic theories prevailing by 1900 embodied a variety of philosophic concepts, not the least of which pertained to the nature of man as a social individual and as an economic entity. They included widely divergent assumptions concerning the laws that governed individual and collective behavior. Adam Smith, for example, conceived man as the “economic man,” bent upon a constant effort to better his condition. Each individual was regarded as his own best judge of what was good for him, and this self-interest was assumed to work for the general good. Smith assumed for the individual an innate propensity of “truck and barter,” a trait that was held to be the basis of division of labor. Thus there was a natural basis for competition, and if these tendencies were expressed without hindrance, according to natural motivations, they would effect perfect competition. The harmonies of Smith’s plan, however, were not so broad as they have sometimes been thought, for the unity of interests achieved was within economic groups and not among them.

An opposite assumption was held by Ricardo, who foresaw the uncertainties of an expanding economy. He saw conflicting interests — among landlords, labor, and businessmen. His new assumptions were warranted by changes which had taken place in economic conditions. He was less idealistic and more pessimistic than Smith, as he viewed the growing disparity of interests in the rising factory system.

The nineteenth century brought still another change in philosophy. Success of the factory system and prospects of prosperity revived again a faith in the economic harmonies. Once more free play of individual self-interest was believed most likely to result in harmonies and general welfare. The continual opening of geographic frontiers produced a concept of inevitable progress. Also, growing confidence in the practical application of scientific knowledge inspired confidence in man’s ability to control the course of human affairs. Businessmen of wealth assumed positions of social and economic leadership, feeling themselves charged, as political aristocrats had felt before, with responsibility for bringing about the best state of society — as they saw it.
As economic activity underwent great expansion during that period, economic theory also manifested certain changes. The subject of "political economy" was narrowed down simply to "economics," indicating a shift from a motivation to formulate public policy to an interest in economics for the formulation of business decisions. Economists themselves tended to be more specialized in their areas of interest. Some of them adhered to traditional liberal views, emphasizing a free society, limited intervention, and free play. Others urged public control and enforced competition—competition unimpeded by the obstacles that monopolistic business itself had posed.

Marshall disavowed the "economic man." He denied that greedy, selfish competition was distinctive of free enterprise. He opposed both big business and socialism. And he perceived basic cooperation among all parties through the system of markets. His viewpoint, insofar as he emphasized the short run, tended to coincide with the interests of businessmen.

Thus at the outset of the twentieth century, students of marketing were equipped with a general philosophy of optimism, a vision of new frontiers of progress, a businessman's viewpoint of confidence in free play in the market, and widespread agreement that consumers acted rationally in the market.

**THE CONSUMER**

While much was said about buyer behavior in the market, relatively little was said of it from the viewpoint of the market or consumer. Nevertheless, the contention that consumption is the end and object of production had considerable influence upon the development of marketing thought, for, as the viewpoints from which marketing could be studied were developed, this economic concept became the basis for marketing writers taking what they regarded to be the "consumers' viewpoint."

Not until the latter part of the nineteenth century, with the writings of the Austrians or marginal analysts, did real consideration of the consumer get into economic theory. Even then, analyses of the consumer tended to explain his operation as an economic unit in the market rather than as a consuming unit in the market, as businessmen have been inclined to view him. Thus, while economists' concepts of the consumer may not have added much in making market analyses, their concepts of marginal utility, opportunity costs, subjective and objective value, abstinence, hedonism, "the marginal man," and rationalism were useful tools of thought available when students of marketing began their research into this new area of thought.

**SOCIAL AND TECHNOLOGICAL CHANGE**

The history of economic thought illustrates that, as changing conditions created new problems, new theories and schools of thought evolved. At the same time new technologies required different types of technical experts to solve their attendant problems. Consequently, as the economic problems involving public policy were followed by those of more technical managerial character in production, and ultimately in distribution, three types of theorists became identifiable in economic analysis: traditional theoretical economists, management engineers, and marketing analysts. Each was the product of the conditions and problems of his times.

The traditional economists, whose thoughts have already been discussed, directed themselves mainly toward the formulation of public and private policy. Adam Smith, for example, was interested in finding means of increasing England's commerce and trade for diplomatic, military, and security reasons. While he attempted to explain actual behavior patterns, he evidently did not aspire to present a fully integrated theory. Ricardo, on the other hand, was primarily concerned with the distribution of wealth, and he inquired into the laws of a competitive economy that controlled price and the distribution of income. Mill had still another objective: to explain all that was known about the whole subject of economics by the best experts. Marshall undertook to clarify some of the complex interrelationships of economic forces.

Toward the end of the nineteenth century, as industrialization progressed, interest in problems of a more technical production nature gave rise to a new type of "economist": namely, engineers who concerned themselves with effecting business economies through the study of the causes and effects of good business administration. Their theories resulted in what became known as "scientific management." The growing size of business organizations presented the new problems of the day, problems which could be solved only by careful planning. Production processes, methods, and equipment became the immediate areas of study. Gradually distinction was drawn in the early 1900's between engineering and management as two separate and distinct functions.

A body of thought and literature dealing with this new branch of "economics" began to appear about 1880. Frederick W. Taylor, a leader in the development of that phase of business thought, began writing in 1895. In 1912 he defined "scientific management" (a term said to have originated with E. L. Gantt in 1910) as a complete mental revolution, both for workmen and for management, a new outlook toward the solution of worker and management problems. Education in management also began around 1910, and within fifteen years the subject had become well established in leading universities. ¹

Neither traditional economists nor leaders in scientific management, however, concerned themselves at the beginning of this century with the new problems of distribution and of the market place that were then increasing in importance. Economists dealt with business problems of broad scope and political significance. Management engineers dealt with internal problems of business organization, particularly those related to production processes. Problems in distribution and of the market remained to be handled by a new type of analyst, who evolved still another body of thought known as "marketing."

The emergence of this third type of economist—the scientific student and practitioner of marketing—was the result of the same forces that had produced successive and divergent economic theories: changing economic conditions, growing disparity between facts and assumptions underlying prevailing theory, and the rise of new technologies requiring original research and theorization. All these forces worked in the early part of this century to stimulate the beginnings of the new body of marketing thought. Most prominent among them were the enlargement of the size of the market, new conditions of production, new expansiveness of demand, the changing role of the middleman, new social conditions, and reinterpretation of *laissez faire*.

**ENLARGEMENT OF THE MARKET**

Never before in the history of mankind had markets been so large as they...
were in 1900. Classical economists had assumed markets to be local, wherein demanders and suppliers knew of each other's presence and this knowledge resulted in "perfect competition." With the Industrial Revolution that condition diminished somewhat, and by the last of the nineteenth century conditions in the vast market of the United States were quite different from those assumed in most accepted economic theories.

Between 1860 and 1900 the population of the United States had increased from 31.4 millions to 91.9 millions. In the 1860's, 21 per cent of the people in the United States lived in cities of over 2,500 population; in 1900, the figure was 40 per cent, and in 1920, 51 per cent. The size of the market, measured by per capita income, increased from $134 in 1859 to $185 in 1899, and $285 in 1914.

Those are but a few of the evidences of the economic changes that forced thinking along new lines. It could no longer be assumed that buyers and sellers were aware of the presence of each other in the market and that such knowledge would contribute to the automaticity with which the market wrought harmonies for all. New importance was attached to information, promotion, and the quest for satisfactory products. Extended markets gave opportunity for production on a scale larger than had ever before been undertaken. They also introduced new pricing factors, for, with the opportunity to sell in a number of markets, businessmen found new competition and developed new operating strategies.

**NEW CONDITIONS OF PRODUCTION**

As the Industrial Revolution in England had effected changes in economic theories there, so the industrialization in the United States in the last part of the nineteenth century impelled still further revision of thought. The rapid transition from an agricultural economy at the time of the Civil War to an industrial economy at the end of the century — notwithstanding the opening of vast agricultural territories of the West — poured into the market such quantities of products as to warrant the conclusion that a buyers' market was replacing a sellers' market.

Industrialization was encouraged by a number of factors: by progress in science; by use of interchangeable parts, standardization, and machine tools; by the development of food-preserving processes: by the replacement of charcoal with coke and the discovery of the Bessemer process in steel manufacturing; by the invention of steel rails and the Westinghouse air brake, electric light, and the automatic loom, etc. By 1914, 54 per cent of the value of all manufactured products was in the lines of food, textiles, iron and steel, and lumber. Production formerly carried on in the home was increasingly transferred to the factory. Capital was also more readily available for industrial expansion, as a result of personal savings, corporate savings, savings in trade and commerce, and foreign investments. Moreover, industry was stimulated by governmental action through the manner in which timber and mining lands were distributed, by the giving of free factory sites and tax favors, by weak enforcement of business regulations, by the use of regressive tax schedules, and by the inclination of politicians to represent big business.

In that transition, economists' assumptions that producers, at least in the long run, adjust their activities to the market became untenable. Increasingly, producers attempted to adjust the market to their production capacities and ambitions. Production was no longer carried on for an immediately available market but in advance of known markets and for unknown markets at great distances. The size of producing organizations increased to the point where communities became dependent upon their continuous operation, and the assumed mobility of the factors of production was no longer a reality.

**MARKETS NOT DETERMINED BY SUPPLY**

It had also long been a presumption of economic theorists that production was basic, that the value created by production was distributed among the factors contributing to it, and that those shares in the hands of individuals constituted the extent of their demand in the market. To the extent that a society has a static market condition, that may be true, but the American market of the late nineteenth and early twentieth centuries, motivated by the general emphasis placed upon improving one's lot, was anything but static. Growing use of credit in business, and later in personal consumption, augmented the growth of credit. Higher attainments in education, increased personal income, and more rapid communication created a market unlike those described by earlier theorists, a market requiring new analysis.

**DYNAMIC SYSTEM OF MIDDLEMEN**

When most of the classical theories were developed, the middlemen standing between producers and consumers were of incidental significance to the economies of those times. Individually they were necessary, but collectively they did not constitute what might be regarded as a distributive "system." They were passive and served producers neither as developers of markets nor as warehouses essential to the orderly flow of goods to the market. They were not the typical business organization in the economists' minds when they analyzed factors of production, creation of value, or even pricing policies.

By 1900 the significance of middlemen was changing; middlemen were performing functions which they formerly did not perform. The number of them was growing, and collectively they represented a distinct type of business activity. In the late 1900's they were becoming more diversified, and among department stores, mail order houses, and chain store organizations were firms as prominent in the national eye as some leading producers.

One challenge to assumptions underlying economic theory presented by the new distributive system concerned the concept of value. The idea of time, place, and possession utilities assumed new significance with the rise of specialists whose principal function was the creation of these forms of value. Services, excluded from production by earlier economists, had to be included if a consistent interpretation of the new economy was to be developed. Early students of marketing who perceived that made strong claims for the values contributed by distributors. Their conclusions, however, were sometimes weakened by empirical, inductive reasoning, which appeared to justify value by the performance of the distributor rather than justifying the distributor by the market's desired to have certain services performed.

Some concepts of pricing and price behavior had also to be altered with the advent of new factors in pricing. The concepts of price as market or natural price, and of price comprising the cost of factors of production, were insufficient to explain managed price in a distributive system. Price became less a matter of accountable costs entering into production and more a managed phenomenon. Distributive enterprises used price as a means to an end — low price to obtain high volume; high price with low volume to obtain maximum...
profit; psychological pricing, etc. Some types of pricing are technical and superficial; others represent new factors in pricing introduced by the distributive system.

The growth of the distributive system paralleled the rise of large producing organizations that, as has been pointed out, inspired the development of a professional class of business managers. Management of the mammoth producing firms was originally in the hands of the founding entrepreneurs of those companies. Among them were J. J. Hill, E. H. Harriman, Jay Gould, W. Vanderbilt, Andrew Carnegie, P. D. Armour, G. Swift, M. Cudahy, and J. P. Morgan, all with northern European backgrounds, all from our northern states, and none with a college education. Similarly, in distribution there were also creative entrepreneurs who represented new inventive management talent: John Wanamaker, Adam Gimble, Isador Straus, Marshall Field, Fred and Ralph Lazarus, F. W. Woolworth, S. S. Kresge, B. H. Kroger, G. H. Hartford, Richard W. Sears, and Aaron Montgomery Ward. The talent required for managing a factory, however, was different from that needed for the new distributive organizations. The development of such talent required a type of scientific or academic thought that no prevailing theories provided, and that it became the objective of marketing thought and marketing literature to supply.

NEW SOCIAL PROBLEMS

Transactions in the past have been dependent upon buyers and sellers' achieving mutual understanding and confidence, but the security that buyers found when sellers were small, local, and known to the market was diminished as markets grew larger. The insecurity of buyers was increased many fold in the nineteenth century, as haggling and bargaining, which expressed negotiational forces at work in the market and which represented equal knowledge of demand and supply and equal bargaining power, waned. Thus another underlying economic thought deteriorated. In addition, the introduction of many new products, the interposition of an impersonal middleman between the producers and consumers, the use of new media for aggressive promotion in the market — all these factors contributed to the consumers' dilemma in the face of many new market problems. Vendor irresponsibility, the evaluation of new distributive services, the attitude of carete emptor, and the loss of contact with the market's real needs also created problems that students of marketing sought to solve.

LASSEZ FAIRE AND THE NEW ORDER

Throughout the nineteenth century, businessmen largely determined the philosophical atmosphere in which business itself operated. They believed strongly in individualism, in a dominating class of business aristocracy, and in minimum governmental regulation but maximum governmental assistance to business. Business leaders believed firmly in the right of an individual to acquire and to hold property without restriction or interference by the state. They emphasized the right to property, the law of accumulation, and the law of competition, although competition in business was regarded by some as inefficient and wasteful. It was generally believed that thrift and hard work would be rewarded and that poverty came from laziness and shiftlessness. These convictions, strengthened by theological doctrines, supported concepts of economic liberalism, and upon them economic theorists based great hopes in market competition.

Earlier Theories Relevant to Marketing Thought

An opposite assumption, that general welfare was not best served by complete freedom in the market place, likewise gained considerable acceptance at the beginning of this century. At the same time, the notion, postulated by economic liberals, that problems created by new practices in the market were a result of natural law, was refuted. In 1901, Theodore Roosevelt was elected on a tide of movement for economic, social, and political reform of the evils which had grown out of advanced industrialism. The Progressive Party demanded government control of large industry and of financial and transportation companies and the enactment of pure food and drug legislation. Pools, trusts, mergers, and combinations were under continual legislative and judicial fire, indicating that the long-held assumption that competition should prevail in the market was being abandoned. There was growing opposition to private monopoly, even as after the Civil war there was opposition to government-granted monopoly. The opposition expressed the antagonism of agriculturists and labor groups to business and of the South to the Industrial North. By 1890 fourteen states had constitutional provisions against monopoly and thirteen had antimonopoly laws; by 1900 these numbers had increased to twenty-seven and fifteen states, respectively.

The philosophic atmosphere of the late nineteenth century was a mixture of economic, sociological, and religious principles justifying lassies faire. But competition had progressed to such extremes that even competitors sought some protection from competition. The opponents of lassies faire advocated reforms that would bring about better working conditions. The achievement of the Kingdom of God on earth, it was believed, would remove monopoly and unearned income. Along with such thinking were introduced the concepts of Darwinism, which Herbert Spencer attempted to apply to human society and social relationships. The idea of the "survival of the fittest" encouraged optimism, sanctioned competition, and opposed welfare programs designed to help the poor. However, advocates of Social Darwinism conceived society as having already evolved — the fittest having survived. Proponents of Reform Darwinism saw existing society as only one stage in social evolution, with continuing reformation further to improve the lot of men.

Among leading thinkers of the period there was much disagreement on these issues. In general, it has been said that Reform Darwinism had little effect upon economists. On the other hand, R. T. Ely and others interested in reforms established the American Economic Association in 1885 as a protest against their conservative colleagues, who in general espoused the principles of lassies faire. At the same time, pragmatists such as William James and John Dewey furnished a logical basis of reforms in all fields. Veblen, in 1899, also rebelled, expressing his theory of the leisure class. Oliver Wendell Holmes and Louis Brandeis at the same time introduced economic and sociological data into court decisions.

Such were the conditions of the economy and economic thought at the time that changes were occurring in the market place and students of marketing were laying what was to become the groundwork for the structure of marketing thought.
BEGINNINGS OF MARKETING THOUGHT

New market problems at the beginning of this century did not of themselves produce a body of marketing thought. They impelled inquiry, resulting in teaching and writing and in gradual evolution of thought, involving new concepts, literature, educational programs, and business practices. Neither did the information provided by early studies constitute a body of thought. That developed only as thought about marketing attained structure, breadth, and maturity. Nevertheless, from the new circumstances, and from men's endeavor to make the best of them, has arisen in the name of marketing thought a significant body of social and economic knowledge.

As in recent years this accumulation of information and knowledge has been viewed objectively, interest in its origin and character has increased. There has been speculation as to whether the study of marketing has the status of a science, and why it has developed in the particular way that it has. Such questions relate to facts about the beginnings of the study of marketing that passing time is increasingly making obscure. They are facts, however, that are important to understand if one is to gain a correct appreciation of the influences that shaped marketing thought.

MARKETING THOUGHT AND THE ACADEMICIAN

As might be expected in the development of a body of scientific knowledge, universities and men engaged in academic pursuits have played a major role in the evolving of marketing thought. It was in response to social issues more than to business urgency that schools first began to offer courses in the distributive trades, for businessmen and others early in this century viewed dimly the profitability of such study. In keeping with progress, however, universities and academicians did foresee new lines along which the business economy was developing, and they gave expression to what they knew.

EARLIEST TEACHERS OF DISTRIBUTION

An early impulse to the formation of marketing thought lay in the decisions, by whomever they were made, to provide at several universities courses that dealt with what was then known as the "distributive industries." The first such courses on record were given between 1900 and 1910 as follows:

1902  University of Michigan, by E. D. Jones  
1902  University of California, by Simon Litman  
1902  University of Illinois, by George M. Fisk  
1903  University of Pennsylvania, by W. E. Kreusi  
1904  University of Pennsylvania, by H. S. Person  
1905  The Ohio State University, by James E. Hagerty
1908 Northwestern University
1909 University of Pittsburgh
1909 Harvard University, by P. T. Cherington
1910 University of Wisconsin

The background of all those courses is not known, but it appears that the idea for such a course did not always originate with the individual who taught it. Some were assigned to teach a course; others undertook it as a product of their research interest. In any case, the beginnings of thought were original, and there is no indication that any teacher prior to 1910 had any knowledge of anyone else working in this field.

According to James E. Hagerty, inductive research and descriptive findings characterized the studies he made among businessmen in Philadelphia, who were amazed that anyone should be objectively interested in their practices and curious as to what use could possibly be made of such information. He used for text purposes, after 1905, Volume 6 of the Industrial Commission Reports dealing with the distribution of farm products. He also had businessmen speak to his classes but found that he had to spend several hours with them showing what he wanted them to tell the class.

When Simon Litman was asked to teach a course called “The Technique of Trade and Commerce,” he had never heard of such a subject. Moreover, he was unfamiliar with American business, for he had lived and been educated in Russia, France, and Germany. He assumed that “problems and methods do not differ in essentials from country to country” and that “fundamentals are the same irrespective of boundaries within which they are being applied.” For help in planning and organizing his course, he relied upon material obtained from treaties by three German writers: Cohn, Grunzel, and van der Borgt. Thus Litman brought to the study of marketing a viewpoint probably unlike that of anyone else at that time. He may have been justified in emphasizing similarities rather than differences among practices of various countries more than later, for the practice of marketing had not yet wrought changes in American business that during ensuing years were to differentiate it from business elsewhere.

EARLY COURSES IN DISTRIBUTION

Notwithstanding the immaturity of concepts and thought during those early years, the content of courses offered shows them to have dealt substantially with the subjects that were later called “marketing.” At that time, the course titles usually identified them with “distribution” rather than “marketing.” Bulletins from two universities reveal the following content of their courses during the first years in which they were offered:

**University of Michigan**
1902

“Distributive and Regulative Industries of the United States”

**The Ohio State University**
1906

“The Distribution of Products”

This course will include a description of the various methods of marketing goods, of the classification, grade, brands employed, and of wholesale and retail trade. Attention will also be given to those private organizations, not connected with money and banking, which guide and control the industrial process, such as trade associations, boards of trade and chambers of commerce, etc.

Following the initial offering of courses in distribution, marketing thought developed in specialized areas as courses and writings grew simultaneously. Frequently the necessity to teach a course in a particular subject impelled research and writing by the teacher; at other times the availability of writings encouraged the multiplication of courses in some phase of marketing. As an example of the growth of thought expressed in course offerings, the additions to the curriculum in marketing at The Ohio State University are cited:

1905 Spring. “Distribution of Products,” offered for the first time.
1905-1906 The course was expanded into a year’s work, two terms (Fall, 1905; Winter, 1906). It was titled “Distributive and Regulative Institutions”; in the Spring term, 1906, “Commercial Credit” was offered.
1906 Title of “Distributive and Regulative Institutions” was changed to “Mercantile Institutions.”
1909-1910 “Commercial Credit” was dropped, but the subject was absorbed in the institutional course. Two courses were then in effect: “Mercantile Institutions in Domestic Trade,” and “Foreign Markets and the Consular System.”
1911 “Principles of Advertising” was added and it has been offered continuously since that time.
1915-1916 Title of “Mercantile Institutions” was changed to “Marketing.”
1916-1917 “Salesmanship” was added.
1920-1921 “Wholesaling” and “Retailing” were added.
1921 The curriculum consisted of the following courses: “Business Communications”; “Marketing”; “Marketing Problems”; “Wholesaling”; “Retailing”; “Credits and Collections”; “Salesmanship”;
“Advertising”; “Advertising Practice”; “Exporting and Importing”; “Research in Marketing.”

1925 “Sales Management” was combined with “Salesmanship.”
1927 “Marketing Problems” was omitted.
1940 “Credit Problems” was introduced.
1940 “Business Research” and “Market Research” became two courses.
1941 “Salesmanship” and “Sales Management” became two courses.

CONCEPTION OF “MARKETING”

During the earliest years of the study and teaching of distributive trade practices, no use was made of the word “marketing.” Instead, “trade,” “commerce,” and “distribution” were the most common designations of the area to which thought was being given. Between 1900 and 1910, conceptual changes occurred that resulted in the adoption of the term “marketing” to identify this field.

As the study of “distribution” began simultaneously in several places, it is reasonable to think that several people may also have felt the necessity of finding a new term to designate the subject with which they were dealing. Ralph Starr Butler, then a professor at the University of Wisconsin, has told how he, for one, conceived “marketing.”

In considering the whole field of selling, I developed the idea that personal salesmanship and advertising had to do simply with the final expression of the selling idea. My experience with the Procter & Gamble Company had convinced me that a manufacturer seeking to market a product had to consider and solve a large number of problems before he ever gave expression to the selling idea by sending a salesman on the road or inserting an advertisement in a publication.

I surveyed the very meager literature of business which was available at that time and was astonished to find that the particular field that I have very briefly described above had never been treated by any writer. I decided to prepare a correspondence course covering this phase of business activity.

In brief, the subject matter that I intended to treat was to include a study of everything that the promoter of a product has to do prior to his actual use of salesmen and of advertising. A name was needed for this field of business activity. I remember the difficulties I had in finding a suitable name, but I finally decided on the phrase “Marketing Methods.”

Recognition that the subject with which they were dealing was different from that designated by “distribution” or “trade,” other men also used the term “marketing,” and gradually it became accepted in both course and book titles, as is indicated by the following:

1902 University of Michigan Bulletin used the phrase “various methods of marketing goods” in the description of the course entitled “The Distributive and Regulative Industries of the United States.”


1909 University of Pittsburgh offered a course entitled “Marketing of Products.”

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1910 University of Wisconsin offered a course entitled “Marketing Methods,” taught by Ralph Starr Butler, who also that year published six pamphlets with the same title.

1913 University of Wisconsin offered a course entitled “The Marketing of Farm Products,” taught by Louis D. H. Weld.

1916 Weld published The Marketing of Farm Products.

1917 Butler published Marketing Methods.

EARLY CONTRIBUTORS TO MARKETING THOUGHT

In comparison to the number of men who were engaged in marketing practice early in this century, or even of those who taught and wrote of the subject, the number who made significant contributions to the development of marketing thought was small. Contributions consisted of a variety of undertakings: original research, new conceptions, fresh viewpoints, innovative writing or teaching, unprecedented analysis or synthesis of thought. Judged by their works and by consensus of men making contributions to marketing thought the following men were leaders in the development of marketing:

1902 E. D. Jones 1914 P. W. Ivey
1902 S. Litman 1914 W. C. Weidler
1902 G. M. Fisk 1915 N. H. Comish
1904 W. E. Kreusi 1915 P. D. Converse
1905 J. E. Hagerty 1915 C. S. Duncan
1905 B. H. Hibbard 1919 F. L. Vaughan
1908 P. T. Cherington 1920 R. S. Alexander
1909 P. H. Nystrom 1920 H. H. Maynard
1910 R. S. Butler 1920 M. P. McNair
1910 A. W. Shaw 1920 H. R. Tosdal
1911 T. Macklin 1921 T. N. Beckman
1912 M. T. Copeland 1922 C. W. Barker
1913 H. E. Agnew 1922 N. H. Borden
1913 L. D. H. Weld 1923 R. S. Vaile
1914 F. E. Clark 1924 R. F. Breyer

The number of teachers contributing to marketing thought increased as the study of the subject gained momentum and scope. Among them there was remarkable stability of devotion to advancing knowledge of marketing. Having once taught in this field, most remained in that occupation, and of those who were so engaged in teaching before 1920 a great many remained in that work into the 1930s. Some early teachers were drawn from marketing to other academic interests; others left teaching entirely; but the majority continued in that work. Few men remained long in their first teaching assignment. On the other hand, when once well established, they were little inclined to change schools, for they bore responsibilities for developing courses and programs upon which their reputations were to rest.

As writers, those men were equally impressive. To them may be traced roots not only of general writings on marketing but also of such specialized fields as agricultural marketing, advertising, retailing, commercial research, salesmanship, wholesaling, credits and collections, marketing of manufactured goods, and compilations of case and problem materials. It would be difficult to find
elsewhere such a small group to whom so much credit is due for the development of an important segment of human knowledge.

CENTERS OF INFLUENCE UPON MARKETING THOUGHT

As knowledge of marketing increased, it was influenced by characteristics of the men who produced it and by the environments in which they worked. The schools where the first four or five marketing courses were taught were not the ones whence emanated the foremost marketing scholars of the first two decades of the study of marketing. Preparation for original thought in that area was best achieved at established, advanced, and liberal centers of learning at that time. The University of Wisconsin and Harvard University were attended by more of the early marketing scholars, at some time in their careers, than were any other educational institutions. Those two institutions, therefore, were the original centers of intellectual influence upon marketing thought, whereas those at which the first courses in marketing were taught became important centers for the development of marketing education.

Wisconsin, at the turn of the century, was the residence of such economists as W.A. Scott, J.R. Commons, R.T. Ely, and H.C. Taylor, to whom were attracted such pioneer students of marketing as Jones, Hagerty, Hibbard, Macklin, Nystrom, Butler, Converse, Comish, and Vaughan. Among the contributions to marketing thought made at Wisconsin were the conception of the field as "marketing" and the offering of the first course in co-operative marketing of agricultural products. The contributions and influence of men who went out from that school to teach and write throughout the country were immeasurable.

Harvard not only was influential during the early years but, unlike Wisconsin, continued as a center of influence in the development of marketing thought and practice. To Harvard went such students as Cherington, Shaw, Copeland, Tosdal, Weidler, Maynard, McNair, Borden, and Vaile. Their contributions to marketing thought have included methodology for the analysis of problems of market distribution, methodology for teaching marketing by the use of problems, major works on advertising, merchandising, sales management, retailing, and general marketing.

The most pronounced influence upon the integrated and general development of marketing thought, however, centered not at Wisconsin or Harvard but at The Ohio State University, the University of Illinois, and Northwestern University — all Middle Western schools — whence flowed for a quarter of a century the writings and studies of Maynard, Weidler, Beckman, Converse, and Clark, whose approach to marketing analysis and synthesis became traditional. Among the other Middle Westerners who made important contributions to marketing thought are Weld, Ivey, and C.S. Duncan.

The group from the Middle West made notable contributions to marketing thought in the decade following World War I. Whereas by 1910 the field of study was delineated by the new concept and term "marketing," by 1920 some of the principles of the subject were being postulated. Students at the beginning of the century explored the marketing practices of business in general. Those who developed the subject ten years later, particularly at Wisconsin, specialized in the commodity analysis of marketing. Those whose contributions appeared following World War I concentrated primarily on the functional aspects of marketing. Thus the middle-western group of writers contributed mainly to the integration of the study of marketing, emphasizing functions and principles and treating the subject with a form and fullness that has since characterized the central body of marketing thought.

Still another center of influence was in New York City, where at Columbia and New York Universities a group developed that made significant contributions to the institutional analyses of marketing. Among them were Nystrom, Agnew, Brisco, Wingate, Alexander. With an emphasis on practice, the work of those urban writers complemented that of others who were adding to marketing thought elsewhere.

ASSOCIATIVE ACTIVITIES

Another facet of the development of marketing thought is reflected in the associative activities of the men who were engaged in this study. Although at the outset there was no awareness of what others were doing, that condition did not continue long. The work of students of marketing became known at meetings of professional associations, and eventually those engaged in the development of marketing thought organized their own professional association.

Louis D. H. Weld, in 1914, read before the American Economic Association a paper on "Market Distribution." To his knowledge, that was "the first scientific presentation of the subject of marketing, as we know it today, before that Association." With the development of courses on marketing, articles on the subject began to appear.

H. E. Agnew has also chronicled the development of the American Marketing Association, tracing it to 1915, when, at the invitation of Hotchkiss at the Chicago conference of the Associated Advertising Clubs of the World, twenty-eight men gathered to discuss the contents of an advertising course. At that meeting, W. D. Scott was elected president. Agnew said also that in 1917 three members of the group held further discussion at St. Louis.

Weld, on the other hand, wrote:

... in 1918 at a meeting of the American Economic Association in Richmond I was able to scrape together five or six men who were interested in marketing, and we had a dinner together. This group, which I assembled yearly at subsequent meetings of the American Economic Association, grew fairly rapidly, and was soon important enough to get a place on the Economic Association's program for round table discussions of marketing. This was the first associative effort among men interested in marketing as we know it today, and formed the nucleus out of which developed the Association of Teachers of Marketing.

It is thus apparent that between 1915 and 1918 interest in marketing, and the number of marketing-interested teachers, had increased to the point that they began to meet each other at meetings of other professional societies. It is conceivable that some men who would have attended a conference on advertising clubs would not have been at meetings of the American Economic Association. Notwithstanding, inasmuch as identification with the subject of marketing was increasing, the associative efforts also prospered.

After 1920, according to Agnew, teachers of marketing increasingly joined the American Economic Association. In 1924 the National Association of Teachers of Marketing and Advertising was formed, representing the expanding interest of the group organized in 1915 merely as the National Association of
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Teachers of Advertising. The second change in the name of this group occurred in 1933, when it became the National Association of Marketing Teachers.

Meanwhile, in 1930 the American Marketing Society had been organized, representing, in contrast to the Teachers Association, the practitioners' interest in marketing. The Society in 1934 published the American Marketing Journal, which in 1935 became the National Marketing Review and in 1936 the Journal of Marketing, which it has remained. In 1937 the teachers and the practitioners groups were merged to form the American Marketing Association.

CHARACTERISTICS OF MARKETING THOUGHT

From the beginnings of marketing thought has evolved a body of scientific knowledge that has some distinctive characteristics, determined by the motivations of writers, the scope of their interests, the progressive stages of thought, and the form, structure, and dimensions of its expression.

MOTIVATIONAL INFLUENCES ON MARKETING THOUGHT

One of the strong influences upon the development of marketing thought was the motivation of men who became interested in this subject. For one thing, they did not set out to produce a "body of thought." They were more concerned with developing practice than theory, and the fact that a structured, coherent, and unified thought resulted was secondary to the fact that information was provided for the solution of problems. "Contributions" were made for the purpose of describing, explaining, and justifying prevailing marketing practices and institutions, particularly newer ones. They were offered to clarify misconceptions held among the public, such as the belief that the wholesaler was parasitic and would disappear from the distributive system, fear of the annihilation of small stores by chain organizations, and dismay at the plight of consumers before the ruthless practices of vendors.

The development of marketing thought represented also an effort to compensate for the omissions of existing theory, but it did not represent a theoretical revolt. Economic theories dealt only generally with distributive problems and practices. They offered little assistance to the growing need for knowledge of "applied" economics. Early students of marketing picked no quarrel with prevailing economic theories; instead, they built upon concepts and assumptions provided by the economists. If marketing thought was more closely related to economics than to other social disciplines, it was because economics was the only one at that time that dealt with market phenomena.

THE SCOPE OF MARKETING THOUGHT

The character of marketing thought has been affected also by the focus and scope of the interests of men engaged in this study.

1. Associated with the Concept of Marketing. Their focal interest has been "Marketing," as conceived by Butler and others. Among those men has existed a relationship that has unified and identified both them and their works. Apart from them have been others, both precedent and contemporary, who have been concerned with distributive phenomena but whose writings could not be regarded as directly relevant to the body of marketing thought.

The scope of marketing thought is such as to include only contributors since 1900. An interesting case is made for the origination of marketing thought in
writings of liberal economists of the late nineteenth century, such as Edward Atkinson, David Ames Wells, Arthur Farquhar, and Henry Farquhar. Unquestionably the advanced thoughts of such economists regarding distribution antedated those so-called “marketing writers,” and their writings were known to early marketing teachers and students. They wrote, however, not of “marketing” but of trade, distribution, wholesaling, and retailing. Their preoccupation was with public policy and economic effects rather than with the operational interests around which the beginnings of marketing thought took form.

2. Produced by Men Committed to the Study of Marketing. Not economists but students of marketing, not marketing practitioners but marketing teachers and theorists, produced the body of marketing thought. Others have provided concepts and findings, but the body of our knowledge of marketing has been the product of men giving their full time to this activity. Some, like Nystrom and Clark, were educated as economists, but they wrote as students of marketing. Others, like Weld and C. S. Duncan, went from teaching to business practice, whereafter, although they may have advanced marketing practice, they made no further contribution to marketing thought in published form.

3. Common Professional Recognition. Contributions to thought are not only given but accepted, and professional acceptance of writers has helped to determine the body of marketing thought. Men who have been identified with the subject through membership on marketing faculties or participation in activities of the American Marketing Association have been the acknowledged contributors to marketing thought. Again, contributions have been made by others in allied fields, but the interests of the fraternity of men professionally engaged in the advancement of marketing have mainly determined the character of marketing thought.

4. Literary Interference. The scope and nature of marketing thought have been influenced also by the fact that writers tended to build upon foundations laid by their predecessors. When the structure of thought was framed, when concepts, definitions, principles, or exceptional facts were presented by one, they were often adopted and acknowledged by another. Thus the body of thought in both the general and the specialized fields developed with considerable interference, so that the contributors to thought were known not only by their own writings but by reference made to them by others.

DEVELOPMENTAL STAGES OF MARKETING THOUGHT

Progressive unfolding has characterized the development of marketing thought. Although there was much repetition of ideas once they were established, in succeeding periods new aspects of thought were forthcoming, so that the history of its first fifty years may be classified as follows:

1900-1910—Period of Discovery. Initial teachers of marketing sought facts about the distributive trades. Theory was borrowed from economics relating to distribution, world trade, and commodity markets. The conception of “marketing” occurred, and a name was given to it.

1910-20—Period of Conceptualization. Many marketing concepts were initially developed. Concepts were classified, and terms were defined.

1920-30—Period of Integration. Principles of marketing were postulated, and the general body of thought was integrated for the first time.

Beginnings of Marketing Thought

1930-40—Period of Development. Specialized areas of marketing continued to be developed, hypothetical assumptions were verified and quantified, and some new approaches to the explanation of marketing were undertaken.

1940-50—Period of Reappraisal. The concept and traditional explanation of marketing was reappraised in terms of new needs for marketing knowledge. The scientific aspects of the subject were considered.

1950-60—Period of Reconception. Traditional approaches to the study of marketing were supplemented by increasing emphasis upon managerial decision making, the societal aspects of marketing, and quantitative marketing analysis. Many new concepts, some borrowed from the field of management and from other social sciences, were introduced into marketing.

1960-1970—Period of Differentiation. As marketing thought became expanded, new concepts took on substantial identity as significant components of the total structure of thought. Among them were such elements as managerialism, holism, environmentalism, systems, and internationalism.

1970—Period of Socialization. Social issues and marketing became much more important, as the influence of society upon marketing, but of marketing upon society became a focus of interest.

THE FORM OF MARKETING THOUGHT

Form is given to marketing thought by the medium in which it is expressed. A formal body of thought is more than just a stream of ideas. It is a composite of ideas, including both those currently in circulation and those of a historical nature. It exceeds the knowledge of any one person and includes the sum total of what is known about a subject. It is more than an aggregate of fragmentary ideas; rather it is a group of ideas centered upon a principle.

So conceived, a body of thought takes form over a long period in a literature. Some literary forms are periodic; others are more permanent. Each makes a distinct contribution to the form of thought developed therein. Periodicals in marketing are written mainly for trade purposes, to report new discoveries, to recount successful experiences, and to discuss problems and techniques of comparatively narrow scope. Journals and research reports, on the other hand, deal more abstractly with problems and investigations and usually contain substantial types of ideas. Books provide formal, conceptual, and integrated expression of thought. Some of them are very specialized, others general. Books of scientific character, particularly textbooks for academic use, usually represent an integration of thoughts that may have been presented in segregated fashion elsewhere, as in periodicals.

Thus, because in books the more considered, permanent, and integrated elements of a body of thought take form, it is in the books of the marketing literature that the body of marketing thought analyzed in this study has been sought.

DIMENSIONS OF MARKETING THOUGHT

To describe the content of the body of marketing thought is to perform a dissection that presupposes a concept of its anatomy. It cannot be stated of what this body of thought consists as a whole, for, while its subject matter is
marketing, its content is as multiform as the prismatic refractions of a many-sided cut stone. The facets of marketing thought are multidimensional—not linear but qualitative, yet nonetheless definite and measurable. Like any body, the body of marketing thought is comprised of certain materials; it has members or components; it has foundation and superstructure; it has size, shape, proportion, and appearance; and it has orientation or external relationships. The dimensions, or lines for measurement, of marketing thought are, at least, structural, intellectual, temporal, spatial, interdisciplinary, and personal.

1. Structural Dimension. Structurally, marketing thought is divided topically, on the basis of literature areas. They correspond with the divisions of marketing initially made to distinguish areas of practice and areas of academic offerings. Later they became conceptually identified with the functional, institutional, and commodity approaches to the study of marketing. Thus the content of marketing thought may be said to consist of the separately developed thought areas: advertising, salesmanship, sales management, credit, market research, wholesaling, retailing, general marketing, and a miscellany of unclassified subjects. Writing and thought in each of these areas may also be classified as specialized and general. Thought content, in the form of books, has also a structural classification, describable as elementary or advanced, theoretical or practical, traditional or orthodox.

2. Intellectual Dimension. The intellectual dimension of marketing thought represents the extent to which it embraces the elements of a scientific discipline. Progress in the development of a discipline consists of its rising from factual and conceptual bases to higher levels of generalization and integration. By this criterion, it may be said that marketing thought has attained status in the intellectual dimension. Facts have been abundantly reported and kept up to date in successive publications. Together, they recount vividly an important segment of our business history. More than that, marketing and its environment have been appropriately conceptualized by students of the subject. This is evidence of intellectual stature and assurance of a foundation upon which constructive and critical thought may be built.

Generalizations deduced from those concepts have variously been called elements and principles. They have ranged from simple rules of action to interpretative generalizations of the marketing institution and to statements approximating economic principles. Of theories, at first they were few, and often implicit rather than explicit. The nearest approximation to early theory was the structure of thought stemming from certain premises about the concept of marketing, its purpose, and responsibilities. Because of general unanimity among writers, there was but one "school of thought," or a common "theory" of marketing. On the other hand, writers emphasized marketing's economic role, its broader than technical management role, and its social responsibility. Such interpretations of marketing constituted in a sense its theories.

3. Temporal Dimension. The temporal dimension of marketing thought has been discussed previously as its "development." It need only be reiterated here that this development through time is a measurement of the progress made in the explanation of marketing, or in the explanation of social behavior made from a marketing viewpoint. With continued change in our environment, with changes in our marketing concepts, and with changes in our concept of marketing, the future holds further evolution for the body of marketing thought according to this dimension.

4. The Spatial Dimension. When the development of marketing thought is said to have occurred in the United States, a spatial orientation is given it, but two aspects of this dimensional orientation are sometimes overlooked by such a broad generalization. First, it conceals the fact that local interests in marketing have affected the development of thought along different lines. Agricultural interests of the Middle West produced studies of the marketing of farm products. Large-scale retailing interests in New York City produced studies of institutional management. This is evidence that marketing thought has mirrored problems and interests of the land in which it has grown.

Second, such a broad generalization, conceals that the marketing thought here developed is indigenous to the setting of the United States and may not be equally explicable of business systems of other countries. Growing recognition of this comparative or cultural dimension of marketing thought in recent years has tempered our presumptions that marketing is a universal business system rather than a cultural social system.

5. The Interdisciplinary Dimension. The interdisciplinary dimension is the extent to which marketing thought embraces ideas drawn from other social disciplines. The stuff of which marketing thought is made is not wholly from marketing experience or from the intellectual innovations of those who undertake its study. From economics, psychology, accounting, statistics, law, political science, and other social disciplines, concepts and ideas have been borrowed that, conjoined with marketing concepts, enrich the body of this thought. No social discipline develops in a vacuum, and the more integrated are the findings of all, the more nearly will our knowledge of society approximate a social science.

6. The Personal Dimension. The personal dimension is the extent to which the character of marketing thought has been determined not only by external problems inciting study but by the subjective factors that have influenced the viewpoints of men contributing to the development of thought. Personal traits, family backgrounds, academic training, occupational assignments, and business experience combine to influence the manner in which students of marketing have viewed and written of the subject.

PLAN OF ANALYSIS

In the following chapters analysis is made of marketing thought along the lines of its different dimensions. The body of thought is first classified topically, and separate attention is given to each of the structural members or literature areas. Within each, the development through time is traced so as to show the response of marketing students to changing environmental conditions. The progress from facts to concepts, to principles, and to broader generalizations is shown. Personal influences in the study of marketing are also considered. Finally, an appraisal is made of the contributions to the general body of marketing thought that have been made by students writing in each of the topical areas.
ENDNOTES


2 Litman, op. cit., p. 380.

3 Stated by Ralph Starr Butler in correspondence with the author, in 1940. See Appendix A.

4 Arranged chronologically in the order of their first main contribution to marketing thought through teaching.

5 Chart 1 shows lines of intellectual influence between teachers and students in the early development of marketing thought. This chart was included in the article by the author entitled "Influences on the Development of Marketing Thought," published in the Journal of Marketing, XVI (July, 1951), 1.

6 Stated by Weld in correspondence with the author in 1941. See Appendix A.


8 Frank G. Coob, Marketing Thought in the United States in the Late Nineteenth Century (Lubbock, Tex.: Texas Tech Press, 1961).

ADVERTISING

Some of the earliest developments of marketing thought occurred in writings on advertising, resulting from a conjunction of events early in the twentieth century that caused hope to be placed in advertising as a panacea for disposing of the products of industry. Use of advertising was increasing, owing to success experienced in its use, to growing circulation of newspapers and magazines, and to almost unbounded confidence in psychological discoveries of means of motivating and influencing human behavior in the market.

After 1903, the literature of advertising grew rapidly and passed through several stages significant to marketing thought. More than one hundred and thirty books on the subject were published before 1950. This number exceeded that of works written on other aspects of marketing, indicating the popularity of advertising from the standpoint of both readers and writers. The advertising literature was divided between trade books and textbooks, the latter being much more numerous. The former, written primarily for practitioners of advertising, were often not suitable for formal educational purposes, because of the scope of their coverage or the manner of their presentation. Textbooks, on the other hand, were of two types: those treating the whole subject of advertising and those dealing with specialized phases of it. The specialized works were the more numerous. Topically, the most often discussed subjects were advertising copy, layout, campaigns, principles and practices, economics, and psychology. The specialized books generally preceded the more general texts; the trade books appeared mainly during and after the late 1920s.

Scores of writers contributed to the advertising literature, but only a few of them stand out as principal contributors to advertising and marketing thought. Among them are Walter Dill Scott, Harry L. Hollingworth, S. R. Hall, H. W. Hess, Lloyd D. Herrold, Daniel Starch, George B. Hotchkiss, Otto Kleppner, A. J. Brewster and H. H. Palmer, Hugh E. Agnew, Neil H. Borden, Paul T. Cherington, C. H. Sandage, H. K. Nixon, and A. W. Frey. That group spans about the entire history of the advertising literature. Some of them maintained positions of eminence for many years, for revision of even the earliest books was common.

Thought in the advertising literature evolved through three stages: initial statement, integration, and specialization.

FORMATIVE STAGE OF ADVERTISING THOUGHT

Although writings on advertising appeared prior to 1900 — for example, a monumental work entitled The History of Advertising, was published in England in 1875 — none can be considered to have contributed to marketing thought in America until the beginning of the twentieth century. From then until 1920,
The development of marketing thought was not without some self-consciousness concerning the manner in which that thought was being derived and developed. Simultaneously with writings analyzing marketing practice came also a literature pertaining to the methodology employed in ascertaining the facts about marketing. That literature contained the body of thought concerning marketing research, sometimes called "market analysis," "market research," or "distribution research." Its subject was method, not simply marketing. The practice of marketing research yielded knowledge of marketing, but the literature on marketing research was concerned with the methodology applicable to research practice.

The practice of marketing research was begun about 1910, at the time when the methods of science employed in industrial production were being discovered as applicable also to marketing. Writings on research, however, did not appear in book form until 1919, although a few articles on the subject appeared earlier. From then until 1960, approximately thirty-seven books on the subject had been published. Ten appeared during the 1920s, six during the following decade, eight during the 1940s, and thirteen were published between 1950 and 1956. There were almost as many different authors as there were books published.

FACTORS INFLUENCING DEVELOPMENT OF MARKETING RESEARCH

The emergence and evolution of research thought were the result of a growing demand for accurate knowledge of marketing and of an increasing application of the methods of science to marketing management.

The need for precise knowledge inspired the study of marketing from the beginning. At first, however, knowledge of marketing practice alone was sought. Gradually, recognition grew that markets and the marketing establishments themselves were complex organizations that could be understood only by penetrating analysis. Contact that management had with business through direct observation, in small organizations, was lost as those organizations increased in size and complexity. Co-ordination of activities within the business depended upon the development of new probes for information and new measures of management control. The need was met by the development of methods of researching internal records and operations.

The need for co-ordinating business with its external environment was also accentuated following World War I. Expansion of agriculture and industry and changes in the habits of people altered the configuration of markets. The realignment of international relations changed also the pattern of world markets. In addition to those secular trends stimulated by postwar readjustment, the
vicious cyclical depressions of 1921 and 1932 also showed the need for more knowledge of business and its environment. Throughout those periods of economic change and business adjustment, marketing bore particularly the brunt of a general impression that distribution was wasteful, inefficient, and costly. Only research could prove or disprove the validity of such accusations.

As the need for better knowledge of marketing became apparent, confidence in the applicability of the methods of science to marketing problems inspired early students and writers. Shaw, Nystrom, Cherington, and C. S. Duncan linked marketing with systematic and scientific research. Many methods of science were drawn from studies of production management. Some came also from studies of government administration, where methods of budgetary planning and forecasting had been developed. Discoveries in psychological, sociological, and statistical analysis likewise contributed tools by which marketing research could be done.

Growing interest in marketing research following World War I increased the number and types of organizations conducting marketing research. Whereas originally such research was done mainly by governmental agencies, university bureaus of business research, advertising agencies, and the research departments of manufacturers and distributors, market research began to be offered by independent research organizations, media, trade associations, channels of communication, co-operative associations, independent consultants, and syndicated research services.

BEGINNINGS OF MARKETING RESEARCH

In no other marketing literature is the origin of an activity so generally referred to as that of marketing research in the writings pertaining to it. Numerous writers have pinpointed the beginning of marketing research at about 1910 and have attributed to Charles Coolidge Parlin the inception of this work. The manner in which he came to undertake market and marketing studies seems to be well known, and accounts of it appear in the marketing research literature.

In an address given in 1947, Ralph Starr Butler, 1 told that the idea of marketing research originated about 1910 with Stanley Latshaw, advertising representative in Boston for the Curtis Publishing Company. Latshaw was dissatisfied with the way in which advertising space was sold. Neither salesmen nor their customers knew much about markets, about the wants and habits of consumers and dealers. Neither were they certain what were the virtues and faults of the products being advertised. Salesmen talked about their publications, but they had no information with which they could show customers why advertising in a particular medium would help in marketing their goods. Latshaw’s idea was that such information ought to be available to advertising salesmen and their customers. After selling his idea to Mr. Curtis, he hired a competent man who was turned loose with a roving commission to see what could be developed. Responsibility for that unusual and unprecedented assignment fell to Charles Coolidge Parlin, a schoolmaster from a small city in Wisconsin.

When in 1911 Parlin undertook to gather information useful to businessmen, the Bureau of the Census was collecting facts, but businessmen were unskilled in interpreting them. Parlin called his proposed operation “Commercial Research.” His first study was one of the agricultural implement industry. It was based upon information taken from manufacturers’ catalogues and gathered in talks with manufacturers, wholesalers, and retailers. It resulted in a 460-page report, which is credited with being the first marketing research study. 2 Questionnaire surveys are said to have been used as early as 1824 by some newspapers, and in 1879 N. W. Ayres and Company surveyed grain production by states for a client, but the work of Parlin was the first that developed into a continuing and organized research operation.

In 1912 Parlin visited all cities over 50,000 population to estimate the volume of business done in department stores, wholesale dry goods establishments, and principal merchant tailoring operations. That resulted in a second report—a four-volume study published that year entitled Department Store Lines. In that study Parlin contributed the concept of “convenience goods, emergency goods, and shopping goods,” which, with modifications, became a basic marketing concept. He also stated in that study that “The Consumer is King”—a marketing interpretation of the economic principle that consumption is the end and object of production, which became a slogan throughout the period of the Consumer Movement.

Parlin’s third study was, in a sense, the first census of distribution. It attempted to estimate the trading population of the cities over 50,000, and the volume of department store, dry goods, and ladies ready-to-wear business. In 1914, he published still another study, Automobiles, pointing out possible successful lines and prices. All those studies served Latshaw’s purpose to provide advertisers with information to guide not only their advertising but their entire business practice.

The studies made by Parlin led to increased advertising in the Saturday evening Post, they introduced science into fact-finding as well as into management, and they made commercial fact-finding a profession. Other research activities also began to develop about then. In 1916 the United States Rubber Company established a research department under the direction of Paul Nystrom. In 1917 Swift and Company hired L. D. H. Weld as economist and commissioned him to organize a commercial research department for that company. Such were the beginnings of marketing research.

Evolving Concept of Research in Marketing

The application of research to marketing did not begin with a full-blown body of methodology. Neither did the investigations conducted by Parlin and other pioneers suggest the scope that marketing research would ultimately attain. Beginning simply, marketing research has evolved in breadth and complexity in keeping with the problems that needed to be researched. In general, its progress has been related to the expanding concept of marketing. When marketing was regarded mainly as the process of distribution, simple techniques of observation and analysis sufficed. When marketing was regarded more as a process of locating and reaching markets, survey techniques became the principal subject of research. When marketing was regarded as a function of internal management, methods of gathering and utilizing sales, costs, inventory, and other internal records were developed. When marketing has been regarded as an area of decision making, methods and techniques appropriate to the need have been devised. The stages in the evolution of marketing research may be identified with periods of decades as follows:
Prior to 1910, investigations into marketing practice conducted prior to 1910 can scarcely be considered marketing research. They were scientifically conducted investigations, but their objective was the gathering of information for teaching purposes rather than specifically for the solution of business problems. Inquiry into the findings of psychologists by advertisers was, in the strictest sense, not marketing research but a process of learning rather than researching. Psychologists' findings themselves were frequently based upon hypothetical and subjective analyses rather than upon external and objective research. Nevertheless, during that period the method of first-hand observation, which has always been important in marketing research, was explored and found productive of useful information.

1910-20. Between 1910 and 1920 the growing size of business establishments, particularly in the distributive trades, focused interest on measures of internal activity and encouraged research in operating statistics and other internal data. Studies of operating costs made by university bureaus of business research, as at Harvard and some other schools, illustrate a type of research conducted at that time. During World War I the use of questionnaires for military screening purposes increased familiarity with that research tool and led to its extensive use in opinion polls conducted by magazine publishers.

1920-30. Focus of attention on markets, resulting from the introduction of new products, growth of new types of marketing establishments, and the uncertainty of consumer buying habits in economically unstable periods, coupled with experience in the use of questionnaires, made the 1920s a period of surveys in the evolution of marketing research. Rising interests in the consumer led to extensive thought and writing on the proper use of the questionnaire tool.

1930-40. With the taking of censuses of business, interest in research turned to statistical methodology. Quantitative rather than qualitative information was emphasized, particularly for use in analysis of factors affecting sales and in the setting of sales quotas. Marketing research during the 1930s contributed perhaps more to scientific sales management than to any other part of the marketing task. That was also a period when many accounting techniques of cost analysis were adapted to the study of distribution costs. Methods of measuring correlation and problems of sampling also engaged the interests of some writers.

1940-50. The decade of 1940-50 is identified with the refinement of statistical techniques and with the growing interest in research methodology drawn from other social sciences. Attention was given to sampling theory and to multivariate and correlation methods. Keener awareness of the importance of hypotheses in marketing research was evident, and more was written of the securing of information on behavior, intentions, attitudes, habits, and "reasons why" through the use of panels, interview-roster methods, coincidental methods, mechanical devices, and other psychological testing techniques. Motivational and operations research was also dealt with in the research literature.

1950-60. In the decade of the 1950s, emphasis placed upon managerial decision making in marketing in general evoked in marketing research new analyses of consumer motivation and greater use of concepts developed in related behavioral sciences. Attention was also turned to quantitative analysis through use of advanced mathematical techniques.

**CONTRIBUTIONS TO MARKETING RESEARCH**

In the following pages some of the types of research to which attention has been given are discussed, and the principal contributors to the ideas are identified.

**QUALITATIVE DETERMINATION OF MARKETS**

In its earliest conception, market analysis consisted of qualitative determination of the markets for products. When writings on market research began to appear, systematic analysis of business practice was yet new, and earliest writers undertook little more than to set forth a conceptual framework for considering business problems. Market activity was not at first, however, a subject of separate consideration.

A. W. Shaw was one of the first to deal with market analysis, but he gave it only one chapter in his *An Approach to Business Problems*. Approximately half the book was devoted to "The Problems of Distribution." His "approach" to the solution of business problems was a four-step procedure: (1) elimination of the personal element or subjective interest in the problem situation; (2) recognition of the fact that each problem is made up of a bundle of minor problems; (3) cognizance of all factors entering into the solution; and (4) a fresh look at the problem, divorced from traditional approaches to it.

Shaw believed that production, distribution, and administrative problems were essentially similar and could be approached alike. Analysts of production had abstracted five factors held to be basic to production problems: location of the plant, construction and equipment, materials, labor, and organization. While admitting that all the factors relating to distribution were not yet known, Shaw held that distribution problems required consideration of the same factors as did production problems.

To one type of distribution problem, namely, the analysis of markets, Shaw gave particular attention. Theretofore, knowledge of markets had been largely a trial and error effect; he saw the possibility of eliminating some uncertainties by systematic and conceptual consideration of the market. He regarded markets as made up of "strata" or as having segments distinguished by territorial distribution of customer, mental attitudes, climate, racial characteristics, density of population, and the like. Stratification of the market produced by economic and social factors created what he termed "market contours." Analysis of the market was made by careful consideration of these strata factors for the purpose of determining who bought where; how often they came to the market; how much they were willing to pay; and the most effective agency by which those consumers could be reached.

Carson S. Duncan, another early writer, set forth some of the general principles underlying business research, which he called "commercial research," as had Parlin. He made a strong case for his belief that business problems could be solved by the use of facts. Because he felt that the problems of business enterprise are basically market problems, he recommended the application of scientific methods to the solution of them.

In his *Commercial Research* he set forth a series of propositions expressing the logic underlying this form of research:
1. The immediate and primary need of business is for intelligent
direction and control.
2. Intelligent control can be had only by a better knowledge of
business principles.
3. A knowledge of business principles can be derived only from a
careful and comprehensive survey of business facts.
4. The securing of business facts is a problem for business research.
5. Therefore, the immediate and primary need of business can be met
only by business research.

Duncan did not limit commercial research to mere use of figures; he
considered also the origin of those figures, the quality of thought that organized
and presented the figures, and the subjects of commercial research that cannot
be tabulated. He encouraged the use of both internal and external information in
the commercial process of business, which he treated as an area of management.
Among the types of researchable business facts that he held to be essential to
management are the following: the commodity, trade organization, the market,
population statistics, wealth statistics, wages and prices, per capita consumer
income, standards of living, markets for special commodities, business habits, the
will to buy, and potential markets.

Commercial Research was one of the first books of its kind, and it made
several contributions to thought. It postulated general principles of research. It
dealt with business problems and their solutions on a broad scale. It was
challenging rather than definitive, expository rather than descriptive. It made no
distinction, however, between market research and marketing research. Neither
did it elaborate upon the techniques by which research was to be carried on.
Among the bibliographical references found in the book are the following:

William Kent, *Investigating Industry*
E.N. Hurley, *The Awakening of Business*
Ernest J. P. Benn, *Trade as a Science*
M. P. Copeland, *Business Statistics*
J. R. Smith, *Industrial Management*
Harry Tipper, *The New Business*

**MEASURABILITY OF MARKETS**

After the general applicability of scientific research to the commercial
problems had been discussed, its specific pertinence to marketing was introduced
through the concept of measurability of markets.

Percival White was one of the earliest to develop this subject, saying in his
*Market Analysis: Its Principles and Methods* that markets are measurable and
that the measurements of them serve to guide manufacturers, sales managers,
engineers, advertising agencies, and others for whom understanding, discovery,
and prediction of markets is important.

White thought of both domestic and foreign markets as measurable and
capable of analysis. He encouraged research of customers, distribution, sales, and
competition, as well as of the product and the company. The methodology by
which he proposed making this analysis consisted mainly of securing data by
interview and questionnaire -- in other words, by the method of the market
survey. What he said influenced the structure of thought for years. He was the
first writer to publish a work on market analysis under that name. He was the
first to build a set of general principles of marketing policies.

**Marketing Research**

White's thought about research unfolded in response to changes in
distribution occurring during the 1920s, and by 1925 he showed increasing
concern with marketing research rather than with mere market analysis. He
therefore included in his treatment of the subject organizations for market
research, agency market research, industrial and commodity surveys, and
newspaper surveys.

**MARKET SURVEYS**

A number of contributions to thought were made in the development of
survey research. Survey methodology, however, has been developed not only by
students of marketing but also by other social scientists.

William J. Reilly added to the knowledge of survey research in his *Marketing
Investigations*. When it was published in 1929, Reilly claimed that the available
information about conducting field investigations was negligible. He dealt at
length, therefore, with problems of interviewing and use of the questionnaire.
He discussed the potentialities of retailers, consumers, jobbers, and marketing
organizations as sources of information. More than others at that time, he
expressed concern with the reliability and accuracy of samples. After discussing
some of the ethical implications of research, he concluded his study with
consideration of "What Is Most Needed," itemizing the following: development of
the scientific method, training of marketing research men, organization of a
clearing house, emphasis upon more fundamental surveys, arrangement for
continual study of problems, and more work by impartial organizations. Reilly's
work was one of the most comprehensive treatments of the marketing-field
investigation.

Percival White also contributed to the understanding of survey research; in
1931 he published a manual for field workers, entitled *Marketing Research
Technique*. He covered thoroughly the nature, organization, and work involved
in field research. To the questionnaire technique, which in earlier years had been
regarded as the principal form of field investigation, he added analysis of
personal interviewing, telephone interviewing, group interviewing, and field tests.
He developed at length the pre-interview work required in field research,
including the writing of instructions, local situation surveys, classification of
respondents, information about respondents, memorizing the questionnaire,
quotas, and rules of conduct. White visualized the marketing research
organization on a level with market planning, marketing accounting, and
merchandising. He related the history of field research up to that time,
commenting that few if any recognized standards of practice had been developed
in the work.

So widespread was interest in survey research during the 1930s that a
Committee on Marketing Research Techniques was appointed by the American
Marketing Association to prepare and present a series of charts of the best
methods to be followed in marketing research. The study of the Committee
dealt at length with the use of the questionnaire method of gathering business
information, and its charts and explanations thereof were published in 1937
under the title *The Technique of Marketing Research*, edited by Ferdinand C.
Wheeler. Notwithstanding its sponsorship, the book made no significant
contribution to research thought. It so condensed and abbreviated prevailing
knowledge of the subject that it was little more than a checklist of research
procedure.
MARKETING AND DISTRIBUTION RESEARCH

Market analysis and survey research furnished only part of the assistance that scientific research could give, and throughout the 1930s increasing emphasis was given to marketing or distribution research rather than mere market studies. Lyndon O. Brown, in Market Research and Analysis, made some contributions along this line. He dealt with topics not usually treated: quantitative analysis, sales analysis, market trends, advertising research, and product analysis. He represented the viewpoints that he thought combined to make the ideal analyst, namely, those of the psychologist, statistician, accountant, engineer, sociologist, and marketing man.

Brown contributed to the clarification of research concepts and terminology. Market research he defined as the scientific study of markets or marketing methods in a broad general way; market analysis, as the scientific study of markets or marketing methods for a specific product or service — for an individual firm. The basic methods of science he identified as historical, inductive, deductive, analytical, and experimental; the general techniques of research, as statistics, accounting, engineering, psychology, and sociology. The basic marketing analysis methods he listed as survey, observation, and experimentation; the types of quantitative analysis methods, as direct data, corollary data, arbitrary factors, family budget, consumption rate, and multiple correlation. Brown introduced more concepts and organization of thought to the subject of market research than had his predecessors. He also related the subject of research to science, to marketing, and to other fields of study.

Developments in research during the 1940s sprang from the employment of new methods of research and from the application of scientific research to an increasing variety of marketing problems. The structure of Brown’s thought about research in 1949 was based largely on the types of problems to be researched. Among those discussed were product and package research, brand position analysis, industrial and institutional marketing research, sales organization and operation research, sales record analysis, distribution cost research, opinion and public relations research, advertising copy testing, price and market trend analysis. Duncan had emphasized the business use of research findings; White, the types of organizations engaged in survey work; Reilly, problems involved in gathering and interpreting marketing data; Brown, the areas of marketing whose problems lent themselves to research.

Still another organization of thought was presented by Brown in the 1955 revision of his book. New emphasis was given to research methodology, and some of the newer developments were incorporated. In addition to an elaborated statement of survey procedure, he increased the attention given the planning and analysis of the sample. He also discussed techniques contributed by other specialized fields that were being used in marketing research, particularly motivational research and operations research.

SALES RESEARCH

While a large part of marketing research focused attention on factors external to a business enterprise, efforts were also made to utilize internal information. Statistics of retail store operations were collected and published by the Harvard Bureau of Business Research and by the National Retail Dry Goods Association prior to 1920. Not until somewhat later, however, did information that manufacturers possess concerning their sales become the material for marketing research. In the late 1920s and thereafter, as sales management became increasingly fact-based decision making, marketing research turned to supplying the needed facts from both external and internal sources.

Percival White was one of the first to write in this field, publishing Sales Quotas in 1929, a sequel to his Market Analysis. Defining the sales quota as the share of the market that a company plans to appropriate, he amplified the concept of the quota as the goal set for the company, for the territory, or for the individual. Setting quotas required research. Markets were located on the basis of research into territorial factors. Sales opportunities were measured by indices of related factors. White made a strong case for research of this type as a basis of sales forecasting.

Donald R. Cowan also contributed to understanding the use of research for promotional purposes. His Sales Analysis from the Management Standpoint set forth standard research procedure and explained the conditions under which various types of research could be used. Rather than merely prescribing methods to be used, it stimulated the reader to consider applicability in terms of circumstances. Developed while the author was engaged in research work for Swift and Company, the book was actually an outgrowth of a doctoral dissertation and a series of articles published in the Journal of Business.

Whereas White’s Sales Quotas dealt with sales forecasting on the basis of fairly simple internal and external data and Cowan’s Sales Analysis illustrated a variety of sales problems and research techniques, R. Parker Eastwood’s Sales Control by Quantitative Methods was a highly specialized study of operations control through the use of internal data. Specialization in production was held to impose upon business a great need for control and co-ordination. The market place itself provided co-ordination among companies. Within firms co-ordination is accomplished by managerial techniques, sales forecasting being a crucial factor. Eastwood undertook to discuss the methods appropriate for controlling sales. That involved budgetary control, a concept of formally estimating future operations, which, according to Eastwood, began in the administration of governmental fiscal policies. Business managers adopted the concept. Whereas, in the government, he pointed out, estimated costs are the starting point of a budget, in business estimated sales are the starting point.

Eastwood regarded marketing research as a broad field subdivided into such activities as sales analysis, distribution cost analysis, market analysis, and advertising research. Sales analysis, which was generally based upon existing sales data, he thought to be most helpful in connection with products that are in general and continuing use. Market analysis, on the other hand, looking to the gathering of external data, he regarded as more applicable to the sale of goods purchased intermittently or irregularly. Sales analysis was based in part upon classifications of sales, on such bases as geographic area, customers, size of orders, products, selling units, sales outlets or channels, terms of sale, methods of delivery and advertising media. Eastwood did not present a study of distribution costs, but, because he wrote at a time when such cost studies were popular, his book would have been a complement to such studies and an aid in the establishment of distribution and promotional policies.
CONSUMER RESEARCH

When the use of questionnaires was first adopted by marketing researchers, it was mainly as a device for gathering and counting opinions. Questionnaire construction had been developed by psychologists and others than those who were engaged primarily in market research. However, with continuing progress made in behavior analysis by social scientists, survey research gradually took on a new dimension in marketing. It aimed at reaching greater depths of discovery, at ascertaining with more accuracy the subjective factors affecting consumption, upon which sound marketing plans could be based. The introduction into marketing thought of techniques that would accomplish this end was achieved in part by market researchers' gaining understanding of new psychological concepts and in part by psychologists' directing their research toward the solution of marketing problems.

Albert B. Blankenship, who was trained in psychology and was director of market research for N. W. Ayres and Sons, Inc., was one who contributed to marketing thought along lines of psychological research. He added to the research literature three books: Consumer and Opinion Research,14 How To Conduct Consumer and Opinion Research,15 and, with Myron S. Heidingsfield, Market and Marketing Analysis.16

Consumer and Opinion Research is perhaps one of the most authoritative writings on questionnaire construction, but while it influenced market research it did not pertain specifically to market research. It dealt with the questionnaire technique as that form of investigation might be used among the various social disciplines: sociology, psychology, marketing, advertising, political science, and statistics. Because of his business experience, Blankenship abundantly illustrated his theories with actual business cases.

A second book, written by numerous individuals, was edited by Blankenship. Its principal contribution was to show what research services were being offered by various types of organizations, including research organizations, syndicated services, specialized services, and general practitioners. The book was informative but nontechnical.

Blankenship incorporated much of his questionnaire research in his collaborated writing with Heidingsfield, but their work presented a broad, general, and simplified treatment of research. Convinced that most of the literature was written for professionals and graduate students, they undertook to prepare a book for beginners. With the intention of showing the use of internal data and external surveys, they included also the use of observation and panel methods and the study of comparative consolidated balance sheets and statements of income. Noteworthy is their distinction between concepts, defining market analysis as the procedure of evaluating the desire of a group of people, and marketing analysis as the study of the methods of marketing.

STATISTICAL RESEARCH

Knowledge of statistical methodology has always been of importance to market researchers, but treatment of that subject has occupied a minor place in market research literature. This has been due mainly to the highly technical nature of statistical theory. Consequently, the relevance of statistical techniques to market research has been dealt with but little, and only in the later years of the study of market research, as the solution of problems involving more statistical intricacies has been undertaken.

The closest approximation to a work devoted to statistical market research is that by Robert Ferber: Statistical Techniques in Market Research,17 which actually is a book more on statistical techniques than on market research. Earliest writers on the survey made little if any mention of the statistical problems involved; their successors discussed sampling theory to some extent; Ferber wrote with considerable penetration of sampling and of multivariate and correlation methods. Even then, he admitted that his treatment was less technical than if intended for statisticians. Nevertheless, this was the more specialized refinement of the subject applied specifically to market research, and it had a continuing influence upon the development of marketing thought and the training of market researchers.

DEVELOPMENTS OF RESEARCH THOUGHT AFTER 1950

In the postwar years, and into the 1950s, developments in business had several effects upon the nature of marketing research. To begin with, there were an increasing number of marketing problems that were not being solved satisfactorily by the methods of research then employed. At the same time, the necessity of relying upon research in marketing increased. With the trend toward decentralization management, encouragement was given the establishment of marketing research departments acting in a staff capacity and the use of research consultants. Thus the need for research specialists trained and experienced in technical skills increased. Simultaneously with the growing conception of the function of top management as that of integrating and co-coordinating the diverse activities within an organization, the need for broader research into all aspects of business related to marketing became more apparent. Thus marketing research was expected to provide not only information descriptive of the market for the formulation of sales strategy but also information that would be useful in determining prices, product policies, geographic deployment of physical facilities, and proper utilization of invested capital for maximum return on marketing activity. The demand upon marketing research was for improved technical skills and for better use of researchable information in the co-ordinate function of management.

The deficiencies of prevailing methods of marketing research were stated by Robert Ferber and Hugh C. Wales18 to be as follows:

1. Excessive dependence upon accumulated experience of business itself, upon the records which business has kept of its own activities. Not only are such bases of research static and tax-directed, they do not reflect the many complex marketing situations which cannot be reduced to statistical terms.

2. The time lag in gathering data external to the business which makes them available only after change in the market place has altered the conditions which they are intended to depict. This is true of both trade and government reports.

3. Unconscious but significant distortion of the judgment of department heads, employees, and others whose opinions are sought in survey research.

4. The limited usefulness of information gathered by means of questionnaires in connection with a random sample, because of public excitement concerning an issue, relevance of findings to peculiar local circumstances, and the unforeseen introduction of new variables into a situation.
It is said that the inadequacies of exiting marketing research methods became more apparent in 1949 and 1950, when businesses became uneasy about accumulating inventories and changes in consumer demands. To meet the needs of new marketing problems, new research methods had to be found.

One approach to improve research was by development of judgment skills in the use of research. In the 1950s attempts were made to provide this skill through the use of problems and case materials illustrating various research methods. The objectives of writers who supplemented text with cases were differently stated, but the general intent was to emphasize the making of decisions and the use of strategies by marketing managers in their blending of a marketing mix and in their adaptation of it to changing circumstances. Such emphasis of practice, in contrast to mere theory, was intended to bring the student to grips with actual problems and techniques, to show how research methodology in the social sciences is applicable to the solution of marketing problems, and to avoid the supposedly "too dry" traditional approach to the study of marketing research. Actually, the concept of research methodology presented by such writers did not differ much from those traditionally discussed in the preceding decades. A few exceptions are notable, however. Harper W. Boyd and Ralph Westfall gave more than usual attention to the experimental methods, including "Before-After," "Before-After with Control Group," "Four-Group-Six-Study," "After Only with Control Group," and "Ex Post Facto Design." David E. Faville, on the other hand, introduced thirteen cases based upon European research experiences.

A contrasting trend of thought, complementing the use of cases, was manifested in increasing incorporation in marketing research of methods and techniques borrowed from related social sciences. This represented a popularized concept of man, not merely as an economic mechanism or as a simple combination of urges and wants, but rather in terms of Gestalt psychology and psychoanalysis. The probing of the "why" of consumer behavior in the market developed along lines of indirect questioning, in contrast to the methods of direct interrogation formerly commonly employed in survey research. Some techniques were devised to study the unconscious or subconscious mind and to explore consumer goal-directed behavior; others related to the probing of so-called instinct courses, or of the unconscious motivation in quest of unrecognized goals.

From the fields of psychology and sociology were drawn for use in marketing research a number of concepts and techniques for motivation research, a subject which, as evidenced by book titles, had considerable impact upon marketing research thought in the 1950s. Among them were the following:

- Word association
- Sentence completion
- Rorschach tests
- Thematic apperception tests
- Role-playing
- Situational methods
- Chain interviews
- Symbolism
- Projective techniques
- Depth interviews
- Focused group interviewing
- Error-choice techniques
- Cartoon and picture devices
- Picture frustration

A third variation of research thought was represented by publications of readings or the republication of articles on a wide variety of research subjects. Typical of other fields of marketing in recent years, such readings were the contributions of many specialists and tended to give a breadth of treatment better than any one author could present at that time. In one of the more widely used of such publications, Robert Ferber and Hugh G. Wales selected and organized their selections with the intent to dispel the notion that motivation in market behavior should be limited to such types of motivation as had constituted the inquiries of psychologists who more narrowly used that term.

A fourth trend in marketing research thought evidenced the increasing reliance upon mathematics and models for the solution of marketing problems. As articles on motivation appeared first in journals of psychology, so employment of mathematical concepts in marketing problems appeared first in journals of economics, statistics, and mathematics. A number of them were republished in a book edited by Frank M. Bass et al. entitled Mathematical Models and Methods in Marketing. The editors saw the application of mathematical concepts and techniques to solve marketing problems to be one of the important current trends in marketing thought. Therefore, in order to make intelligible to students of marketing with both little and considerable mathematical knowledge, they have, on the one hand, translated the mathematical discussions into more simple English terminology and, on the other, elaborated in detail the mathematical analysis presented in more general and summary fashion in the articles themselves.

MARKETING RESEARCH THOUGHT SINCE 1960

Prior to 1960, the literature on Marketing Research generally included those terms in book titles. After that, titles increasingly featured new methodologies being introduced into marketing research. During the first half of the decade, much attention was given to attitude and consumer research; thereafter, titles often reflected content employing such concepts as decision theory, mathematical models, quantitative techniques, simulation, and experimentation. Some books still bore the traditional title of "marketing research," but few were concerned with market research.

Several distinctions might be made between the earlier and the later books. The former were generally descriptive; the latter, more analytical. Earlier works were concerned with assessment of the current status of marketing operations; more recent research investigated relationships between elements of the marketing process. Earlier writings presented techniques commensurate with the perceived marketing problems of that time; as the complexity of marketing increased, so did the problems and the analytical tools for solving them. In fact, the recognition of problems did not always precede the development of techniques. Contrariwise, as new techniques became available, problems were perceived where none had been seen before. New concepts and techniques were obtained from the fields of logic, mathematics, engineering, the behavioral sciences, and economics (econometrics). Moreover, as managers, who were the users of research, no longer possessed or needed capabilities for the conduct of research, markets for two distinct literatures and educational programs arose.

Evidence of the changing thought in this area is apparent in the revisions during the 1960s of books originally published earlier, such as those of Brown (1937), Ferber (1949), and Luck (1952). Having initially been dedicated to the survey type of research, such books continued this emphasis; yet the manner and extent to which they incorporated the new technologies indicated the nature of trends in the field.
Brown and Beik\textsuperscript{23} enumerated the new developments to which they gave accommodation as follows: concepts of model building, improved techniques of problem definition, decision theory, experimental design, operations research, advances in logic and statistics, new methods of data definition incorporated from behavioral sciences, and computer analyses. Notwithstanding continuation of the survey techniques in which Brown had pioneered in the 1930s, the incorporation of the new material was impressive. Being of broad coverage, however, its usefulness to either decision makers or technicians was general.

Lusk, Wales, and Taylor\textsuperscript{24} likewise initially published when popularity of survey research was high and later adapted their book to the fact that readers were no longer "overwhelmingly interested in technical methods." They shifted their emphasis to conceptualizing decision making for integration with research design, and to organization and administration of marketing research. They nevertheless continued oriented to survey techniques and to market data analysis, and the minimal employment of new concepts was apparent in the absence from the index of such terms as operations research, multivariate analysis, decision tree, and systems concept. Bayesian analysis was given only a 6-line mention of a bibliographical reference.

The inferences drawable from both of these revisions of earlier research thought are (1) that there is a continued market for such collegiate introductions to the general field of research, (2) that it is very difficult to combine both managerial and technical levels of exposition, and (3) that the real development of the new lines of research required fuller treatment than could be given in the general text.

Books published for the first time after 1960 were generally divisible into two groups: those intended for decision makers who would use the information obtained from research, and those intended for the researchers themselves. Books addressed to users of research services and information were the less technical. Decision makers needed to know enough to lift the mystique from marketing research; to recognize information as an input equal in importance to investment of capital and other physical assets; and to weigh the value of additional information against the cost of obtaining it.

Books intended for the research practitioners presented in considerable detail the techniques of the new methodologies which were being introduced. The following were topics which were treated in detail as essential knowledge in research:

1. Defining problems and information needs.
2. Statistical decision theory.
3. Bayesian theory, or the mathematical determination of probabilities in decision making.
4. Regression analysis, or the analysis of relationships between dependent and independent variables.
5. Model building, including linear, static forecasts, regression coefficients, time functions, difference equations, Markov chains, factor analysis.
6. Experimentation, including completely randomized design, randomized block design, Latin square design, double change over design, and factorial design.
7. Buyer behavior, including projective tests, depth interviews, and scaling techniques.

Among the representative books of the later period were the following:

**Marketing Research**

*Marketing Research: Selected Readings and Analytical Commentaries* (Barksdale and Wellmacher, eds., 1966) purporting to integrate marketing research into marketing management, and falling between elementary descriptive books and advanced monographs.

*Marketing Research* (Boyd and Westfall, 1972), including new developments in decision theory, advanced statistical analysis procedures, and experimentation in marketing, while retaining original basic format or survey techniques and application of behavioral sciences.

*Marketing Research and Information Systems: Text and Cases* (Buzzell, Cox, and Brown, 1969) providing a basis for learning about problems involving the use of marketing information and some of the concepts and methods that can be used in solving these problems.

*The Marketing Research Process* (Cox and Enis, 1972) based upon a model of the information decision process, for guidance in the purchase of relevant information for decision making.

*Consumer Behavior* (Engel, Kollat, and Blackwell, 1968) providing a basic conceptual model of consumer motivation and behavior stating variables that shape consumer action.

*Marketing Decisions: a Bayesian Approach* (Enis and Broome, 1971) analyzing probability in decision making.


*Research for Marketing Decisions* (Green and Toll, 1972) a comprehensive coverage of latest developments in marketing research, including the use of data bank case study throughout the book.

No sharp line can be drawn between writings of interest primarily for their content of marketing practice and problems and those of interest for their exposition and amplification of methodology and techniques. The books surveyed here are intended to be of the former group; some of those of the latter will be referred to later among the contributions from other disciplines.

**CONTRIBUTIONS OF RESEARCH LITERATURE TO MARKETING THOUGHT**

Appraisal of the contributions that the literature on marketing research has made to the body of marketing thought must take into account that this literature is as concerned with methodology as with the content of marketing thought and practice. From the outset, it drew heavily upon concepts and logic of other disciplines. Students of marketing were primarily adopters and adapters of methods and techniques, the theories behind them having been developed by others engaged in the disciplines of mathematics and the behavioral sciences, particularly. As marketing scholars have in recent years been more highly trained in these methods fields, they have done more original work. Nevertheless, what has been written has been mainly from the standpoint of marketing rather than for the methodology per se.

The following are some of the contributions that have been derived from the introduction of research ideas and concepts:

1. The character and identity of the consumer and of the market have been established through the information gathered from survey investigations and other statistical data.
2. The concept of what constitutes facts in marketing has been clarified. As the statement of the problem in marketing has called for
keener insights, so facts have become not merely simple observations and tangible evidences, but rates, ratios, relationships, and other intangibles.

3. Concepts have been developed for the analysis, measurement, and control of marketing activities. They have consisted of sampling, quality control, sales quotas, sales analyses, distribution cost analyses, correlation coefficients, variance, operating ratios, and the like.

4. The concepts and terminology of marketing thought have been enriched by the addition of such terms as market research, marketing research, analysis as contrasted with research, survey, field investigation, method, technique, internal data, external data, and a host of other terms drawn from statistics, psychology, and sociology.

5. Elevation of marketing thought to a higher level of theorization through employment of variable relationships, guides to clear logic, and more rigorous scientific methodology applied to marketing intelligence.

6. Introduction of forms of theory into marketing thought through various types of models.

ENDNOTES

2 Ibid., pp. 3-9.
4 Ibid., p. 223.
GENERAL MARKETING

Seldom has a literature had so much influence upon a succession of generations as have the writings on the general subject of marketing. The swelling tide of opportunities and successful practice in marketing brought many people to the study of the subject for professional reasons. Students of other phases of business, if they made any contact with the area of marketing, touched it first—if not solely—through the general writings on the subject. Concepts from this field penetrated even secondary education through texts and teacher training. The general statement of marketing has furnished a picture of business and economic activity for a large part of our society to view and thereby appraise it.

The significance of the general literature in the development of marketing thought is also great. It is a distillation and integration of thought developed by those who practiced and wrote in the specialized areas. The general literature presents the area of thought in which marketing is most likely to be dealt with as a social institution rather than as a technical activity. In that literature, too, are found the best measures of marketing thought: its scientific character, its historical evolution, its social orientation, its philosophic, economic, and cultural characteristics.

The development of marketing thought in the general literature has been an evolution of a body of viewpoints, concepts, and principles. Between 1900 and 1960, one hundred books dealing with general marketing were published. More than eighty individuals contributed to those works.

The fifty years during which this body of literature and thought has taken shape may be divided into six decades, each representing a stage of its development:

1900-10 — The Period of Discovery
1910-20 — The Period of Conceptualization
1920-30 — The Period of Integration
1930-40 — The Period of Development
1940-50 — The Period of Reappraisal
1950-60 — The Period of Reconception
1960-70 — The Period of Differentiation
1970 — The Period of Socialization

1900-1910 — THE PERIOD OF DISCOVERY

The decade beginning in 1900 witnessed the inception of marketing thought and its initial appearance in a few collegiate courses and in such writings as those of Scott and Calkins in advertising and of Prendergast in credit. It was a period
of awakening to a recognition of problems in distribution. The orderly gathering of market information began. Concepts were borrowed from established disciplines, such as economics, psychology, sociology, and scientific management, for the improvement of trade practice and management.

E. J. Jones, George M. Fisk, Simon Litman, and James E. Hagerty were four of the earliest teachers, but during that decade Butler, Nystrom, Hibbard, and others also taught marketing courses. Each gathered his own information. There were no formal tests for the subject, except a few of a specialized nature then appearing. Nevertheless, catalogue descriptions of early courses indicated that topics such as the following were discussed: mercantile institutions; organizations; systems; methods of marketing goods, particularly farm products; grading; and selling and advertising. By the end of that decade the entity of the subject was sufficiently recognized to be identified by the term “marketing.”

Something of the discovery of ideas that occurred in those early years of this century is evident in one of the first of what might be called the “general” works on marketing: the report on the distribution of farm products prepared by John Franklin Crowell for the Industrial Commission.\(^1\) It was a publication in which some of the prevailing ideas about marketing were set forth. A twofold problem gave rise to the report: the need for a description of the distributive system by which farm products went from producers to consumers and the need for some understanding of the portion of consumers’ dollars in the purchase of farm products that went to producers and distributors, respectively.

Although the bulk of the report dealt with costs and factors affecting them in the distribution of farm products, and although the writer’s concept of marketing as “speculative” was drawn from the susceptibility of farm products to price movements in agricultural markets, four general observations indicate the nature of the discovery that early students of distribution were beginning to experience:

1. The number and quality of people engaged in distribution were said to be a function of the opportunity, or lack of opportunity, for investing funds and talents elsewhere. Changes in rates of return on capital reflected the risks involved in distributive activity, it was held, and entrance into distributive activity was the result of rational appraisal of the opportunities seen therein. In accordance with the explanations of classical economists, attraction toward or away from trade activity was automatically a result of economic rationality.

2. The larger the volume of trade under a single control, the lower the rate of profit on each unit of farm product was likely to be. This observation was an interpretation of the advantages of large-scale activity in terms of distributive operations.

3. Improvements in communications tended to reduce dependence upon the “expensive” middlemen, whose service had been mainly the supplying of information that was otherwise unobtainable but that was now becoming more available. This generalization suggested the fluidity of the distributive structure, a concept that was not crystallized until some years later.

4. The “more expensive methods of distribution” were seen to be more persistent “where no storable supply exists because of their perishable nature.”\(^2\) Where no storage was available there was less large-scale handling of products.

Part of the significance of this publication lay in the fact that it served as a text in early marketing courses, even until about 1920.

\(^1\) Crowell, J. F. (1910). Report on the distribution of farm products. Indianapolis:

\(^2\) Ibid.

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1910-20 — THE PERIOD OF CONCEPTUALIZATION

In the second decade, many of the basic concepts of marketing were crystallized. The commodity, institutional, and functional approaches to the analysis were conceived, and a number of the marketing functions were identified. A degree of integration in the statement of marketing was also achieved. Arch W. Shaw, Ralph Starr Butler, Louis D. H. Weld, and Paul T. Cherington were the principal contributors to the body of general thought during that period.

The decade was one of outstanding economic, business, and intellectual attainments. It was a time of industrial growth and of increasing pre-eminence of both wholesale and retail distributors. Numerous new specialty goods appeared on the market, constituting challenges for advertising and salesmanship. The growth of large-scale enterprise disrupted traditional channels of distribution. Appearing simultaneously were books on advertising by Cherington, Hollingworth, Hess, and Hall; on salesmanship by Maxwell, Jones, Hess, and Douglas; on sales management by Hoyt, Jones, Frederick, and Butler; on credits and collections by Hagerty and Ettinger and Golleb; and on retailing by Nystrom.

EARLY CONCEPTS OF MARKETING

About 1910 the term “marketing” was added to the familiar terms “distribution,” “trade,” and “commerce.” It was not merely another synonym, however. On the contrary, it was meant to identify a new concept clearly indicated by recollections of two of the men instrumental in initially stating this concept: Ralph Starr Butler and Arch W. Shaw.

Through his experience as sales manager with a large manufacturer, Butler had become familiar with the diverse activities entailed in personal selling and advertising. Apparently not until 1910, when he undertook to organize a course in selling at the University of Wisconsin, did he attempt to conceptualize what before had been only firsthand experience. He was impelled partly by the fact that there was a lack of written material on the subject. He knew from experience that a manufacturer seeking to market his product had to consider and solve a larger number of problems before he ever gave expression to the selling idea by sending a salesman on the road or inserting an advertisement in a publication. Personal salesmanship and advertising were simply the final expression of the selling idea. It was Butler’s intent to consider “the whole field of selling” — “everything that the promoter of a product has to do prior to his actual use of salesmen and of advertising.”\(^3\)

3 In attempting to find a name to designate this “field of business activity,” he hit upon the phrase “marketing methods.” He then used that term in the title of a course consisting of six printed pamphlets published by the University in 1910, as the name of a course in residence in 1911, and as the title of his book published in 1914.

To Butler, what he called “marketing” was a combination of factors. It was more than selling, more than choice of channels, advertising, or the operation of wholesale and retail establishments. Marketing was a job of co-ordination, of planning — the “binding force” in marketing, of management of the complicated relations among the various “factors in trade” that must be considered first by the distributor who wishes to build his campaign with care.

Shaw’s conception of marketing was comparable, although perhaps more
General Marketing

Butler's writings also contained a number of such generalizations:

1. That the marketing function is universal in business.
2. That "factors in trade," which are considered in managerial decisions concerning the over-all marketing program, include (a) the goods to be sold, (b) the markets for those goods, and (c) methods reaching the markets. Reduced to such an analysis, the management decision appears to have been placed upon the "philosophy and principle at the heart of sound marketing procedure."
3. The predictions that chain stores would gain prominence in the sale of foods and drugs and that advertising would become a main force in selling.
4. Concepts indicating the interests of the period: bypassing the middleman, price fixing, and the private-brand problem.

INSTITUTIONAL ANALYSIS

Throughout the period 1910-20 three approaches to the analysis of marketing were developed: the commodity, the institutional, and the functional. The first was a study of the processes involved in the marketing of a product or group of products. The second was a descriptive analysis of the wholesale and retail institutions. The third was a study of marketing functions or activities. Normally, all three "approaches" were included in the traditional general work on marketing, and precedence for this was established by Louis D. H. Weld in his *Marketing of Farm Products*, in 1916.  

Originally a teacher of economics, Weld began his interest in marketing with a teaching and research assignment that required him to ascertain how Minnesota products were marketed. As a result of his firsthand investigation of the subject, he offered a course on the marketing of farm products — the first such course, according to him, in which "marketing" appeared in the name. Like others, when Weld began to teach marketing in 1913, he was impressed with the lack of literature on the subject. His investigations preparatory to his teaching led him to consider particularly practices of grain exchanges, price quotations, operations of co-operatives, and costs of marketing.

Weld's contributions to marketing thought were influenced by his training in economics and by his thorough habits of research. He regarded marketing as a part of production, since it is a part of the productive process, creating time, place, and possession utilities. Although centering his attention on the marketing of farm products, he actually emphasized the institutional approach to marketing concentrating his attention on wholesale middlemen engaged in agricultural marketing. He saw merchants as specialists in the handling of certain commodities — specialists in four successive stages between farmers and consumers: country shippers, transportation companies, wholesale dealers, and retail stores. He believed specialization to be desirable because it reduced costs. However, knowing that specialization can become excessive, he questioned whether there might be too many middlemen — too many successive steps, and too many middlemen in each class. The problem was that of finding the most economical combination of functions. Weld believed that produce exchanges represented the most efficient type of marketing, and retailing the most expensive. His interest in marketing was more than merely managerial, rather, it was in part an interest from the social point of view.

EARLY GENERALIZATIONS

With Butler and Shaw, some of the earliest generalizations concerning the over-all marketing process began to appear. Some of those stated by Shaw were of an economic nature, but for the most part they expressed the types of ideas that within a few years thereafter were called the "elements" of marketing, and in the early 1920s "principles." The following are illustrative:

1. Lost motions in distribution are a social waste, for which consumers pay.
2. Accepted systems of distribution at that time (in the nineteenth century) had been built for the selling of staples.
3. Progressive manufacturers differentiated their goods and, by branding, isolated them in the market.
4. The ideas about goods are the materials for demand creation.
5. Goods are sold in bulk by inspection, by sample, and by description. Sales by sample was considered best when distribution was made by direct salaried or by middlemen; description was involved in sale through advertising.
6. The basic functions of middlemen include sharing the risk, transporting, financing, selling, and assembling, sorting, and reshipping.
7. Middlemen include insurance agencies, transportation companies, and banks.
8. As responsibility for performance of these functions is shifted from middlemen to manufacturers, the middleman's margin should be diminished.
9. The market is characterized by "market contours," in contrast to a level plain, representing different economic and social strata in the market.
10. Despite the trend toward shorter channels of distribution, elimination of the middleman did not always make for the most economical distribution.
Although Weld gave some consideration to functions in his book, more attention was given them in his article “Marketing Functions and Mercantile Organizations,” in which he identified seven functions of middlemen: assembling, storing, risk bearing, financing, rearrangement (sorting, packing, dividing), selling, and transporting. He discussed also the functions involved in marketing goods through different channels.

Weld’s contributions were his analysis of marketing as an economic process, his concept of specialization among institutions of the marketing system, and his further clarification of thought concerning marketing functions.

MARKETING FUNCTIONS

With marketing institutions well described by Weld, Paul T. Cherington developed more the concept of marketing functions. Almost all writers had been concerned with the activities performed by organizations engaged in marketing; some dealt with them as the “specialization” that justified the marketing establishments. Gradually, however, the concept became clearer that institutions arose to perform the functions that were inherent in the marketing task. This was the idea implicit in Cherington’s treatment of marketing functions as the most fundamental aspect of marketing, for which “other aspects are used.”

Cherington defined marketing as “the science involved in the distribution of merchandise from producer to consumer, excluding . . . alterations of form.” That definition excluded from marketing changes in product form, an exclusion that was not made by some students of agricultural marketing at that time. Moreover, the definition represented a crystallizing concept of marketing as activities — activities between the producer and consumer — a definition that became almost universally accepted in the following years.

1920-30 — THE PERIOD OF INTEGRATION

Events in the third decade of this century gave great impetus to marketing activity. Industrial and agricultural production reached new peaks. New products appeared in the retail market. Agricultural producers’ co-operatives flourished under governmental encouragement. Studies of the wholesaler gave justification to his role and position in distribution. Market research based upon surveys and censuses promised a new era of marketing. Prosperity in general was on the increase, although spokesmen for the consumer became vocal in criticism of the numerous consumers’ interest in the market. Metropolitan areas expanded with the influx of emigrants from farms. Department stores were thriving, and retail chains grew in size through mergers.

That decade was a fertile period in the writing of specialized marketing books. Knowledge in all areas was in a stage of integration, and basic on “principles” texts were produced in every field. General works on advertising were published by Keppner, Brewster, Starch, Hotchkiss, and Agnew. In salesmanship, books were written by Brisco, Russell, Tosdal, and Ivey, and in sales management by Russell. Important writings on credit appeared, such as Seligman’s study of the economics of installment selling and Young’s work on industrial credit; the principal works in that field were the integrative writings of Steiner, Brisco, Beckman, and Chapin. “The Retailing Series” produced by New York University appeared during that decade, including writings by Brisco, Wingate, Severa, and Fri. Beckman’s Wholesaling was published in 1926. Thus, in addition to the stimulating environmental circumstances, marketing thought was attaining a richness, variety, and maturity that opened the way for important developments in the general statement of marketing.

During the ten years following 1920 the “principles of marketing” were first presented in book form, built upon foundations laid previously, integrating scattered concepts and tentative generalizations, and incorporating an abundance of new material then available. Clark, Converse, and Maynard, Weidler, and Beckman were the foremost writers of integrated marketing thought. Others during that decade were C. S. Duncan, Ivey, Hibbard, Macklin, and Moriarity.

COMMODITY ANALYSIS

Several of the integrative works appearing early in the 1920s were basically commodity studies of marketing. While they described the marketing of specific commodities, they illustrated, as had Weld’s Marketing, the interrelations of commodity characteristics, functions, and institutions. C. S. Duncan, Theodore Macklin, and B. H. Hibbard were three who undertook such an integration of marketing thought at that time.

Duncan dealt with both agricultural and manufactured products because his interest in marketing arose in connection with individual commodities. Actually, rather than “agricultural” commodities, Duncan spoke of “raw materials and foodstuffs.” He analyzed the functions performed in the marketing of them. The marketing of manufactured goods he discussed from the standpoint of functions, institutions, economic analysis, and policies and procedures. It was his belief that the best scientific approach to commercial problems was through a combination of functional, institutional, and commodity approaches.

C. S. Duncan published his work on marketing the year after his Commercial Research has appeared and simultaneously with the preparation by Clark and Converse of their books. Duncan’s interest in marketing was short lived. Previously he had been engaged in the study of English composition; ultimately he devoted himself to problems of transportation and wrote no more in the field of general marketing.

Macklin undertook through the study of agricultural marketing to answer the criticisms of marketing in general that were commonplace then. Having become interested in the marketing of agricultural products in 1911, he observed the ignorance of what transpired between farmers and consumers, which was depicted even in cartoons captioned “What happens in the dark?” He shed light on this question by showing the essentiality of certain services if consumers were to utilize the products of farms: assembling, grading and standardizing, packaging, processing, transporting, storing, financing, and distributing. He defined marketing as the rendering of these essential services.

Macklin’s concept of marketing, however, was characterized by an element more common among students of agricultural marketing than of the marketing of manufactured products, namely, the inclusion in marketing of the creation of certain types of form utility. In fact, he regarded production as the rendering by farmers and middlemen of all those services essential to bringing into use the goods and services required to satisfy wants of consumers. He identified five types of utilities: elementary, place, form, time, and possession utilities. The tendency to include processing of farm products in marketing has persisted even
until today. While such a concept may have served the purpose of farmers and their economists, it has not been consistent with the evolving concept of marketing.

Edmund Brown, Jr., also employed the commodity analysis in his *Marketing*,

* 11 in which two-fifths of the book consisted of fourteen chapters describing the marketing of fourteen commodities. His work was descriptive and

uncritical, based more upon his own practice and observations than upon

contemporary developments in marketing thought. For that reason, perhaps, he

conceived of consumer goods as staples and specialties, giving no heed to other

classifications then in use.

**“PRINCIPLES” OF MARKETING**

When the commodity, functional, and institutional analyses of marketing had

been sufficiently explored, and when the “elements” of marketing had been set

forth, general marketing thought was integrated under the heading of “principles

of marketing.” Three or four such statements of marketing appeared in book

form in a short succession of years.

Paul W. Ivey was the first to use the title *Principles of Marketing*,

* 12 although others had previously used “principles” in connection with advertising, retailing, and

credit granting. Like some of his contemporaries, Ivey approached the

subject from the standpoint of functions, which he called “functions of

middlemen”: assembling, grading, storing, transporting, risk bearing, financing,

and selling. “All of them,” he said “usually function to some extent in the

marketing of goods,” expressing a concept of the universality of such

functions. He recognized, however, that the performance of functions was split

between manufacturers and middlemen. Sometimes, on the other hand, manufacturers undertook to perform all but assembling, thus tending to

eliminate both wholesaler and retailer. Ivey stated somewhat as a principle that

“the middleman himself can be eliminated, but his functions cannot.”

In his discussion of marketing institutions, Ivey recognized the essential

character of different types and also the tendency of institutions to change their

character by changing the functions they perform. He allayed criticism of

wholesalers by enumerating the functions performed by that middleman for

both manufacturers and retailers. Among the newer types of institutions then

gaining attention were manufacturing wholesalers, retailers who took on

wholesalers’ functions, and wholesalers who sold on the retail level.

Much emphasis was given by Ivey to advertising and its costs. He was

concerned with the fact that “getting the goods to the consumer has now

become as important as the actual production of goods, and the costs are

oftentimes as great.”

* 13 He discussed at length the incidence of advertising costs, showing their significance in the case of goods produced under conditions of

constant, increasing, and decreasing costs. The extent of his analysis of this

subject was not equaled in any marketing book for fifteen years thereafter.

Ivey also introduced into the general analysis of marketing a concluding

critique of the marketing system, giving a social evaluation not found in the

purely technical treatises on marketing. Because Ivey never revised his book, apparently as a result of increasing preoccupation with the selling function, it was eventually replaced; by others soon to appear, and the impact of his

collection to the field was less than it might otherwise have been.

Of greatest influence upon the integration of general marketing thought were

Paul D. Converse, Fred E. Clark, Harold H. Maynard, Walter C. Weidler, and

Theodore N. Beckman, all of whom wrote “principles” texts during the 1920s.

Their influence was measured not only by innovations introduced in structuring

marketing thought but also by the fact that they, through repeated revision of

their writings, continued for the next thirty or forty years to influence the

manner in which marketing was conceived. There were always differences in the

details of their presentations, but their uniformity was more significant than

were their differences.

In general, under the influence of those men, threads of thought that had

been forming through the work of Butler, Shaw, Weld, Cherington, Ivey, and

others writing in the specialized fields were woven into a logical, coherent, and

comprising body of thought. The core of their presentation was the interrelated commodity, functional, institutional analyses, which were descriptive

of prevailing practices, yet which depicted the marketing system in general

rather than presenting operating rules for any one type of marketing activity.

Some management viewpoint was introduced in the discussion of “marketing

policy.” The subject of marketing was introduced by consideration of “the

market” and some aspects of consumer behavior; it was concluded by a social

appraisal of marketing made mostly in terms of economic criteria.

Part of the distinctive character of the work contributed by the writers was

due to the personal backgrounds of each. Converse flavored his work with

practicality and gave much attention to the marketing of agricultural products.

He had been reared in a religious but free-thinking family, and this somewhat

tempered his idealism with realism. The guiding influence in business, he

thought, were self-interest, moral percepts, and policemen. Instruction under

Butler and teaching experience in a vocationally inclined school caused him to

emphasize the occupational use of marketing knowledge. Use of Nystrom’s

*Economics of Retailing* as a text in his teaching influenced his emphasis on

institutions in marketing. The fact that he was situated in rural Illinois drew his

attention to problems of agricultural marketing. And the absence of vocational

evening school classes where he taught allowed him to concentrate upon

fundamentals and principles rather than upon mere techniques.

In his *Marketing Methods and Policies*,

* 15 Paul D. Converse distinguished between “functions of middlemen,” or the marketing activities related to the

individual firm, and “marketing functions,” or the abstract, generalized activities

that pervade marketing in general. His list of marketing functions included

assembling, dividing, grading, transporting, storing, financing, risk, sorting, and

packing.

His treatment of marketing institutions consisted mainly of a consideration of the

advantages and disadvantages of each. He interpreted changes in retailing

from a historical standpoint, showing the newer institutions that represented

modification of wholesalers’ service. Auctions, co-operative marketing and

consumers’ co-operatives also held his attention. In subsequent years he gave

increasing emphasis to functional and commodity approaches and to the

marketing of industrial goods and services.

Fred E. Clark, trained as an economist and reared and educated in farm

states, combined these influences in his *Principles of Marketing*.

* 16 He defined marketing as those efforts which effect transfer in the ownership of goods and
care for their physical distribution. His list of functions corresponded closely to those given by Weld; and from Cherington he took his classification of functions as physical supply, exchange, and auxiliary or facilitating functions. The following concepts illustrate something of the substance of his thought and the status of marketing at that time.

A market: a point of concentration
The need for markets: an outgrowth of division of labor
The market structure: built around two processes – transfer of title; transfer of goods.
Channel: the course taken in transfer of title
Types of middlemen: merchant, functional (including advertising agencies – including banks and warehouses).
Classification of middlemen: based upon concentration and dispersion.
Classes of goods: personal goods, production goods, and equipment for use in production and distribution.
Marketing efficiency: a judgment from two viewpoints – private, appraising operating efficiency; public, appraising social significance.
A typical generalization: Middlemen will continue so long as they perform useful functions.

Clark was much concerned with the role and efficiency of marketing from a social point of view. Therefore, in a chapter on "Final Criticism" he dealt with a number of topics then being widely discussed. He defended advertising for its educational value and sometimes providing a cheaper method of selling than would personal salesmanship. He placed hope in the chain store as an efficient method of merchandising. He advocated more standardization of consumer goods but questioned the desirability of branded staples.

Harold H. Maynard, Walter C. Weidler, and Theodore N. Beckman published their Principle of Marketing when the concept of marketing and structure of analysis had been well established. They added few new ideas to the subject, but their objective in writing was to supply "suitable text material for our classes in marketing. We felt that our points of view were somewhat different from all but one of the existing textbooks. Our organization seemed more teachable, and we thought that we had had more practical experience than some of the writers, and therefore, could enrich the material with many more useful illustrations.

The point of view referred to was the "consumers' viewpoint," in contrast to the entrepreneur's viewpoint, which characterized most of the marketing writings then. The effect of adopting this "viewpoint" was mainly the introduction at the beginning of their treatise of consideration of consumer buying motives. Neither the analysis nor the appraisal of marketing differed perceptibly from other existing texts.

Their second innovation, reflecting academic rather than business factors, was to discuss institutions in advance of functions, on the ground of proceeding from the tangible to the intangible, from the known to the unknown.

UNORTHODOX APPRAISALS OF MARKETING

The type of analysis presented by Maynard, Weidler, and Beckman in the Principles quickly became the accepted pattern for a general treatise on marketing. Their nicely structured, approving discourse, however, although satisfying to many readers, was not all that some writers wished to say about marketing. On the contrary, there were more critical appraisals of the subject, more penetrating analyses than the simple descriptions of marketing institutions and practices, which people wanted to present, and some of these observations got into print. Most of them made little impression upon marketing teachers and writers imbued with the "traditional" approach, but in the development of marketing thought they represent a divergent viewpoint that after the middle of the twentieth century found wider expression.

One of the atypical writings in the 1920s was W. D. Moriarity's The Economics of Marketing and Advertising, in which the author undertook to interpret marketing phenomena in terms of classical economic doctrine. He took the point of view that marketing is largely an expression of economic theory. Therefore, in terms of standard economic analysis he discussed a great many marketing topics, such as the relationship of supply and demand in the marketing economy; the impossibility of overproduction so long as goods are marketed and sold; the contrast between general overproduction and overproduction of specific articles; the limitless possibilities of market development when production is co-ordinated with the capacity of the sales force; the possibility of "anticipated demand" through credit buying, which may cause market demand to exceed market supply; the reality of time and place utilities; the creation of new value through salesmanship creating consumer surplus or real income; and the relation of marginal buyers to market price.

Such an analysis had little to offer either economists or students of marketing at the time, for it neither improved upon prevailing economic theory nor met the needs for which the study of marketing had originally departed from traditional economic analysis. It did, nevertheless, represent a more theoretical approach that might be taken in the study of marketing.

Another unusual point of view was contributed by Percival White, an engineer by training, who was well informed on Taylor's scientific principles of management. In Scientific Marketing Management: Its Principles and Methods, White exposed "abuses" of marketing as wastes of the distributive system and proposed a system of practice for the guidance of individual companies in their marketing activity. This was not a full treatment of the subject of marketing; it covered only a selected area from a particular point of view.

Floyd L. Vaughan was still another who, purporting to speak from a social or public standpoint rather than from that of the acquisitive businessman, criticized the increasing cost of marketing. Some of the greater costs, he held, were justified in terms of changing market conditions, but many reflected competitive, wasteful, and harmful business practice. He proposed reducing the cost of marketing by giving less emphasis to quality, variety, style, service, and salesmanship, by closer relationship between production and consumption; by discontinuance of indirect subsidies; and by emphasis of functions rather than media. He advocated less advertising but better advertising. In general, Vaughan looked at the cost instead of the value of marketing; he appraised it from a conservative rather than a progressive viewpoint.

Roland S. Vaile and Peter L. SLAGSTVOLD gave still another emphasis to the subject in their Marketing, published in 1929. They viewed the age as one of co-operative economic action. Self-sufficiency was superseded by specialization and exchange – in both domestic and international production and trade. In this
milieu of exchange they were concerned with two types of understanding of marketing principles: (1) those of price, involving all the forces that affect supply and demand, and (2) those of production economics, involving questions as to the best size of marketing unit, the most efficient combination of production factors, and the most expeditious degree of specialization. They developed, therefore, exposition of the forces and institutions concerned with price making, contrasting those operating in the more competitive markets for agricultural goods with those in the manipulatable markets for manufactured goods. Their discussion of institutions showed not merely the operation of those institutions but also the manner in which they represented some degree of effectiveness in the combination of factors for the accomplishment of distributive objectives. Theirs was an economic analysis based upon a few basic propositions.

READING IN MARKETING

At the same time that “principles” of marketing were being written, several books of “readings” also appeared. Fred E. Clark,23 I. Wright and C. E. Landon,24 and E. L. Rhoades25 were the contributors to this form of literature in the 1920s. The term “readings” did not thereafter appear in general marketing titles until 1949, when M. P. McNair and H. L. Hansen published Readings in Marketing.26 These books played a small role in the development of marketing thought, but they are indicative of an interesting stage in its evolution.

Of his book, Clark said that the readings were designed to provide descriptive and supplementary material for use in the study of commodity marketing. They were intended to aid both student and teacher and to provide current material likely to be missing in the libraries of many schools where the Principles was used. The Principles and the Readings followed the same pattern of organization. The readings were digests of articles, pamphlets, monographs, texts, etc.

The compilation of readings by Wright and Landon was similar. In it they attempted to provide the student and teacher with the “best material” available relating to economics and marketing. Articles were arranged according to functions, institutions, and policies.

Rhoades, on the other hand, prepared readings to keep the principles of marketing from being mere “empty theories.” He presented articles describing the marketing of fifty-nine specific commodities—the functions performed and the institutions involved. From this he expected the student to make a “comparative” study.

Whereas the earlier group of readings was mainly factual, supplementing theory or principles with detail, those appearing around the mid-century contained articles often more theoretically advanced than the prevailing general texts. During the later period similar books, not called readings, were also published, containing article digests, talks presented at special conferences, and the like.

PROBLEMS IN MARKETING

Throughout the 1920s Marketing Problems27 by Melvin T. Copeland appeared in several revisions. Its objective was the same as for the general texts: to develop principles. After teaching from problems for three years, Copeland said in the 1923 edition that he found this to be the best way. On the whole, the problems were related to the same topics developed in the principles’ texts. As changing circumstances required, new topics were added. In 1927 a section on the consumers’ point of view was dropped and one on industrial goods added. In 1931 emphasis was placed on showing the interrelation of the various marketing activities.

1930-40 — THE PERIOD OF DEVELOPMENT

Following what might be regarded as the Golden Decade in the development of marketing thought, when its traditional integration and statement were achieved, the next ten years were characterized by revision and enlargement of thought. The “principles” texts were kept up to date, and a number of other writings appeared that were in different ways unlike the popular writings.

COMMODITY MARKETING

The interest that had long been shown in the marketing of specific commodities persisted, and two studies were forthcoming relating to non-agricultural products and manufactured goods. Ralph F. Breyer, in Commodity Marketing,28 furnished an excellent example of illustrating marketing principles by the commodity approach. Feeling that too little attention had been given to other than agricultural products marketing descriptions, Breyer devised a standard form of analysis, which he applied to the marketing of bituminous and anthracite coal, crude petroleum, iron ore, rolled steel, Portland cement, cotton textiles, passenger automobiles, and electricity and telephone service. For each he showed the conditions of demand and supply, major characteristics of the product, channels of distribution, agencies engaged, functions performed, pricing, distribution costs, trade practices, and association activities.

A second study, Marketing of Manufactured Goods,29 was made by Newel H. Comish. As Weld in his study of farm products actually furnished a thorough analysis of the institutions engaged in the marketing of them, so Comish provided a highly specialized discussion of the institutions engaged in marketing manufactured goods. In great detail, he discussed thirteen channels through which products move, identifying each with a particular institution, such as the sales agency, the broker, the specialty store, etc. Their respective advantages and disadvantages were carefully considered. He was also concerned with a variety of special marketing problems related to specialty goods, prices, price maintenance, industrial recovery, and market research. The book was essentially a manual prepared for manufacturers.

SIMPLIFIED STATEMENTS OF MARKETING

A tendency evident in specialized marketing literatures characterized also the general writings, namely, the simplification of a substantial body of thought for elementary academic purposes. Whereas, in successive revisions the leading principles text became enlarged and more complex, a number of writers condensed and simplified the subject.

One example of this tendency is seen in Outlines of Marketing,30 by H. E. Agnew, R. B. Jenkins, and J. C. Drury. Written for a freshman course in marketing, it followed somewhat the usual organization, but its proportions were unusual. Only six pages were given to the subject of chain stores, three to mail order houses, and nine to marketing functions, while fourteen pages were
devoted to reproducing census data. The authors presented a glossary of marketing terms, expressive of the rising interest in uniformity of terminology, but even that feature could not have constituted a contribution to marketing thought in such a book.

C. W. Barker and N. Anshen presented another condensation of the usual treatment of marketing. In 326 pages they presented a text intended for a one-course student with limited background or as an introduction to marketing “why” rather than the “what,” but in that respect their book did not differ from others. Marketing was regarded as a fine art rather than as an exact science, thus permitting the emphasis they gave to the development of problem-solving ability—a concept then beginning to appear increasingly in management and marketing thought.

NEW STANDARD STUDIES

Throughout the 1930s a few efforts were made to duplicate or to better the general treatises on marketing contained in the principles texts by Converse, Clark, and Maynard, all of whom made periodic revisions of their works. Competition was too great, and no significantly new ideas threatening change in the concept of marketing seemed capable of assimilation into the traditional body of thought without altering it more than was then acceptable.

The single exception to this general failure of new writers to break into the popular field of general texts was Charles F. Phillips, whose *Marketing* was published in 1938.

One of its distinctive characteristics was the light in which he held the consumer. This, of course, would have been a natural effect of the expressions of consumers’ rights and interests made during the 1930s. Most of the general writers professed interest in the consumer, but Phillips went beyond mere statement of consumer buying motives and conditions affecting consumers. He was concerned with the part consumers take in guiding the economy, their problem in getting their money’s worth, and the effects of consumers’ poor buying effort.

Phillips also introduced into the general text more economic analysis than other authors had. His treatment of price policies and price behavior incorporated into the text analyses of marginal and average revenue and costs, as well as monopolistic-competitive pricing, which were popular among economists then. He also presented interesting historical interpretations of the evolution of marketing institutions.

UNORTHODOX STUDIES

As in the preceding decade, several contributions were made to marketing thought that were not cut to the accepted pattern. Ralph F. Breyer and H. B. Killough were two whose ideas were set in a frame of untraditional concepts and organization.

Breyer, in *The Marketing Institution*, broke with the conventional economic concept of marketing by drawing concepts from physics, sociology, psychology, and other social sciences in his attempt to portray the functioning of the marketing system “as a whole.” He saw marketing, viewed in its unity, as a continuous performance of each and all of the marketing functions. Rather than “functions,” he used a concept of marketing “tasks”: contactual,
The concept of marketing as a management function was basic to thought set forth in 1940 by Ralph S. Alexander, F. M. Surface, R. F. Elder, and Wroe Alderson in Marketing.23 Unlike some authors, they disparaged the commodity approach and referred to specific commodities only to point out their essential characteristics as they affect the performance of marketing management. More than usual emphasis was given to the planning of marketing activities, to research, and to budgetary control. A number of management functions not provided for in the usual array of marketing functions were included in a ninth function – merchandising – which was defined as "the adjustment of merchandise produced or offered for sale to consumer demand." This consisted of product planning, simplification, grading, and packaging, all of which were areas of management. Separate chapters were devoted to such topics as the work of marketing, the business establishments that do the work of marketing, the problems of marketing management, the planning of marketing activities, and the consumer's stake in the marketing system. No final chapter on evaluation or critique of marketing was given, but merely one on the problems of consumers in the presence of the prevailing marketing systems.

Thus were incorporated into marketing thought new emphases on consumer interest in marketing and on marketing management functions. Increased attention to those two factors was also found in the later editions of Marketing: Principles and Methods by Phillips and D. J. Duncan. These changes and others were made when Duncan assumed co-authorship.

E. A. Duddy and D. A. Revezan took still a different tack in their analysis of marketing, having as their objective getting "the student to think of the marketing structure as an organic whole made up of interrelated parts, subject to growth and change and functioning in a process of distribution that is coordinated by economic and social forces."36 Thus in taking the "institutional approach," they were concerned not merely with individual marketing establishments or the management of them, but with the entire marketing operation as a phenomenon and expression of our society.

Duddy and Revezan defined marketing as "the economic process by means of which goods and services are exchanged and their values determined in terms of money prices."37 They classified markets as to place, time, theory, and function. They identified as possible approaches to the study of marketing the following: legal, commodity, theoretical, institutional, and functional. They saw functions giving rise to structural organizations – of agency, area, and price – all of which were co-ordinated through the instrumentalities of price, management, and the controlling and regulating power of government. Their interpretation of marketing was the analysis of the interrelationships of structures and their co-ordinating forces, particularly as they affect the performance of functions and the satisfaction of consumers.

Still another approach to marketing was taken by Roland S. Vaile, E. T. Grether, and Reavis Cox in Marketing in the American Economy. 38 in which they attempted to show "the transcendent importance of this social institution (marketing) as a vast and complex function of our free-enterprise economy." They conceived marketing as a process of allocating and directing the use of resources, the activities and organizations, collectively, by which all things are assembled simultaneously for consumption. The "core of marketing" was the exchange and movement of goods among areas and within and between regions.

General Marketing

They saw marketing as a dynamic process, and their explanation gave emphasis to sellers, particularly manufacturers, because, in taking the initiative in distribution, the promotional plans of manufacturers characterize marketing in the United States. Institutions, agencies, and channels were regarded as sequences and combinations of ownership. Processes of collecting, sorting, and dispersing give rise to specialization and integration of enterprises. Management of processes and institutions is conducted for the purpose of maximizing net income of the firm, but the marketing operation as a whole is appraised in terms of social growth.

Thus a number of explanations of marketing had an entirely different conceptual framework than did those which had been dominant for many years. Although these atypical approaches did not displace others or influence changes in the standard presentations, they were significant expressions of dissatisfaction with the inadequacy of the functional-institutional-commodity analysis of marketing. It was not expected that such different interpretations of marketing would serve the same purpose; rather, the newer ones expressed conviction of new needs in marketing education and training – need for education in the broader role that marketing plays among our social institutions and need for training in management of a more conceptual and theoretical nature. These varied ideas, which had been reaching for expression throughout several decades, after the middle of the century found wider outlet in emphasis of integrated marketing management, managerial problem solving and decision making, integration of marketing with the behavioral sciences, the case method of teaching marketing, and comparative marketing studies.

1950-60 – PERIOD OF RECONCEPTION

The distinction between the more or less untraditional writings of the 1940s and those of the following decade was thin, but as it became clarified it was apparent that the concept of marketing was being reformulated. The distinguishing factors in the literature of the two periods are the degree of concern with theoretical statement of marketing knowledge, reliance upon concepts from other social sciences for interpreting market behavior, and replacement of the commodity-function-institution classification of subject matter by one dealing with products, channels, prices, and promotional activities. The so-called management approach, which had been introduced into all areas of marketing thought and which had predominant expression in sales management literature, influenced also the general marketing writing. However, whereas in the works on "sales management" the managerial approach was used to develop management talent, in "general marketing" writings that approach was used to acquaint students, particularly the nonmarketing majors, with the types of problems and decisions faced by managers of marketing activity. On the whole, the trends of thought that marked the 1950s continued with increased elaboration and clarification into the 1960s.

The growing interest in theoretical aspects of marketing, for example, was shown in the selection by Cox and Alderson of the title Theory in Marketing39 for a compilation of essays dealing with assorted aspects of marketing. Their selections were made to show the relations of marketing to economic theory, public policy, and other social disciplines. Concepts such as the following were
presented by the writers represented: social physics, vector psychology, behavior systems, pluralist competition, theory of economic opportunity, and regional and interregional trade. Many of the ideas therein presented were fragmentary, abbreviated, and personal. They nevertheless contained germs of thought that developed in following years.

Wroe Alderson gave fuller expression to what he called a “functional theory of marketing” in his Marketing Behavior and Executive Action. That too represented an effort to show the relationships of marketing thought to knowledge developed in the other social sciences. His analysis proceeded from a concept of market behavior as group behavior and of individuals seeking to achieve their purposes through organized behavior systems. He regarded their market behavior as problem-solving action. Marketing organizations were seen as behavior systems developed to serve the market, their operations governed by principles of action that he called “functionalism.” Among the concepts that Alderson infused into marketing thought were the following:

- Marketing systems as input-output systems.
- The normality of heterogeneity in the market.
- Every firm occupying a position that is somewhat unique, and thus competing from a standpoint of differential advantage.
- Negotiation as the means by which marketing systems established economic values and balance power.
- Exchange as essentially the act of improving assortments held by two parties.
- The domain of marketing as the process of sorting as a means of accomplishing effective matching.

Alderson introduced into marketing thought a variety of concepts from the social and physical sciences and presented an integrated theory of marketing such as had not been stated before. His ideas conceptualized some thinking then current and influenced the logic and terminology of writers in subsequent years.

Because less pretentious treatises were more common during the 1950s, “readings” relating to topics of current interest were one means by which coherence and integration were given to the new ideas relevant to marketing appearing both within and without the marketing literature. One such compilation was Managerial Marketing: Perspectives and Viewpoints, by Eugene J. Kelley and William Lazer. Their objective was to present articles that would stimulate creative thinking about contemporary marketing problems. Their selections were made with a view toward emphasizing the consumer as the focus of marketing effort, the need for creative adaptation to change, the importance of programing or planning goal-directed marketing effort, the role of strategy in the marketing mix, and the importance of marketing communications.

Alderson presented a provocative personal theory; Kelley and Lazer presented a partially integrated structure for thought. The task remained for someone to present an acceptable integration of marketing that would serve as an introduction upon which more specialized study could be built or as a comprehensive explanation of marketing for both specialist and non-specialist in the field. While some writings on marketing management provided an integration with breadth, those works generally omitted social interpretations of marketing.

On the other hand, revisions of the former “principles” of marketing did not include much of the so-called managerial approach.

Not until 1960 and 1961 did there appear works that approximated a satisfying new general statement or explanation of marketing, embodying new concepts that had been developing and presenting the subject from the standpoints both of the firm and of society.

One was that of E. Jerome McCarthy — Basic Marketing: A Managerial Approach — which combined the usual concepts of managerial marketing with a social and historical orientation of marketing and with an appraisal of marketing as a social institution. Although others dealing with the managerial functions in marketing had similarly treated product planning, place or channel of distribution, pricing, and promotion, McCarthy conceptualized these four factors in the marketing mix as the “Four Ps,” and the management portion of his thought structure was built upon this concept.

Buskirk, in 1961, was the first writer for a number of years to present a new general book on marketing using the term “principles” in the title. His approach was a managerial approach; his intent was to show nonmarketing majors how the working of the marketing system appears through managerial eyes.

1960-70 — PERIOD OF DIFFERENTIATION

During the first fifty years of its development, marketing thought came to a focus in the “general” literature. These writings were the summation of marketing thought, the integration of specialized knowledge, and constituted the nearest approximation to a statement of general marketing theory. The books of this literature served as texts in introductory marketing courses and as outlines for graduate education. They were valued for their content of marketing information, rather than for their conceptual framework or for the methodology which they represented. They presented the “principles” of marketing.

Beginning in the 1950s and continuing thereafter, centripetal rather than centrifugal patterns predominated as emphasis turned toward specialization and away from generalization in marketing thought. Reconception and redefinition of marketing identified challenging new areas for study and research. The subsequent explosion of knowledge expanded the entire body of thought. This expansion, however, had the character of enlargement, rather than accretion, whereby the inherent heterogeneity of the body became apparent and subject to specialized analysis. This was a process of differentiation. It characterized the 1960s.

Differentiation consisted of the emergence of new conceptual and methodological perspectives in terms of which the marketing process was viewed. Among the new viewpoints were the following:

- Management decision making
- Social and behavioral patterns
- Quantitative analysis
- Systems structure and behavior
- Environmental constraints
- Comparative analysis
- International markets
- Physical distribution
If, as in a matrix, these viewpoints were arranged along the x axis and the commodity-functional-institutional classifications of marketing along the y axis, the intersectional cells would suggest: (1) the traditional areas into which the new perspectives were extended, and (2) the new elements which generalists must consider in presenting an overall view of marketing. Writings expounding the concepts and methods constituted new specialized literatures. The function of the general marketing literature remained that of interpreting the marketing process in terms of these new developments.

Incorporation of the new ideas into the general literature, however, was gradual, for no encompassing concept of marketing emerged to include them all in a general theory. Some preference for the traditional economic interpretation of marketing persisted. A few new books of this type were written, and revisions of older ones were made. On the other hand, readings books presented short essays on new topics, and some integrated texts presented marketing from the new standpoints.

Depending upon how one might classify some titles, at least 50 representative and significant books of a general character were published during this decade of differentiation. Their titles were varied. Some continued to be called simply Marketing, Basic Marketing, Principles of Marketing, Essentials of Marketing, or Fundamentals of Marketing. On the other hand, newer emphases were shown in such titles as Marketing — Concepts and Strategy; Marketing — Concepts, Issues, Perspective; Marketing in a Changing Environment; and Introduction to Macro Marketing.

TRADITIONAL CONTINUANCE

One evidence of changes occurring in the general literature is found in revisions during the 1960s and early 1970s of longstanding successful books of this type. Phillips and Duncan, for example, in 1968 followed their usual functional-institutional format, while introducing new material on large-scale retailing, mergers and acquisitions, merchandising and product development, consumerism, franchising, physical distribution, group activities of wholesalers and retailers, and government regulation. They continued to emphasize, as they said they had through six editions, beginning an understanding of marketing with consideration of the consumer and working backward to the firm and its strategies. They continued to resist changing the title of the book to “management,” for they felt one must first know the marketing structure and current developments within the social, economic, and legal environments before he can profitably study management.

The 1973 revision of the Phillips and Duncan book was made by J. M. Carman and K. P. Uhl, who, too, continued to subordinate the strictly managerial approach in preference for interpretation of systemic and environmental forces affecting the marketing system. Within the original format of the book they interjected the systems concept into the following subjects: systems of consumer behavior, retailing and wholesaling systems, structure in marketing systems, global marketing systems, marketing information systems, and promotional systems.

Similarly, the Beckman book in its 1973, 9th edition, retained the format employed since 1927, while updating terminology and introducing new concepts in a subordinate way. It purported having broader social perspective, recognizing a comprehensive and cultural understanding as important as technical and

managerial. It analyzed critically the totality of the marketing process, examined major marketing policies and their social implications, and explained controversial issues. Heavy emphasis was placed upon the legal environment in which marketing takes place. Increased attention was also given to concepts of value added, input-output analysis, and income-demand elasticity; to market segmentation versus market aggregation; growth of free form or conglomerates in distribution; franchising; and warehouse retailing.

Thus it appears that general thought maintained its traditional character in revisions of some earlier works. The same may be said of a few books published for the first time during the 1960s:

Taylor and Shaw, Marketing, 1961
Buskirk, Principles of Marketing, 1962
Stanton, Fundamentals of Marketing, 1964
Jones, The Marketing Process, 1965
Still and Cundiff, Essentials of Marketing, 1966

VARIANTS OF TRADITIONAL APPROACH

Differences between traditional literature and variants produced during the 1960s were mainly attributable to the inclusion of concepts popularized during that decade. All of the general writings had in common an intended educational use and a purpose to explain marketing as a whole. Some of the variations among them reflected interdisciplinary features; others expressed only personal differences in the explanation of marketing. The extent of their differences was apparent in the nature of their departure from the market-function-institution-commodity-government-evaluation structure.

A distinction of one group of these writings was its emphasis of environment, whereas books on environmentalism explained or conceptualized environment, those which could be regarded as general literature undertook to explain basic marketing in terms of environment. Cundiff and Still, for example, overlaid an analysis of the 4 Ps of marketing with the concept that marketing is a subsystem of business, through which the business organization relates to its environment. Holloway and Hancock also, first in readings and later in text, evidenced the transition from the traditional to an environmental approach. Their 1964 readings portrayed environment not unlike authors of earlier general texts, as social, anthropological, psychological, economic, legal, ethical, competitive, technological, and institutional. The first edition of their text was also conventional. But by 1969, the behavioral and economic environment was supplemented by challenging issues of the social environment: race and poverty problems, social criticism of the chemical industry, social objections to marketing, advertising wastefulness, marketing inefficiency, cigarette smoking and the public interest. The environmental concept was further expanded in their 1973 text, intended for both undergraduate and graduate use. Its theme was that the marketing system is conditioned by and responsive to environmental constraints. They amplified several concepts of environment and devoted one chapter to marketing in other national environments.

A slightly varied but similar approach was taken by Scott and Marks who emphasized change in the environment and the adaptivity of the marketing structure. Whereas others, they thought, had dealt primarily with decision making, they were concerned with the controllable factors which exist in an
uncontrollable environment. They characterized the firm as a subsystem acting within the socio-economic-political environment.

Bell took another course in carrying a general presentation into the conceptual developments of the period. Half of his book was devoted to explaining concepts from allied disciplines being introduced into marketing thought in the early 1960s; the second half was devoted to the applicability of these concepts to marketing strategy. It was a somewhat static exposition of the conceptual "revolution" which he perceived taking place in marketing. The conceptual infusions he regarded as important changes in what had been considered "a maturing discipline."

Zober, in 1971, yet titling his book Principles of Marketing, mustered quantitative, behavioral, and social concepts to explain the strategic (macro) and tactical (micro) aspects of marketing within the conventional institution-commodity-function framework. In macro dimensions, the strategy of marketing is to estimate marketing opportunity in consideration of the welfare of the total society. This involves understanding marketing in the context of environment. In micro dimensions, the tactics of marketing are the planning, identification, and assessment of the allocation of the firm's resources. This involves understanding the marketing structure and alternative uses of it in performing the functions requisite for the distribution of goods. A tabulation of characteristics of Zober's book, distinguishing the traditional and newly adopted elements might be as follows:

Traditional Elements:
- History of marketing
- Demographic aspects of markets
- Economic aspects of markets
- Retailing and wholesaling structures
- New retailing developments
- Industrial marketing
- Agricultural marketing
- Functions
- Marketing mix

Newer Elements:
- Models of competition - simulation
- Market segmentation models
- Controllable and uncontrollable aspects of consumer behavior
- Foreign marketing
- Economic models applied to retailing - size of store, loss leaders, multiple products, profit maximization pricing
- Theory of assortment
- Physical distribution
- International marketing

Grashof and Kelman's exposition of marketing presented an integration of macro and micro marketing systems, which had characterized marketing thought in early years of this century. Originally, there had been equal concern for both, but in later years interest was concentrated on micro management, with the macro only implicit. Several circumstances justified in their minds need for reintegration of these two aspects of marketing: distrust of students of the American business system; awareness of consumer and social problems; and belief that knowledge of macro marketing makes learning of micro management easier. They avoided discussing social issues per se, but they viewed them as vehicles for social change.

They perceived the macro environment as a narrowing progression of systems in which the marketing firm operates, each encompassing those within it and constituting the environment in which the narrower exists:

Microscopic view of the universe
- Natural resources of the Earth
- Political, economic, and social systems
- Economy of the United States
- Marketing in the U.S. economy
- The firm in the macro-system
- Micro-macro interfaces

The market for general marketing texts is broad and wide, and in the books available there is something for everyone. Offerings range from the conservative traditional emphasis of macro economic marketing to interpretation of the same process in terms of environment, systems, or behavioral concepts. Beyond these are a number of books whose intent is less to present marketing from these points of view than to present these points of view illustrated by marketing. Such books have been discussed in the more specialized literatures.

FROM 1970 – THE PERIOD OF SOCIALIZATION

At midpoint it is difficult to characterize a decade by the literature which has already appeared. Nevertheless, there is evidence that the 1970s are distinguished by a larger social element in marketing thought. Details of this are more appropriately discussed later in the specialized literatures concerning sociological concepts in marketing, environmentalism, and marketing and society. The present interest is the degree to which social factors are incorporated into the general marketing literature and thought.

As social concepts were introduced in several ways, and as the terminology was not originally self-explanatory, the following glossary may indicate the manner, if not the degree, to which marketing thought became "socialized."

Social Behavior. From a sociological rather than an economic standpoint, behavior of participants in the marketing process was interpreted as role fulfillment in group interaction. This concept was used in explanations of consumer behavior and systems functioning. Individuals were perceived acting as social entities in a social context.

Societal Environment. This implies that the social context of action and interaction in marketing processes includes not only market role relations but also pluralistic role identification in all major institutions of the societal structure. Comparative studies have relied heavily upon this social concept for defining the total environment in which both the economy and the marketing system function.

Social Responsibility. An indication of obligation to conform to the role expectations sanctioned by society. It meant at first the responsibility to consumers implied by the Marketing Concept. Broadened, it included responsibility of management to others than consumers in the business environment.
process, and ultimately to individuals outside the marketing or business process.

**Marketing and Society.** Beyond the interaction of participants in marketing, there is an interface between marketing management and society in general, as the community. Being of a major and dominant institution, marketers are in a position to create or to help solve problems of social character: opportunities for the handicapped and underprivileged, pollution of the environment, the hazards of using certain marketed products, waste of resources of society, etc. These topics have evoked both positive and normative theorizing.

**Social Marketing.** Success in application of marketing principles to distribution of economic goods and services led to perception of possible uses of them in promoting and facilitating the exchange of values in noneconomic, nonprofit social organizations, such as hospitals, museums, churches, and the like. This is, in effect, a special case of “product” marketing, if it is to be included at all in the domain of marketing.

The quick adoption of interest in social aspects of marketing resulted from the coincidence of two factors: the introduction of social and behavioral concepts into marketing thought during the 1950s and 1960s, and the occurrence of social problems, some of which were attributed to marketing activity.

One of the general marketing books which employed social concepts, not to sharpen management skills, but to interpret the marketing institution in its context of social issues and responsibilities was that of Gist.\(^5\)\(^3\) Perhaps the first introductory marketing text to emphasize societal as well as managerial perspectives, although it contained many traditional features, it approached marketing from the point of view of what marketing could contribute to society at large, to consumers as a class, and to individual buyers. The book was managerial inasmuch as it was built upon the strategy of the four Ps—Product, Place, Promotion, and Price; it was societal inasmuch as it gave emphasis to the social aspects of management in these areas. Among the social issues and problems discussed were the following: corporate policy concerning social issues, truth in advertising, deceptive selling, counter-advertising, products and society, and deceptive communications and society. In the revision, 60 short cases were included to illustrate management decision relative to issues of social concern.

A somewhat different approach to the exposition to social marketing was taken by Kotler\(^5\)\(^4\) who translated basic marketing concepts into terminology presumably more familiar to the nonbusiness world, then prescribed applications of marketing management principles for the “marketing” of health services, public services, educational services, and political candidates. The format of the book is not unlike earlier ones dealing with the marketing of farm products, manufactured goods, or industrial commodities, identifying and classifying basic elements or variables of marketing: the market, processes of exchange, participant interaction, rudiments of social dynamics, market structure, product differentiation, and pricing. Its brevity also resembles that of other earlier works intended to be introductory for specialized readership. Unlike most earlier books on product marketing, however, its text is more prescriptive than descriptive of strategies appropriate for the marketing of the selected “products.” Descriptive and illustrative of social marketing practice, on the other hand, are sixteen case studies concluding the book. Kotler in the book defines social marketing as “the design, implementation, and control of programs seeking to increase the acceptability of a social idea or practice in target group(s). It utilizes concepts of market segmentation, consumer research, idea configuration, communication, facilitation, incentives, and exchange theory to maximize target group response.”\(^5\)\(^5\)\(^8\)

**CONTRIBUTIONS OF GENERAL LITERATURE TO MARKETING THOUGHT**

Writers on the subject of general marketing have made the following contributions to marketing thought:

**A. An assortment of concepts of marketing,** ranging from simple activities to broad social and complex economic relationships:

**Marketing as Technical Activities.** One concept of marketing is that it consists of activities, essentially technical in nature, performed in institutional operations. This is a narrow concept; it does not embrace the interinstitutional relations of marketing organizations or the theoretical aspects of the subject. It is derived primarily from observation and is descriptive in character. The following are examples:

1. **Simple, Individual Activities.** C. S. Duncan wrote of individuals’ looking at marketing from the point of view of the consumer, to whom marketing is the activity of acquiring commodities for use. Of this concept Duncan wrote: “Marketing has local and provincial meanings, illustrated by ‘to go marketing,’ ‘to do the marketing.’” He recognized, however, that the use of the term “marketing” to convey that meaning mars “its effectiveness for the more general meaning.”\(^5\)\(^6\)

2. **Technical Activities.** White and Hayward, too, implied that marketing consists of the performance of activities. “When marketing is mentioned to the average business man, he immediately thinks of selling . . . . But it is doubtful whether the marketing manager of the next decade will be of the ‘pure sales type’ . . . . In addition to the selling force and its machineries, executives will be required for performing other marketing activities having to do with the performing of channels of distribution.”\(^5\)\(^7\)

3. **Middlemen and Their Services.** A fairly complete statement of the ideas involved in the concept of marketing as activities is that made by Maynard, Weidler, and Beckman. They defined marketing as covering “all activities necessary to effect transfer in the ownership of goods and to provide for their physical distribution . . . . The various methods by which these services are rendered, together with the institutions involved and the policies adopted in the performance of such functions, are necessarily an integral part of marketing.”\(^5\)\(^8\)

This definition implies that, in addition to the mere performance of services or activities, marketing includes the institutions and policies involved in their performance. Two additional considerations are brought into the subject by this definition: the institutional aspects of marketing and the mental part of marketing expressed in policy formulation.

**Marketing as a Process.** A second concept of marketing is found in definitions that convey the idea that marketing is not merely institutional activities but a process by the performance of which the institutions are related. In accordance
with this definition, a concept of the marketing activity replaces somewhat that of the activities of marketing, because the separate actions involved in the transfer of goods and titles are consolidated into a process or act. The subject is thus no longer merely described but is interpreted.

1. *A Consequential Activity.* One of the simplest definitions of marketing as a process is that it is a means to an end. Breyer expressed the idea that "the task of marketing is to get from production to consumption."\(^{59}\)

In the sense in which Breyer uses the term, marketing is primarily a physical function made necessary because of the separation of production and consumption. That separation is the result of specialization in production, and the need for marketing service is a consequence of specialization. He spoke of marketing as the "price" we pay for the advantages of specialization in production and therefore as an activity that must be performed if we are to enjoy the benefits of specialization.

On the other hand, Breyer regarded marketing not only as a consequential activity but as a task that varied under different conditions. "The marketing task," he said, "varied widely from one market situation to another."\(^{60}\) The logic of his concept is that, inasmuch as the marketing task is to overcome the obstacles, the nature of the task depends upon the degree to which production is specialized. Fundamental to this concept is the assumption that production is primary and distribution or marketing secondary, that production is the independent variable and marketing a dependent variable activity.

2. *Concentration, Equalization, and Dispersion.* Clark regarded marketing as the process of concentration, equalization, and dispersion. In collaboration with Weld, he wrote: "To get products from growers into the hands of distant users involves three important isolated processes which may be called concentration, equalization, and dispersion."\(^{61}\) Implied in this concept are both the nature of the market in which the activity takes place and some idea of the significance of the activity. The concept of concentration and dispersion implied that producers and consumers are separated and that marketing is the process of bringing products together from numerous, widely scattered sources and of distributing them to many equally scattered consumers. Equalization implied that the same process is pertinent to markets separated by time. Marketing, therefore, is the process of making products available at the place, time, and price at which they are wanted.

Expressing somewhat similar ideas about the processes involved in marketing, Alderson spoke of it as the creation of value through the process of sorting, sorting out, accumulating, allocation, and assorting.\(^{62}\)

3. *Process of Transfer.* Brown also employed the concept of concentration and dispersion in his study of commodity marketing, defining marketing as "the process of transferring goods through commercial channels from producer to consumer."\(^{63}\) "Broadly viewed, marketing resolves itself into two complementary operations: Assembling and distributing."\(^{64}\)

*Marketing as an Economic Process.* A third concept of marketing is one that views it as "the second of two great economic processes: production and distribution."\(^{65}\) As such, it is regarded as an economic activity comparable to production, with which it is both compared and contrasted. The comparison lies in the fact that both are productive of usefulness or consumer satisfaction; the contrast lies in the kinds of utility of which each is productive. Many writers have defined marketing as an economic process, but not all of them have brought out in their analyses the full implications of this assumption.

1. *Creation of Time, Place, and Possession Utilities.* A commonly held concept of marketing is that it includes the creation of time, place, and possession utilities. That view is expressed by many of the marketing writers. Converse and Huegy said: "Marketing, in a broad sense, covers those business activities that have to do with the creation of place, time, and possession utilities."\(^{66}\) They leave the creation of form utility to the realm of production in a narrower sense, as do the majority of writers.

Moriality, thinking along somewhat similar lines, wrote: "Marketing is the essential economic element in production, for without the marketing process, material production is a technical and not an economic process... When once it is clearly understood that it is the marketing process which produces the consumers' surplus, and is increased by the complexity of the market and the educational forces involved in selling, there will be less tendency to regard the marketing process as taking value which it does not create."\(^{67}\)

2. *Creation of Form Utility.* Not all writers limited the economic activity of marketing to the creation of the three types of utility. Some authors have regarded it as being coterminous with production in the broad sense, embracing the creation of form utility as well as the other three. Others have expanded its scope to include in it also economic activities other than production: exchange, distribution, and consumption.

Amplifying this concept of marketing, Ryan wrote: "Recognizing the creation of form utility as an element of the marketing process does not confuse the subject. Manufacturing can still be studied as a separate subject, just as advertising, personnel, merchandising, and many other functions of marketing can be studied separately."\(^{68}\) Ryan's concept of marketing as embracing the creation of form utility arises from his assumption that the marketing task and functions can be determined by observing the operation of retail institutions and from his observation that retailers often make changes in the forms of products. Consequently, from this point of view marketing includes both distribution and production. The same viewpoint is taken by some writers of the marketing of agricultural products, who include in marketing the processing that occurs in farm products between the producer and consumer.

3. *Distribution and Exchange Activity.* In the minds of some writers, marketing consists not only of productive activity but also of other types of economic activity. This is implied in Moriality's statement: "Marketing is a specific form of economic production, and yet it is at the same time both the process by which those values of the product are determined which are to be distributed and one of the processes in the economic distribution."\(^{69}\) Marketing, therefore, would include (a) a portion of all economic production, (b) all of exchange, the process of value and price determination, and (c) one of the processes of economic distribution.

4. *Demand and Supply Adjustment.* Of the economic activities other than production that are discussed in connection with marketing, exchange, or the adjusting of demand and supply, is referred to most often.

Shaw, as early as 1912, wrote of marketing: "The task is one of adjustment. The materials and forces of nature must be bent to human use."\(^{70}\) A few years later he said: "The problem of distribution is to bring about an effective
adjustment between demand creation and economical supply, to arouse the desired maximum of demand at a minimum of expense, and to supply without leakage the largest possible percentage of this demand.”

5. Exchange of Ownership of Goods. “The essence of marketing,” wrote Veale and Slagvold, “is the exchange of ownership of goods ...” Marketing, in the full sense, must involve the change in ownership, physical movements merely facilitate this change or make possible the use of the commodity by the new owner.”

Such a concept of marketing emphasized exchange. Its significance is evident in the discussion of marketing that proceeded from it. The marketing functions growing out of that concept included all the functions of exchange. All factors affecting demand and supply are of marketing importance; all the problems involved in the adjustment of demand and supply are marketing problems. Moreover, not only is marketing essentially the transfer of ownership but the marketing structure reflects the price-making forces in competition.

6. The Activity of Want Satisfaction. Relatively little has been said in marketing literature concerning the relationship between marketing and the economic process of distribution; more has been said in identifying marketing with the activity of consumption. Pyle wrote: “Marketing may be thought of as that phase of business activity through which human wants are satisfied by the exchange of goods and services, on the one hand, for some valuable consideration — usually money or its equivalent — on the other.”

Similar emphasis of the consumer element in marketing is expressed in the following definition given by Breyer: “Marketing is not primarily a means for garnering profits for individuals. It is, in the larger, more vital sense, an economic instrument used to accomplish indispensable social ends. Under a system of division of labor there must be some vehicle to move the surplus production of specialists to deficit areas if society is to support itself. This is the social objective of marketing.”

Expressing both the social character of marketing and its management aspects are these words of McCarthy: “Marketing is the performance of business activities that direct the flow of goods and service from producers to consumer or user in order to satisfy consumers and accomplish the firm’s objectives.”

MARKETING AS A SOCIAL PROCESS

A fourth concept of marketing defines it as a social, rather than merely an economic, process. This views marketing as an activity of people in their social context and setting. It is a perception of the role of the whole man, whose interests, loyalties, and responsibilities transcend and condition his behavior in the marketplace. As this concept has evolved in marketing thought since its inception in the 1950s, the breadth of its significance has become evident in an assortment of related concepts.

1. Marketing as Social Interaction. When marketing is conceived as an economic process, market behavior is deemed to be rational, hedonistic, and considerate wholly of economic values. Recognition that this interpretation of man is unrealistic contributed to perception of him in his entirety, and to explanation of his market behavior as role interaction. Having role expectations and fulfilling role responsibilities, his actions were interpreted in psychological and sociological terms. Relationships rather than individual action became the center of interest, leading to identification of marketing structure as channels or systems for the performance of the marketing functions.

2. Marketing and Social Responsibility. The idea that marketers have responsibility to others than themselves contradicts the doctrine of caveat emptor, which dominated business of the 19th century. Gradually, and mainly through enforcement of legislation, marketers learned market expectations even before they accepted them as responsibilities. Popularization of the Marketing Concept in the 1950s identified consumers as ones to whom marketers have responsibility for ascertaining their wants and delivering their needs. This was both an economic and social responsibility.

In the late 1960s, it became apparent, however, that the consumer was not the only participant in the marketing process to whom management had a responsibility. Responsibility to resources, competitors, and distributors also became identified, as standards of fairness in economic relations became established. Such responsibilities, however, were based mainly upon economic considerations, and were due only to those who were participants in the economic — marketing — process.

3. Marketing and Society. Participants in the marketing system constitute a closed group having expectations and responsibilities among them, but they also are but a subset in the larger social order. Recognition of this increased as society identified its collective values as superior to mere economic values. Consequently, marketing has increasingly been held responsible for not only supplying consumption goods, but for doing so in ways which preserve and augment the wellbeing of people in all ways. It is expected that marketers minimize the pollution of the environment, desist from exploiting children markets, assist in the employment of minority members, protect consumers from dangerous products, make explicit dangers to health. Past marketing practices often passed to society costs which marketers themselves avoided, and often which society did not reckon with at the time. An accumulation of social problems related to marketing drew marketing into closer relation to society, and added another dimension of the concept of marketing as a social — and socially responsible — process.

B. A wide variety of concepts have been employed in the explanation of marketing, including the following, among others:

- Advertising
- Approaches to marketing
- Assembly
- Automatic merchandising
- Blockages
- Brands — private, distributors, manufacturers
- Cash and carry
- Channel
- Commodity classifications
- Comparative marketing
- Consumer goods
- Consumers — Household, industrial, ultimate
- Consumer movement
- Convenience, shopping, specialty goods
- Cooperative
- Credit
- Direct distribution
- Distribution cost
- Dispersion
- Environment
- Exclusive distribution
- Expectations
- Explicit, implicit costs
- Durable goods
- Facilitating functions
- Flows
- Full-service establishments
Discounts and allowances
Holism
Horizontal integration
Interaction
International marketing
Levels of distribution
Limited-service establishment
Line of goods
Linkages
Managerialism
Merchandising
Middlemen
Market
Marketing
Marketing Concept, The
Marketing functions
Marketing institutions
Marketing channel
Marketing structure or system
Market classifications
Market segmentation
Marketing mix
Price leadership
Price or discount structure
Product differentiation
Product diversification
Resale price maintenance
Relationship
Retailing
Role relationship
Selective distribution
Services
Simplification
Social institution
Social marketing
Social process
Societal
Sorting
Standardization
System
Trade discount
Value added by marketing
Wholesaling

C. An assortment of marketing “principles,” classifiable as follows:
Operational Principles. Some of the principles that pertain to business conduct and that are accepted as laws or rules to be employed in the operation of the marketing institution follow.

The leasing of departments of a department store tends to be most desirable when skill, specialized knowledge, and extreme style risks are involved in handling goods in question.

The convenience of all concerned is the foremost consideration in store layout.

The pricing policy for a store cannot be based upon the gross margin of any one profitable item. When a number of items are handled, the general policy must be composite, reflecting the nature of demand for the goods, the availability of it to the seller, competition, cost, and ease of handling.

The combination of all possible resources for the creation of one distinct impression is the best means of attracting attention and putting across the selling idea.

Principles Involving Institutional Relationships. Included in principles pertaining to the combination of institutions into marketing channels and to the competitive relations of the establishments are the following:

The outlets through which goods are distributed vary, depending upon the buying habits of consumers with respect to the goods.

In a seller’s market the competition among middlemen to get the goods leads to specialization, but in a buyer’s market the opposite tendency exists.

Retail price competition provides an impetus toward integration in the marketing process. The social aspects of retailing are evident in the constant tendency toward improvement in selling environment and

extension of customer service. The basic economic aspect reasserts itself when competition begins to appear in pine-board stores or abandoned warehouses, but with lower prices.

When conditions demand modification in the existing marketing structure, the change will be made either by modifying existing practices or by developing new institutions.

As independents are able to increase their efficiency and meet the chains on more even ground, the comparative advantages of the chains may be reduced to a point where tax burdens will be important limiting factors in further chain expansion.

When the number of potential users of a given product is large, the market scattered, the unit of sale low, the credit standing of consumers limited, demand irregular, prompt delivery of major importance, economies in shipment possible, little or no technical sales service required, repair service essential, and relatively little sales promotional effort produces satisfactory results, then the distributor channel is the most economical means, provided, of course, that the distributor operates with a reasonable degree of efficiency.

As changes occur in the retailing structure, changes will also occur in the wholesaling system.

Principles Relating to the Marketing Task. Principles drawn from the relationship of marketing to more general social and economic phenomena are, in part, as follows.

Because personal service and convenience usually mean more to consumers than mere mechanical efficiency, the use of mechanical and automatic labor-saving devices in distribution is more limited than in production.

The enjoyment of the products of mass production depends upon the operation of a vast and complex system of distribution.

As the income of a family increases, the percentage of income expended for food and housing decreases, and the percentage expended for clothing and miscellaneous items increases.

The extent of the marketing task is dependent upon the character of production, even as the character of production is dependent upon the nature of the market and the marketing facilities.

As people and nations advance in civilization, trade increases and the structure of marketing institutions becomes more complex.

The demand for luxury goods tends to increase as wealth is concentrated in a minority of the population.

The employment of women affects the market through both the character of demand and the volume of it.

Hypothetical Principles. Among the principles that, breaking away from observation and statistical bases, project generalizations into hypothetical situations from assumed bases are the following:

So long as exchange is obstructed by a given condition, it will be a function of marketing to overcome that obstruction or difficulty.

So long as tastes vary, it will be impossible to standardize consumer goods in the same way as paving bricks or steel rails can be standardized.

So long as consumers demand and expect to obtain commodities immediately upon their decision to buy or their discovery of a need, the cost of foresight and risk will be incurred by merchants and will be included in total distribution costs.
Continuous competition in marketing, expressed in experimentation in methods of distribution, types of enterprises, arrangement of functions, and new methods of performance, evolves new patterns of distribution.

Price in the market is determined in the long run by general factors of demand and supply and in the short run by a variety of institutional pricing policies.

Because of their increasing overhead costs, department stores cannot expand their sales indefinitely without incurring proportionately higher costs of operation.

With all the modifications of the system, the general level of retail prices depends on those of goods distributed through the channels that have earned the title of "regular" because they are supposed to be made up of the types of concerns organized for the performance of the marketing functions in an orderly and economical fashion.

The seller, under conditions of pure competition, will expand his output until his marginal cost is equal to his marginal revenue.

Truisms. Some principles the truth of which is so apparent as to be obvious and the statement of which is worthwhile mainly for the attention it calls to the self-evident are:

The middleman exists because of a demand for his service.

The growth of any marketing structure is evolutionary, not revolutionary.

The costs of direct selling increase with the addition of functions to be performed.

While marketing institutions can be eliminated and functions shifted, the basic marketing functions cannot be eliminated.

Demand for certain qualities of raw materials leads to the development of standards.

Whenever a farm crop reaches a tonnage that makes it of commercial importance, middlemen or buyers appear in the local market.

ENDNOTES

2 Ibid., p. 7.
3 See Appendix A.
5 These ideas are drawn from Butler's books and their revisions, as follows: Sales, Purchasing, and Shipping Methods (1911); Marketing Methods and Salesmanship (1914); Marketing Methods and Policies (1917); Marketing and Merchandising (1918, rev.; 1923).

13 Jevy, Principles of Marketing, p. 5.
14 Ibid., p. III.
18 Stated by Theodore N. Beckman in correspondence with the author in 1941. See Appendix A.
36 Ibid., p. 4.
38 Reavis Cox and Wroe Alderson (eds), Theory in Marketing (Chicago: Richard D. Irwin, Inc., 1950).
General Marketing

MARKETING MANAGEMENT

From the mid-1950s, the subject of marketing management grew rapidly to predominant proportions in academic and business circles. This emergence, however, was not sudden and without precedence, nor did the new interest appear full blown. Antecedents in marketing thought are traceable through many years, but not until the 1950s were conditions propitious to bring about a major development along this line. Those same circumstances also shaped its form during the following years.

EARLY REFERENCES TO MARKETING MANAGEMENT

So varied have been the interpretations of management in marketing that one may search their meanings for its essence. Is not all marketing intelligence useful for guidance of action? Is not all marketing practice management, varying by degree? Both questions seem to be answered in the affirmative by marketing writers and their works. At the inception of the discipline, A. W. Shaw and Ralph Starr Butler both were concerned with management practices and problems. So were such men as Paul Nystrom, Norris A. Brisco, and Leverett S. Lyon. A distinguishable element of management precept is found in all of the areas of the marketing literature already discussed: advertising, sales, credit, retailing, wholesaling, and research. And the general principles of marketing were credited as of “practical importance” in the performance of marketing.

Notwithstanding its usefulness to those who manage, marketing precepts emphasized the marketing element in management, and not the management element in marketing. At least as early as the 1930s some dissatisfaction was expressed, not so much with the management theory practiced, but with the concepts of marketing with which management dealt in its performance. These factors and others contributed in the 1950s to a new approach to and statement of marketing management. As sales management had been perhaps the broadest form of management in marketing, the new term “marketing management” was thought by some at that time to be mainly an extension of that activity. That was not to be the case, however, for more fundamental conceptual changes were to show marketing management in a new light.

CONCEPTUALIZATION OF MARKETING MANAGEMENT

Although in 1919 J. George Frederick had related sales management to the total marketing activity, and in 1926 Leverett S. Lyon employed the terms “marketing management” and “marketing strategy,” new meaning was given to marketing and marketing management in the 1950s by incorporation in marketing thought of such concepts as the “Marketing Concept,” “adaptive behavior,” “holism,” and an assortment of others derived from the behavioral sciences. Among the first to explore marketing management from this new viewpoint were Wroe Alderson, John R. Howard, E. J. Kelley and William Lazer, and E. J. McCarthy.
Whereas some broached this field with tentativeness, editing readings rather than constructing an original text, taking a first step which was later revised, or emerging gradually from the traditional format of the general marketing literature, Alderson with one sweeping stroke created a new pattern for considering marketing management. He undertook to explain executive action and marketing behavior in terms of concepts drawn from psychology, sociology, anthropology, and political science, and he did not hesitate to include others from the physical, biological, and natural sciences. Thus he departed from predecessors who thought mainly in economic terms.

Alderson termed his theory “functionalism,” by which he meant that management decisions are a function or derivative of the environment, whether the environment be that of the small group in which one interacted or the larger social and economic environment. Without saying specifically what functionalism is, he said that it identifies some system of action and then determines how and why it works; it interprets parts in terms of the whole; it perceives function to determine structure, and groups to be continually adjusting function and structure to meet changing conditions.

In this work, Alderson introduced a number of new concepts which recast older marketing perceptions and gave marketing context to ideas more familiar in other disciplines. He saw exchange as the process of improving the “assortments” held by parties to the exchange, and the marketing process to consist of the actions of “sorting or sorting out,” “accumulating,” “allocating,” and “assorting.” Buyers were engaged in “problem solving,” in improving the “potency” of their assortment. Sellers were seeking “differential advantage” for “survival and growth.” Goods move through “power structures,” not through supposedly neutral “marketing channels.” “Negotiation” is the relating of two systems to each other and not merely the carrying out of a transaction. So viewed, both the mechanical and social aspects of marketing invite a corresponding statement of management.

Although two-thirds of his book pertains to marketing behavior, that is a prelude to the last third dealing with executive actions, or the processes of management decision. It is in this last part that the work departs most from previous traditional texts and at the same time advances thought toward the elaboration of marketing management which was to follow. He made explicit the “power principle” as a guide to executive action in policies, planning, and problem solving. The role of the marketing executive is to create and direct a system of action and to reconcile its struggle for survival and growth with the broader aims of the community. In recognizing the relevance of mathematical models and other techniques, he maintained that problems should determine the methods of research and decision making and not methods of the problems. Marketing problems, moreover, he believed to be some of the most important decisions facing executives.

While Alderson exploded his new concepts, in the same year John R. Howard published a work less startling but also indicating the direction which “marketing management” would take in coming years. Noting that the term “marketing manager” was fairly new, he defined this function of management as “that area of company management having to do with the broad problem of sales.” This included prices, advertising and other forms of promotion, sales management, and determination of the kinds of products and their channels.

Marketing Management

“Marketing management” implied integration of marketing activities and a downward delegation of authority. The following aspects of the book were evidence of the trend of thought at that time:

1. A decision-oriented rather than research-oriented point of view
2. Incorporation of recent developments in the behavioral sciences, mainly economics, psychology, and sociology
3. Distinction between controllable elements of the business and the uncontrollable environment
4. Adaptation, as a principal task of executives
5. Uncertainty (about buyers and competitors) and probability as aspects of decision making.

Although innovative, Howard’s book did not much stretch the conceptual fibers of marketing thought. The managerial portion of the book was built largely around decisions relative to products, channels, price, promotion, and location. He also gave considerable attention to competition, demand, cost, distribution structure, and the law. His handling of probability analysis was in terms of simple statistics and graphs. The book represented awareness of an oncoming movement, but it remained closely linked to the format in which the general body of marketing was still presented.

More radically departed from the conventionality which lingered in Howard’s work, but still not sufficiently developed and integrated for a comprehensive text, was the book of readings edited in 1958 by Kelley and Lazer. As has often been the case, in the early stage of a new development in a field, readings reflecting the advanced ideas of many people have been published prior to the achievement of a text by a single person. The articles in Managerial Marketing constituted collectively a managerial approach by emphasizing problem solving and decision making, by expressing interdisciplinary concepts, and by focusing on management concern with survival in a dynamic economy.

Related developments in marketing thought were evident in the author’s inclusion of articles and commentary concerning the following concepts:

- The Marketing Concept
- The marketing mix
- Product differentiation
- Market Segmentation
- Physical distribution
- Value added
- Applicability of mathematical methods to problems in marketing research and advertising
- Philologic approach to marketing thought

A unique characteristic of the book was its emphasis placed upon marketing theory. The subject at that time was in a state of uncertainty, as the body of older “principles” was being overshadowed by the newer managerial concepts. This emphasis was consistent with the increased rigor recommended for managerial decision making and with a conviction — nevertheless, debated — that marketing had the elements of a scientific discipline.

By the end of the 1950s many “general marketing” courses had been superseded by courses in marketing management, and the still extensive market
for nonmanagerial instruction was left largely with the conventional Clark-Maynard-Converse approach. The inevitability of appearance of a book combining the best of the conventional and of the managerial elements was demonstrated with publication of *Basic Marketing: a Managerial Approach* by McCarthy in 1960. To a waiting market it purported by show the “whole picture” of marketing. While built upon a fairly traditional format, its differences were itemized as follows: (1) approach to marketing through the manager’s eyes; (2) emphasis of strategy and design in determination of the marketing mix; (3) identification of the role of management with satisfaction of the “target consumers”; (4) concern for the social efficiency of marketing management; and (5) intention to stimulate thought rather than merely to tell about marketing. However, its principal distinguishing feature, and one for which the author and the book have since been widely known, was the conceptualization of the areas of managerial concern as the four Ps: Product, Price, Place, and Promotion.

The book represented a useful integration of older and newer concepts, of textual material for undergraduate and graduate study, and of descriptive and conceptual content. It was a landmark book in the evolution of marketing management, not because it pushed out the frontiers but because it lifted the mass of students and practitioners of marketing a step higher in understanding of how marketing decisions are made.

**SPECIALIZATION AND AMPLIFICATION OF MANAGEMENT THOUGHT**

Having reached the point which it did by 1960, management thought could develop in two directions: it could be popularized and given a personal touch by writers who rode the crest of the wave; or it could be specialized by further research in the areas relevant to marketing management.

While of the former group, a number of works nonetheless made contributions in one way or another. Lazo and Corbin, for example, as their title indicates, literally dealt with management in marketing, discussing first the principles of management — planning, organizing, and controlling — and then their application to production, sales, advertising, physical distribution, and channels. They mentioned the recent popularity of the “new” marketing philosophy called “marketing management,” and they rejected inclusion of book references in the text because of the “hundreds” — even “thousands” — of books recently published on the subject.

It was true that many people were writing on the subject of marketing management, and of the myriad articles, Britt and Boyd selected 70 for a book of readings. The book, however, dealt more with marketing than with management, viewing marketing as “a unifying agent for all activities of the business firm in the quest for profits and survival.” Its content was organized under headings which had become identified with marketing management.

In quick succession, revisions of two earlier books were made, by Lazer and Kelley in 1962, and by Howard in 1963. The Lazer book was modified to keep abreast of changes occurring in marketing courses and curricula, in which the managerial emphasis was increased. As quantitative methods and models, systems thinking, and behavioral science concepts were becoming more a part of the managerial frame of reference, so they occupied a larger part in this compilation of readings. The authors continued to present a number of readings in marketing theory, showing the danger of managing from a superficial knowledge of assorted concepts. Changes in the Howard book reflected a different perception of developments of the past few years. He enlarged his analysis of demand, treated more fully the complexity of marketing channels, introduced organization theory, replaced decision with planning as the pervasive point of view, and made distinctions between short- and long-run managerial decisions. McCarthy also revised in 1964, enlarging his discussion of management at the beginning of the book.

**More Specialized Books.** In contrast to the new general works on management and the revisions of established books, the ensuing years brought forth a variety of specialized writings which cut more sharply and polished the facets of managerialism in marketing. They were designed to educate managers in how to think, and to what areas of marketing these forms of logic and analysis were relevant. The content of marketing management tended to parallel that of marketing research, and the earlier described works on research not intended for researchers seemed to approximate the more advanced works on marketing management. The difference of the latter was in their greater concern for marketing than for technology.

**Planning and Problem Solving in Marketing,** by Alderson and Green, published in 1964, was such a book for managers who were users of research. In it, Alderson reiterated some of his concepts concerning planning in organized systems, positional behavior — or the struggle of individuals to advance — strategy, and systems control. Adding to this marketing element a heavy portion of quantitative methods, Green presented such new analytical techniques as intuitive decision theory, model building, theories of decision making, Bayesian theory, sensitivity analysis, computer simulation, Markov process, multiple factors, break-even analysis, and experimentation. The relevance of all of these to marketing problems was discussed.

Going as far to the behavioral side as Green had to the quantitative, Field, Douglas, and Tarpey in 1966 emphasized the need for the marketing manager to analyze reactions — of human beings within the systems of the marketing framework — before making decisions. Their behavioral emphasis urged the development of empathy in relationships. The structure of their book consisted of a kind of matrix relationship between (1) pivotal concepts in the behavioral sciences: perception, motives, groups, social stratification, reference theory, organization theory, leadership, and communication, and (2) pivotal concepts in marketing: products, price, place, and promotion. Capping their scheme of presentation, they offered for analysis several what they called “phenomenological situational episodes,” — situations viewed from several points of view, in which the reader was invited to consider how each party involved would see the situation. Managers were thus encouraged similarly to view their problem situations.

Notwithstanding what had already been published, Kotler in 1967 felt that while the new quantitative and behavioral concepts had been discussed in journals and in corporate executive suites, they had not yet gotten into typical textbooks. Because variables in marketing decisions did not exhibit “near quantitative properties,” and marketing processes are “dynamic, nonlinear, lagged, stochastic, interactive, and downright difficult,” he felt there was great need for more theory and analysis. Accordingly, he undertook to synthesize new
Marketing Management

More illustrative of this organization of thought is the *Readings in Marketing Management*, by Kotler and Cox, published in 1972. Under these headings, which constituted the body of the book, they discussed analyses of the changing social and cultural environment; organizing of competitive strategies, information systems, and marketing research; planning of product and pricing policies and coping with conflict in the channel; and controlling the marketing effort through the marketing audit.

2. Variables of the marketing process:
   - Internal elements of the marketing mix: products, price, place, promotion
   - External elements of the marketing mix: systems and their component relationships
   - Relation of marketing to its environment

Lazer's *Marketing Management: a Systems Approach* employed some of these concepts as the main framework of his exposition, approaching them through concepts from social, behavioral, and mathematical disciplines.

3. Forms of logic by which processes of management and marketing are reasoned:
   - Identification of alternatives
   - Designing of relationships
   - Testing, measuring, and evaluating relationships

Boyd and Massy in *Marketing Management* undertook to develop a systematic and comprehensive approach to marketing decision making, based upon a concept of strategic planning. The work is a high-level conceptual text, research oriented, intended to explore the many analytical approaches used in management and to identify relationships between marketing inputs and outputs.

4. Areas of application of marketing intelligence:
   - Distribution of economic products
   - Promotion of noneconomic propositions

With confidence and skill in marketing management, practitioners and theorists have turned attention to fields other than product distribution for the application of their understanding and to consideration of marketing responsibilities to the wider community in which the market exists. Lazer wrote of the "broader dimension of marketing," meaning its social, ethical, and international aspects. Kotler and Cox likewise were concerned with "broadening the marketing idea" to include not only social issues and ethics in marketing research, but also marketing in low-income areas and what they termed "metamarketing." By this they implied the application of marketing management to concerns "above" and beyond its normal usage, as for example, the promotion of government programs and other noneconomic propositions.
ENDNOTES

3 Ibid., p. 3.

CONCEPTS FROM RELATED DISCIPLINES

It scarcely need be pointed out that the body of marketing thought does not consist entirely of marketing concepts. In addition, there is an abundance of factual, statistical, descriptive, narrative, and logical material filling in the conceptual structure. There are also concepts drawn from other scientific disciplines and from the general corpus of thought.

The relation of marketing to other social sciences through interdisciplinarity gains significance as one considers the possibility that the study of marketing may become a science. Strong claims have been made both for and against this eventuality. Proponents who see marketing as potentially a science envision the development of principles and theories stemming mainly from a mechanistic concept of marketing and embracing its economic and social influence. Concepts borrowed from other areas of thought are facilitating, contributing to the effective achievement of marketing as a function of our business system. Those disclaiming marketing as a science do so mainly on the grounds that marketing is but a formalized area of thought — a discipline — in the broader science of social behavior. In that context, interdisciplinarity is for the enrichment of the understanding of society and all its institutions and not merely for a technical application. Neither concept questions the possibility that the study of marketing can be carried on scientifically. The issue relates to the distinction between a discipline and a science. With respect to marketing, the distinction relates to the concept of marketing held. Viewed as a definitive area of knowledge and its application, marketing may be a "science." In this sense it would be one of the social sciences. Viewed in broader perspective, marketing, along with sociology, economics, psychology, and other studies, would be disciplines of social science or a science of society.

In the history of marketing thought, narrower rather than broader views of marketing prevailed. Emphasis has been given to the development of marketing concepts and comparatively little attention to studies being carried on in other social sciences. That condition has been a point of criticism of marketing thought and of students of marketing both by individuals engaged in this study and by other social scientists. Until about 1950, such criticism had little effect upon the development of marketing thought. So long as the traditional concept of marketing as a business activity prevailed, interdisciplinarity had only a technical significance. Not until marketing was conceived as a broad economic function or as a social institution did the values of interdisciplinarity begin to appear.

The implication of interdisciplinary study is that, in each of the major areas of social research, inquiry produces concepts and methodology peculiar to the interests of that discipline but useful also to other social scientists. One cannot work in social studies from the standpoint of his area's concepts alone. That is
the reason that even during these first fifty years of the marketing literature numerous concepts from the related social sciences have accompanied those regarded as marketing concepts, by reason of their having been developed by marketing practitioners and scholars. The wonder is that with the progress made in the social sciences marketing had not sooner and more generally been more consciously interdisciplined. That it was not may have been due to the focus of interest upon business practices and problems rather than upon people primarily. Concepts appropriated from other fields were sometimes accepted not as concepts but as unquestionable categories - as things instead of thoughts. They were tools to be used, and they were dealt with descriptively rather than conceptually. It appears also that the incorporation of concepts from other social sciences into marketing thought occurred after an appreciable time lag, when the concepts had gained some circulation in general usage. That indicates that students of marketing may not have kept currently abreast of research in related fields and did not look elsewhere for ideas that might be helpful in explaining marketing as they conceived it.

A review of the concepts in marketing thought that have originated with scientists in other fields will serve for judging the use that students of marketing made of information outside their specialization and for inferring still further the concept of marketing that they evidently were developing.

ECONOMICS

Economic theory has provided more concepts for the development of marketing thought than has any other social discipline. Whether students of marketing wrote from the standpoint of management of the individual firm or from that of broader economic aspects of marketing, economic concepts were almost indispensable for the analysis and explanation of marketing. Not every economic concept found in the literature, of course, is found in any one book. When selected and combined with marketing concepts and information, this union has given marketing thought one of its distinguishing characteristics. To the extent that certain concepts were relevant, and depending upon the point of view taken, the various marketing literatures have contained a greater or lesser number of economic concepts.

There are several reasons for the preponderance of concepts drawn from economics in the marketing literature. It must be remembered that marketing has long been regarded as a branch of economics, as an area of applied economics. Moreover, some of the earliest marketing writers were essentially economists, and others had extensive training in the field of economics with leading economists of that day. Also, at the beginning of the century the most widely held economic theories were those of classical and neoclassical economists, theories that were predicated upon an active system of trade and that contained a philosophy giving encouragement to turn-of-the-century business undertakings. Private enterprise was largely a market entrepreneurship, and the theory of the firm was an economic understanding that had wide appeal.

The interdependence of economics and marketing is illustrated by the titles of a number of the marketing books: Economic Principles of Consumption, Economics of Retailing, Economics of Fashion (Nystrom); The Economics of Marketing and Advertising (Mortarity); The Economics of Marketing (Kilbaugh); The Economics of Advertising (Vaile).

Concepts From Related Disciplines

From the writings of Adam Smith were drawn concepts widely used throughout the general marketing literature as justification for the activity of marketing itself. Smith explained the advantages of specialization manifest in division of labor. Marketing, or distribution, itself one form of specialization, extended markets, creating opportunity for further specialization in production. The idea of specialization has been carried to some lengths within marketing, as between wholesale and retail levels of distribution and in the various marketing institutions and activities. From his concept of the interrelationship of mass production, distribution, and consumption has been developed the idea of the inherence of marketing in a specialized economy and of its particular importance when society has turned over to the mechanism of the market the supplying of its material needs. Notwithstanding the creative function of business, however, Smith conceived the end and objective of all economic activity to be the satisfaction of consumption. Accordingly, all marketing writers who have subscribed to this end, have proclaimed the consumer King, and have taken the "consumers' viewpoint" in approaching the analysis of marketing. According to Smith, men have an innate propensity to truck and barter, thus attributing to man irresponsibility to participation in the mechanism of the market. Markets, in turn, he defined in a manner repeated in most of the early marketing texts. In them, price was the regulator tending to establish equilibrium. The man in the market of Smith's conception was the economic man, bent upon the maximization of his pleasures and self-interests.

From other economicists have come still other useful concepts. From the marginalists came the refinement of the concept of utilities, which gained some place in the explanation of consumer behavior in marketing books. Welfare economists' appraisals of marketing influenced critical writings on advertising. Institutionalism in economics focused marketing thought on some of marketing's broader implications and appeared to underlie the thinking of those writers who treated the subject from a broader than establishmental basis. From monetary theory came concepts relating to credit; from public finance, concepts of taxation in connection with chain-store growth; from the Keynesian school, theories of governmental intervention in marketing activities. Business cycle theory and population economics have also contributed concepts found in a few of the marketing writings.

Because most marketing writers have been dedicated to the improvement of the efficiency of marketing through management of the individual firm, they have employed liberally economists' concepts relating to the individual business enterprise. They accepted the concept of profit as the regulator of the market operation. With analyses of scale of institutional operation, they have appraised the size and number of marketing establishments and speculated on the effects of advertising on operating scales in manufacturing establishments. Rent theory has been interpreted in explanation of location and layout of all kinds of establishments engaged in marketing. Price and non-price competition has been explained in terms of marketing policy determination. The structure of competition has been interpreted in terms of pure competition, monopoly, monopsony, duopoly, duopsony, oligopoly, oligopsony, and realistic competition. Product differentiation has been fundamental to explanations of pricing, branding, advertising, and service policies. Engle's Laws of Consumption, as experienced in this country, have furnished concepts used in market analysis and in interpretation of consumer behavior.
The influence of economic concepts is evident throughout the marketing literature. In the general writings they have furnished the consumer viewpoint, the justification of institutional specialization, the concept of the productivity of marketing, a theory of integration and specialization in institutional management, a role of price in theory and practice, the bases of competition, and a philosophy of the relation of government to business. Following are some economic concepts found in the marketing literature: in retailing, concepts relating to location, rent, pricing, integration, and scale of operation; in advertising, to product differentiation, scale of operation, substitution costs; in wholesaling, to specialization, and price behavior; in credits, to business cycles, purchasing power, consumer spending and terms of sale.

PSYCHOLOGY

Psychology is a second discipline or branch of social science whose concepts have aided in development of marketing thought. It is concerned with the study of the mind in its various aspects, with consciousness and behavior, with the individual as a whole, especially in relation to his physical and social environment. The relevance of such knowledge to marketing is apparent, for the individual, the object of psychological study, is the party to marketing transactions. Therefore, to understand the behavior of the individual is to possess a key to effective and successful marketing.

As in economic thought, so in psychology, evolutionary processes have produced several schools of thought or explanation of human behavior. Concepts from each of these are found in the marketing literature. The first, known as “structuralism,” began in 1879 by Wilhelm Wundt, conceived the human mind as composed of elementary mental states—sensations, images, and feelings. By introspection, proponents of that theory undertook to discover the physiological bases of various types of conscious experience. From their vocabularies such terms as instincts, wants, and sensations were used by marketing writers.

A second attempt to understand the human mind, begun about 1900 by John Dewey, was identified as “functionalism.” Dewey was concerned with the value of mental experience in adjusting an individual to his environment. Behavior rather than consciousness became the object of study, but methods of introspection still played an important part.

About the same time that the functional idea developed in the United States, Sigmund Freud, a Viennese physician and psychiatrist, founded a third school of thought, psychoanalysis. Freud was interested in the unconscious mental processes and developed the clinical investigation that attempted to find the causes of mental disorders. His concepts and approach have been adapted in marketing thought through the development of inquiry into consumers’ subconsciousness for explanation of this behavior in the market.

While those three phases of psychology were developing and attracting students throughout the world, John B. Watson proposed an explanation of behavior in terms of stimulus and response, habit formation, and habit integration. Discarding such concepts as sensation, perception, and imagery, in 1913 he advanced the concept of “behaviorism,” based upon the premise that behavior proceeds from stimulation, which may be learned and habitual. According to behaviorists, man could be conditioned like any other animal and

Concepts From Related Disciplines

induced by proper stimuli to respond according to a plan. Like Pavlov’s dog, whose salivation increased at the sound of a bell, consumers were expected to respond in pattern to sales stimuli. It is interesting that Watson’s theory of behaviorism, perhaps, because it departed too far from prevailing schools of thought, did not gain wide acceptance abroad, and one might speculate as to the relation of this fact to the less frequent use of advertising and salesmanship made in even the more progressive countries outside the United States.

A fifth school of psychology is the Gestalt, the basic concept of which is that behavior is the result of integrated and inseparable physical, biological, and psychological factors.

The initial influence of psychological analysis in marketing thought resulted from the fact that some earliest writers in the marketing field were professional psychologists, such as Scott, Tipper, Hollingworth, Brewster, and others, who wrote such titles as The Psychology of Advertising, Psychology in Advertising, Psyching the Ads, Psychology for Advertisers, and The New Psychology of Selling and Advertising.

In the literature of advertising and selling are found the major use of psychological concepts, with emphasis shifting from structuralism and functionalism to behaviorism as the development of psychological thought progressed. Not only in selling and advertising, however, have psychological findings been important. They have been employed also in literature on buying, on market research, and in the general marketing writings. In the latter, a somewhat different use has been made of psychological concepts. De-emphasis has been given the influencing of individual behavior on the basis of psychological understandings, and emphasis has been placed upon broader effects and implications of human behavior, such as the Consumer Movement, increasing consumer education, and general understanding of consumer needs and wants, the satisfaction of which is the goal of marketing service.

The psychological concepts incorporated in marketing thought may be classified into several groups. One consists of concepts related to motivation and, in turn, to sales appeals. The idea of motivation itself interprets participation in the market as purposeful and suggests the possibility of determining the factors that affect market behavior. Some early marketing books discussed instincts, wants, and urges as bases of buying. Pleasure, comfort, and convenience were explained as motivations arising from sensation. Market motivation was specifically designated as “buying motives.” The motives were classified as primary and selective, rational and emotional, buying and patronage, and ultimate or personal and industrial. The concept of stimulus was interpreted as “sales appeals” — the stimulating, want-satisfying properties of products and propositions that activated buying motivation. Unresponsiveness or indifference to supposed stimuli was regarded as “sales resistance,” a condition it was believed could be overcome with proper behavior incitement. Motivation, it was also held, when based upon influences of long standing, involved beliefs and attitudes. In some of the writings, the attitudes of people in the position of consumers were explained.

A second group of psychological concepts relates to the mental functions of communication and education. An idea is admitted to consciousness through the faculty of perception, insight, or intuition. It is developed or comprehended through the faculty of reasoning, logic, or association. It is retained through the
faculty of memory or retention and is subject to recall. It is applied through the faculty of judgment. Thus the concept of faculty psychology interprets the process of learning, a process of interest to marketers desirous of communicating ideas or of interpreting the success with which communication had been undertaken.

A third group of concepts relates to the pattern by which marketing ideas could be communicated effectively to the human mentality. The so-called steps in the sales process were developed, including attention, interest, desire, conviction, and action. It was recognized that under certain circumstances individuals acted on impulse rather than on the basis of logical inducement. The concept of habit in behavior expressed another type of reaction. Still other principles applied to the use of the sales procedure, including the principles of recency, primacy, repetition, and intensity.

The whole individual, who is the object of psychological analysis, is a personality. The concept of personality has been applied also to inanimate marketing institutions. A psychological concept more recently developed is that of imagery, or the imputation to products and institutions of characteristics that they can possess only by reason of a mental picture or image held in the mind of someone. Images are developed by suggestion, education, and experience, and their existence is a psychological phenomenon.

Not only concepts but also methodology have been adopted by students of marketing from psychological research. Thus methods of observation, experimentation, the use of questionnaires, depth interviewing, and projection have come into marketing research.

SOCIOLOGY

Sociology is a third discipline that has provided concepts useful in the development of marketing thought. It is an area concerned with understanding human behavior in groups and social settings. To the student of marketing it provided concepts increasing the effectiveness of marketing management and illuminating the institutional interpretation of marketing.

Unlike the economist, who conceives man to be mainly an “economic man,” the sociologist conceives man as a member of society, as a member of a group or groups, as a representative of a civilization, or as a product of a culture embracing his time and environment. Man is seen to be conditioned not only by factors considered by psychologists but also by customs, mores, institutions, and values produced by his society and by his relation to other people in the social structure. In addition to economic self-interest, man is motivated by self-respect, affection, desire for approval, pleasure, and irrationality.

The marketing literature gives little evidence of conscious exploration and adoption of sociological concepts by students of marketing. James E. Hagerty, one of the earliest students and teachers of marketing, was a sociologist. But apart from his interest in institutional aspects of marketing, expressed in his study of mercantile credit, there is little indication that he influenced the development of marketing thought through his sociological frame of reference. The interests of sociologists have generally not coincided with those of marketing students. Sociologists did not write of marketing, and marketologists made no reference to the works of sociologists in their writings. Neither did marketing book titles contain terms relative to sociology comparable to those identifying marketing with economics and psychology.

The relative neglect of sociological concepts in marketing thought is traceable in part to the prevailing concept of marketing as a business rather than as a social institution. The dominance of a business viewpoint among students and practitioners of business obscured the cultural context in which business operates. Marketing has been regarded as a means by which business supplies the needs of society, rather than as a means that society has sanctioned for meeting its own needs. Business through marketing has strongly attempted to mold individual and social behavior, often subordinating social values to economic and commercial values. It has sometimes overlooked the deep cultural roots of behavior and the fact that utilization of sentiments is easier than modification of them.

Appreciation of the independent variability of society and the consequent dependence of marketing on it has, nevertheless, found some expression in the marketing literature. Historical interpretation of the development of marketing has generally been made in terms of social change. The response of marketers to such change has been referred to as the “adaptive behavior” of marketing institutions. Moreover, from whatever source derived, numerous sociological concepts have been introduced into marketing thought. They may be grouped under the following headings:

1. Social Motivation. The persistent interest that all social scientists have had in the causes of human motivation has been shared by sociologists. They emphasize, however, the interrelating influences between the individual and the group. Society fashions the needs and forms the standard for what may be judged luxuries and necessities. Motivation arises from the involvement in society that creates the desire for acceptance, conformity, innovation, or leadership. Some of these motivational concepts have been employed in the marketing literature without identification of their source.

2. Social Groups. Until social structure and stratification were brought to attention by sociologists, consumers were classified primarily on an economic basis. Thus were distinguished high, middle, and low income groups. The individual, however, is recognized as affiliated, through membership, association, and inclination with many groups. One is the family, which is recognized as a spending unit and which acts in the market sometimes as a collective entity. The concept of social classes or strata is another grouping not limited to economic status but reflecting such factors as ancestry, education, personality, social leadership, and the like. There are also work groups and play groups as well as institutional groupings of persons in such organizations as the government, the church, or the PTA. The complexity of society arises in part from the participation of individuals in a variety of groups. Groups represent status, the aspiration for which is a social motivation. Groups become identified by behavior and symbols — possessions — which become the object of demand in the market.

3. Social Interaction. The concepts of competition and cooperation signify more than merely types of business relationships. Rather, they are modes of interaction between members of society and social groups. When recognized as sociological concepts as well as economic concepts, these terms have a broader significance in marketing thought. 
4. Social or Cultural Change. A fundamental interest of students of social phenomena is the question of what stimulates and directs social change. The object of this interest is the betterment of change through guidance, if that is possible. Experience has shown that efforts to influence society contrary to its fundamental inclinations have generally been futile, and marketers have contended themselves with such knowledge of trends as makes possible prediction and adaptation. Even sociologists have devoted much attention to describing trends and currents in society, and those descriptions have been useful in the development of marketing thought. For example, the changing role of women in society has been a development during the study of marketing that has altered the concept of the market. So also have been shifts in leadership in the family, the rise of children as a spending market, new personal and social values sanctioning the use of credit, the carrying of debt, the decline of abstinance, the disappearance of long-standing customs and traditions, the commercialization of social events, increased emphasis upon fashions, and greater leisure and recreational indulgence. Such factors have been described in marketing literature as influences affecting consumption. The necessity for adaptive compliance with these changes has led students of marketing to follow closely the concepts and analysis of them prepared by sociologists.

5. Ecology. Ecology deals with the spatial orientation and distribution of phenomena. Although some ecological concepts have geographic character, their pertinence to people and group behavior make them essentially sociological. From that area of study have come such concepts as the following: rural versus urban, suburbanization, downtown areas, secondary shopping areas, shopping centers, territorial specialization, market areas, and trade gravitation. Most of those concepts are found in the marketing literature in connection with store location, trade patterns, and spatial competition.

6. Population. Trends of population have been the interest of economists, but it has been mainly the sociologist who has contributed concepts of the age composition of the population, geriatrics, the life cycle, and population explosion. The introduction of those concepts into the marketing literature has occurred gradually.

MANAGEMENT

Interdisciplinarity includes the exchange of concepts, not only between students of business and those of other social phenomena, but also between students of marketing and those of other phases of business. The influence of developments in scientific management through the theories of Taylor, Gantt, and the Gilbreths have long been recognized. They stimulated initially the study of marketing; they inspired the concept of the "new retailing" based upon scientific principles; and they have underlain management principles and practices of the sales organization. From this area have come into marketing thought the following concepts:

1. Scientific Management. The idea of job development, selection and training of personnel, co-ordination of workers and supervisor, and division of responsibility between the manager and the managed, has been accepted in connection with the management of both marketing functions and marketing institutions.

2. The Task. The idea of building up synthetically the least wasteful and most productive method of accomplishing a job has been adopted in time and duty studies for salesmen, in routing, in setting sales quotas, and in training, compensating, stimulating, supervising, and evaluating the performance of salesmen.

3. Functionalized Management. The idea of management functionalized for purchasing, planning, scheduling, inspection, labor control, and maintenance in production has been adapted in a similar functionalization in management for operation of a distributive enterprise.

4. Scientific Approach. The steps of stating a problem, collecting information, and drawing conclusions have been adapted to marketing research under such terminology as situation analysis, informal investigation, planning the project, preparation for collection of data, etc.

5. Simplification. It is a management understanding that when a given volume can be obtained on fewer items made there is achieved more output per worker, less idle equipment, simpler supervision, lower raw material costs, smoother production, simpler accounting, and easier control. This same concept of simplification of product line has been accepted as a marketing technique.

6. Diversification. The multiplication of activities of product lines implied by the concept of diversification arises from an effort to meet variety in consumer demand, to maintain flexibility, to use profitably complementary processes. Where justified, it prevents waste of labor, machine time, and materials. A similar concept is applicable in marketing to meet similar problems.

7. Standardization. While applicable in production to uniformity in raw materials, tools, equipment, methods, inspection, time schedules, etc., standardization in marketing pertains to uniformity in integrated chain-store operations, to standard lines, layouts, operating procedures, and control methods, to commodity classifications, and to methods employed to unify mass production and mass merchandising.

OTHER DISCIPLINES

This survey could be extended without commensurate profit to other disciplines that have furnished concepts incorporated in marketing thought. Accounting and law are two from which many have been drawn. Social psychology and anthropology have furnished few if any concepts to the traditional body of marketing thought.

Thus it is seen that the development of marketing thought is not only the product of ideas developed by students of marketing. On the contrary, to make the maximum contribution to marketing thought, one must be conversant with other intellectual findings.

INTERDISCIPLINARY DEVELOPMENTS AFTER 1960

The development of marketing thought in the 1960s had three distinct characteristics: substantive, perspective, and formative. Its substantive development consisted of the enlargement of knowledge about elements already identified as marketing: markets, middlemen, channels, price, and the processes inherent in the distributive task. It was based upon the economic concept of
marketing. Its perspective development was that by which marketing became viewed from new perspectives, namely, social perspectives, and the related concepts were derived from the behavioral disciplines. These concepts, and their corresponding theories, provided new insight into consumer behavior, motivation, social processes in business, group behavior, systemic functions, role relations and interaction, social responsibility, and culture. Its formative development consisted of the incorporation of means by which the logic of marketing thought might be made more acute. This involved employment of mathematical, statistical, and other quantitative methods whereby thought processes can be organized and conducted. Each of these developments took place in their respective literatures. Collectively they were referred to as the “interdisciplinarity” of marketing thought.

BEHAVIORAL DEVELOPMENT OF MARKETING

Notwithstanding the introduction of many new concepts into marketing from behavioral disciplines during the 1960s, its longstanding embodiment of concepts from other disciplines must be recognized. Because marketing was originally deemed wholly an economic activity, economic analysis and theory were liberally used from the inception of its study. As new developments occurred in the economic discipline, they were often incorporated into marketing thought. Moreover, early writings on advertising and salesmanship drew heavily upon psychology, for prominent writers in those fields were psychologists. Likewise, marketing scholars and researchers familiar with history, literature, law, accounting, and sociology drew a trickle of concepts from those fields into the growing stream of marketing thought.

Evidences of interdisciplinary inclusions may be found in the works of many marketing writers. Scott wrote of advertising from a psychological point of view as early as 1903. Nystrom had a social perspective in his writings of retailing, as did Phelps concerning credit management. Breyer used concepts from physics, sociology, and psychology. And Neifeld viewed the institution of credit as a cultural phenomenon. Nevertheless, none of these nor any others writing prior to 1950 is generally associated with the behavioral movement in marketing thought which took place after that date.

The essence of this occurrence is the conception of marketing as a social — rather than exclusively an economic — process, involving people as human beings and not merely as technicians or economic men. The tone of the concept was indicated by Duddy and Revzan in 1953: “Ours is a market society.” And they quote with approbation Karl Polanyi: “Normally the economic order is a function of the social order in which it is contained. Neither under tribal nor feudal, nor mercantile conditions was there ... a separate economic system in society.” However, not only humanistic concepts were obtained from the social disciplines, but also their methods of studying human behavior. These understandings were borrowed from psychology, sociology, political science, social psychology, anthropology, demography, geography, ecology, and other related areas.

Several explanations are given for the timing of this development. Most certainly it sprang from renewed vitality and inquiry in all disciplines in the post World War II resumption of scholarly pursuits. In fact, some research in human behavior had even been accelerated during the war period. Social scientists were also thinking more expansively, considering the fields of business and the marketplace as natural areas of inquiry for their disciplines. At the same time, progressive acceptance of consumer orientation in marketing management emphasized the need for better understanding of consumer behavior and motivation, and of managers’ behavior relative to both consumers and others with whom they interacted in the distributive process. Thus invention of the Marketing Concept in the early 1950s, the maturing of the economy, the need for new tools to supplement those of economic analysis, and the increased interaction among social and behavioral scientists all contributed to more behavioral thinking in marketing. Also important was the encouragement given business educators to lift the level of their offerings above that based upon prior theoretical constructs. The emergent need was not only for the adoption of new concepts but for adaptation of them to the marketing medium. This undertaking was the work of marketing writers mainly during the 1960s.

Following a common pattern, writings on behavioral aspects of marketing by both marketing scholars and allied social scientists appeared first in their respective professional journals. In 1950, Cox and Alderson included in Theory in Marketing several articles dealing with concepts from other disciplines, but it was not until 1963 that Perrys Bliss published a book of readings: Marketing and the Behavioral Sciences, and W.T. Tucker The Social Context of Economic Behavior. The Bliss book consisted of an assortment of essays by behavioral scientists. In short succession there appeared in 1965, Marketing: Contributions from the Behavioral Sciences, by Zaltman. Its purpose was narrowly managerial, however, in that, with knowledge of behavioral findings, managers would improve prediction, lessen the range of alternative effects from their decisions, and thus find better ways to influence the consumer.

Evidence of the state of marketing and the behavioral sciences in the early 1960s is found in the fact that when R. L. Day published Marketing Models — Quantitative and Behavioral in 1964, many of his selected articles had been published originally in the 1950s, and only one-third of them had been written by people identified with marketing. The behavioral portion of his book reflected the overriding interest in understanding the consumer by way of behavioral concepts, which he said provided richer, more useful models of consumers than the “economic man.” The articles reported were results of empirical, not theoretical, research, thus also manifesting a turn of marketing thought toward more substantial evidence and more rigorous scientific research. In this book, Day presented a paradigm of the consumer, and he discussed social processes and structure, behavioral factors related to products, and demographic variables. This served to interpret his sense of the need for a more systematic approach to analysis of consumer actions.

Consumer motivation and behavior was indeed the principal subject of behavioral interest during the mid years of the 1960s. Advancement in understanding the consumer was immediately applicable in all areas of management. Consequently, several marketing scholars undertook not only to collate but to crystallize the new interpretations of consumers. Processes of motivation, perception, and learning were of particular interest, as well as influences of individual predisposition, personality, and attitude formation. In addition to these psychological concepts, from sociology were drawn others concerning culture, group influence, social strata, reference groups, and the
family. Summation of consumers' characteristics, attributes, and behavior
patterns was achieved in models of consumer motivation and behavior and in
models of consumer decision processes. These were widely received as a
significant breakthrough in understanding this important element in marketing
and in the application to marketing of social and behavioral concepts. Foremost
among the writings on the subject was the carefully researched book of Engel,
Kollat, and Blackwell, which not only surveyed the extant research of the
period but presented a credible theory of consumer behavior.

An article by Lazer included in a group from a symposium edited by Bass,
King and Pessimier in 1968 may be the most comprehensive explanation of the
interdisciplinary approach to marketing available at that time. He attributed
the increased recourse to interdisciplinary sources to the maturing of the economy
and to the need for other than economic research tools in dealing with current
problems.

It was one thing to edit and publish separate papers on the behavioral context
of marketing, but it was something else to introduce these ideas into the more
traditional patterns of marketing thought. Such an undertaking is illustrated by the
readings published by Alexis in 1969. Although based upon empirical
research and presented to illustrate theoretical constructs and to give meaning to
abstractions, the format of the book was quite traditional, following the pattern
of discussing marketing environment, systems, operations, and marketing and
society. At a time when even elementary marketing courses were being made
managerial, and more advanced courses were specializing in newer concerns, the
amalgamation of the old and the new concepts in this manner served a need.

Persisting in the updating of his readings, Bliss in 1970 published Marketing
Management and the Behavioral Environment, in which he showed the
application to marketing of specific concepts—not schools of thought nor
overall theoretical frameworks—from related disciplines. His selection is more
discriminating than formerly and his judgment more critical. The articles
illustrated application of a concept to a specific marketing problem and did not
attempt to develop theory therefrom. He also recognized that while borrowed
concepts had often been very useful, they did not always assure success in their
application.

By the date of Perry's publication, marketing thought based upon behavioral
concepts had developed to the point where he could identify summarily (1) the
behavioral concepts which were relevant to marketing and (2) the areas in
marketing thought in which such concepts could be assimilated:

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**Behavioral Contributions to Marketing Thought.** The principal contribution
of social and behavioral disciplines to marketing thought is the variety of
perspectives in which the marketing process may be viewed. Differentiation
of perspective from process is an important step toward theory formation, for it
represents conceptualization, increases terminology, suggests new logical
relationships, and results in the development of theories. This has been the effect
of perception of marketing as a social process and of the participants in this
process as social entities. Thought developed along these lines has complemented
prior interpretations of marketing as either a wholly economic process or a
self-contained managerial function. Emergence of the social perspective lifted
marketing thought out of a state of complacency where at mid-century it was
thought that marketing had already attained maturity. The emergent thought, however, as can be seen in the earlier part of this chapter, was not without root. The developments of the 1960s expanded what some scholars had seen earlier, and they made the vision an integral part of marketing thought.

ENDNOTES


NEWER AREAS OF MARKETING THOUGHT

Since 1950, traditional thought and literature has been both supplemented and complemented by thought developments which have produced a number of new literatures. That on marketing management is one. In addition, other writings may be classified as dealing with the following subjects: (1) quantitative aspects of marketing thought, (2) marketing systems, (3) environmentalism, (4) comparative marketing, (5) international marketing, (6) logistics, and (7) marketing and society. These are the subjects of the present chapter.

QUANTITATIVE ASPECTS OF MARKETING THOUGHT

However, the marketing process is viewed, whether from an economic or social point of view, or even as a management process, it is presumed that thought about it has form or structure. Composition and organization are indispensable to logic and understanding. Form in marketing thought, however, prior to the 1950s, was a debatable issue. Its reputed lack of empirically researched findings, stable generalizations, and coherent theories unsettled the hope that the discipline was attaining scientific stature. A principal criticism of marketing, as of social sciences in general, was that its reasoning was based upon factors qualitative, subjective, and immeasurable. Little application was made of formal rules of logic; causality was imputed where only relationship existed; and felt dissonance was treated as exception to accepted principles. Such was the state of research and marketing theory until the movement for "quantification" gained momentum.

It cannot, of course, be said truly that marketing thought was utterly devoid of quantitative aspects. Accounting techniques had always been an integral part of management knowledge. Merchandising mathematics was standard form for thinking about inventories, pricing, and buy-sell functions. Statistical measures for averaging, dispersion, correlation, difference, time series analysis, and index numbers were common tools for research. And various numerical and graphic forms for representing economic propositions also were included. Together they served the needs of marketing thought during its first half century, but at the end of that period they too were subjected to revision through implementation of concepts derived from mathematics, advanced statistics, and econometrics.

Several circumstances accounted for this turning to more complex quantitative means of developing and expressing marketing thought. As has been said before, marketing problems were becoming increasingly complex, and decisions required control over a greater number of variables. But need alone was not all that developed about that time. There was emerging a language in the form of mathematics and a syntax in the form of model building which gave new strength to the structure of marketing thought.
This development was an outgrowth of the mathematical approach to military problems during World War II known as Operations Research. When following the war new applications of this technique were sought, business problems involving accounting, finance, and production were areas where it was successfully applied during the 1950s. Not until in the 1960s, however, were applications found for it in marketing management. Since then, employment of mathematical models for decision making gained "fad" proportions in research, in education, and in marketing practice.

The development of expertise in the use of mathematics, however, was not an automatic process for marketing researchers in the 1950s: for their graduate education did not usually include advanced mathematics. In 1959-1960, a Ford Foundation sponsored a program conducted at Harvard by the Institute of Basic Mathematics for Applications in Business, attended by a select group of professors of economics and business, including a number from the field of marketing. It was they who were substantially responsible for the introduction of mathematics into marketing thought.

Writing in 1964, Buzzell, one of the attendants at the Institute program, explained at some length the reason for the increasing use of marketing models during the 1950s and early 1960s. He cited seven reasons: (1) efforts of Operations Researchers to find new applications for their techniques (2) perceived need for formal analysis in marketing, (3) dissatisfaction with conventional approaches to decision making in marketing, (4) increased stature of marketing research in companies, (5) the rise of marketing theory during this period, (6) the presumed competitive value of models, and (7) prestige associated with use of models. Yet even in the early 1960s little or no real use of mathematical models was being made in marketing. Its use was mainly exploratory, diagnostic, and fact determining, rather than as a basis for complete reliance.

That models should be increasingly used, on the other hand, derived from the distinctive features of marketing problems. They are essentially problems of behavioral relations. They have to do with the firm's external environment: customers, suppliers, and competitors. Behavioral relations are very difficult to measure. And many factors cannot be observed at all. Buzzell perceived possible application of models in marketing to product policy, pricing, promotion, marketing channels, credit, and physical distribution. His book presented experiences of companies using models for decision making in many of these areas.

In the same year, Day published a compilation of articles reporting research, rather than company experience, in quantitative models. Crediting models with reduction of the number of variable factors to manageable proportions so that more significant relations could be identified, he presented articles dealing with Bayesian decision theory, promotional activity, simulation and programming, and models for planning and strategy formulation.

Still another effort to survey recent developments and advance research in marketing was made through scholarly papers presented at a symposium which Bass, King, and Pessemier edited and published in 1968. Because the papers were written for this occasion, and not like readings being republished, special effort was made in evaluation and extension of thought. Three areas of interest were covered: consumer behavior and normative models, behavioral theories of consumer behavior, and experimental methods and simulation models in marketing management.

Because mathematical models and logic can be programmed into computers, the utilization of that mechanism in marketing decision making received special attention in Casher's Marketing and the Computer. Like others, he gave account of the increasing use of models and attributed it in part to the emergence of sophisticated Operations Research techniques. He showed the applicability of the computer to various marketing activities, and while avoiding technicalities of the mechanism, he related what he thought the marketing executive should know about if: the kinds of statistical techniques available, the problems on which it can be used, the data needed, the outputs obtainable, and ways of interpreting the outputs.

Actually, throughout the decade of the 1960s there was little apparent development in the substance or content of writings on the quantitative aspect of marketing. Three subjects seemed to be covered from the first: explanation and justification for introduction of quantitative techniques in marketing; second, explanation of the relevant techniques; and third, interpretation of their usefulness in marketing. Consequently, Marketing Models: Quantitative Applications by Day and Parsons in 1971 differed not a great deal from some earlier works. The topics of his format, however, indicate rather clearly the scope of quantitative techniques deemed relevant to marketing:

- Deterministic Optimization Models
- Stochastic Process Models
- Bayesian Decision Theory
- Experimental Design
- Discriminant and Canonical Models
- Regression Analysis
- Factor and Cluster Analysis
- Heuristic Problem Solving
- Simulation

Contributions of Quantification. Contributions are made to marketing thought in terms of both what is thought about marketing and how one thinks about it. Substantive and perspective developments relate to what one thinks: the quantitative or formative, to how thought is structured and developed.

The contribution of quantitative lies in formalizing thought processes through the use of an abstract language and constructs of manipulatable variables. They are applied to the substantive concepts of marketing, whether it is viewed as economic, social, or managerial, and by them the logic of the mathematical discipline is carried to the subject matter of marketing. Through such uses of quantitative methods the following contributions to marketing thought have been made:

1. Greater precision in the differentiation and definition of marketing concepts
2. Facilitation of abstract analysis by symbolization of substantive concepts
3. Interpretation of marketing phenomena variable correlates
4. Identification and measurement of relationships among numbers of variables
5. Combination of clusters of relationships in the form of models –
diagnostic, operative, or normative.
6. Improvement of theorization and the prospects of theory formation by
greater innovation and precision in the statement of variable
relationships
7. Facilitation of management decision making through the exposition of
alternatives, measurements, and probabilities

MARKETING SYSTEMS

Another development in marketing thought during the 1960s was the
conceptualization of the marketing process as “flows,” and of the marketing
structure as “systems.” These concepts were in contrast to the idea that
marketing is a movement of economic products from one distributive unit to
another, and that those units act singly, more independently than
interdependently. The new concepts grew out of a perception that the marketing
mechanism functioned as a whole, not as an assortment of unrelated parts. A
theory based upon this interpretation of marketing was called “holism.”
The systems of interrelated components were of two types: economic and social.
The former represented the coordinated division of the distributive task among
economic specialists – middlemen and others. The latter, the interactive
relationship of the people occupying the economic positions. Preponderance of
economic systems analysis, but the introduction of behavioral concepts led to
the study of marketing as social systems. Quantification of research, on the
other hand, provided models and measurements for marketing systems.

CHANNELS AS ECONOMIC SYSTEMS

The concept of “channels” has been so inherent in marketing thought as to
be regarded by some as the only concept in marketing not borrowed from
another discipline. It has not, however, always represented a marketing system as
that term has come to be defined, for the channel was perceived as a series of
discrete units rather than a sequence of contiguous ones. For many years
management in marketing was deemed the management of the internal
operations of retail and wholesale establishments, whose external relations were
principally competitive. Exception to this point of view, with preference for a
holistic or systems concept, was expressed even while the segmented concept was
central and controlling. To early exponents of holism, however, systems were media for the performance of an economic function, not social
relationships, as explained later by behaviorists. Leading contributors to the
theory of channels as economic systems were Breyer, Duddy and Revzan, and
Bucklin.

Ralph Breyer in 1934 discarded the usual cursory treatment of markets
preliminary to more elaborate description of institutions and undertook to show
the collective marketing institution as a synthesized unit operating under various
market conditions. As a system, the marketing institution had a two-fold
character: (1) affinity between channel units, and (2) indistinguishability of the
channel to market conditions. The relationship between units he illustrated as
analogous to electric circuits whereby current flows between positive and
negative poles. The essence of marketing he perceived as flows of goods, orders,
payments, and title between sellers and buyers, impelled by imbalance between
supply (positive poles) and demand (negative poles). Contact and negotiation
established the market circuits, and transaction closed them. In this concept, it is
apparent that new emphasis is given to what happens between units of the
channel, rather than to the mere actions of the individual units. System
relationships alone are discussed, with little indication given even of
segmentation of the economic task among system members.

Breyer also professed taking a “social approach,” proclaiming marketing to be
“a social instrument designed to serve the best interests of the public at large.”
Thus the marketing institution was deemed a social instrument. He implied by
this a social responsibility for economic efficiency and effectiveness. He did not,
however, perceive the relations of system members as social relations.

Breyer’s efforts made little impression upon marketing thought or practice at
that time, but they were a seed which gradually grew to large proportions.
Explicit in his work was the relationship of marketing to its environment, which
was endemic to a later developed concept of environmentalism.

No less innovative, but no more popular at the time, was another work by
No. 1 – Channel and Channel Group Costing. Having taught a Trade
Association Course at the Wharton School of Finance and Commerce during the
late 1930s, and later having done further study of vertical channels of a trade,
his became convinced that “a new fundamental approach to the whole
study of marketing, that somehow hinged upon the marketing channel, could be
developed that would make distinct contributions to our knowledge and mastery
of this field and of all present practical and theoretical approaches.” His
concern was with the “complete vertical span” between producer and consumer,
in contrast to the traditional enterprise analysis and the all-inclusive study of the
marketing institution as a whole. A span that stretches “from producer to
consumer, may be said to be of ‘channel’ dimension in its vertical aspect.” He
explored the quantitative analysis and control of channels in this sense, terming
it the “Systemic Approach.” He believed that the extant body of marketing
“principles” should be reoriented to this pattern of systems.

Nothing in the marketing literature at that time was so deviant, so cogent, so
unappreciated. Yet his work during those two unsettled decades in the
development of marketing thought won for Breyer accolades from his successors
who carried forward concepts of marketing systems and the marketing
institution.

Contemporaries of Breyer, Duddy and Revzan too were concerned with
institutional relations and processes in marketing. They saw the marketing
structure “as an organic whole made up of interrelated parts, subject to growth,
change, and functioning in a process of distribution that is coordinated and
conditioned by economic and social forces.” Recognizing structure to be
organization and dimension for performing functions, they identified three types
of structure in the interacting marketing mechanism:

Agency – the diversity and organization of enterprises engaged in the
distribution of products and services
Area – the relationship of markets resulting from cost and price factors
Price – the structure of exchange values

They regarded management and price as the coordinating forces, and not as
separate subject matter somehow related to the marketing institution. In the
action pattern changes wrought by these forces, some structural relations changed and some did not.

Following Duddy, Revzan and Breyer by almost two decades, Bucklin reviewed the history of the channel concept and undertook to build a model of channels, to explain firm behavior and channel structure in terms of economic circumstances, and to stimulate empirical research. He defined the channel in the following ways:

- As a mechanism through which the invisible hand of the private enterprise marketplace operates
- As a creature of competitive pressures and specialization of labor
- As developed by division of the marketing task
- As a cooperative venture concerned with mutual adjustment
- As a means by which demand for goods and goods are transmitted
- As a means of directing resources

Bucklin said that while there were articles on the channel system, there was then no theory, and generalizations were rough and unbound. His own theory included a concept which he termed the principle of postponement, risk shifting, and speculation. Its thesis was that the interacting members of a channel attempted so far as possible to postpone forward movement of flows through the channel, for in this manner assumption of risk could be delayed. When circumstances seemed propitious for speculation, the delaying strategy could be reversed. He also conceived a “normative channel” as the channel status which tended to evolve in the long run. Of note too are the following ideas about channel outputs:

1. Time, place, and ownership utilities are services.
2. Service outputs are identified as holding till time of delivery, determination of desirable lot size, and decentralization of the market by delivery to a distant point.
3. The channel represents a combination of these services.
4. Variations in channel service are determined by processes of substitution.
5. Cost is a focal factor in channel construction and specialization.

It will be noted that common to the several publications representative of thought about channels prior to the mid 1960s, is the regard for them as economic systems functioning under the constraints of management strategy and environmental circumstances to provide for the most effective and efficient distribution of goods and services.

CHANNELS AS SOCIAL SYSTEMS

During the 1960s, the development of behavioral concepts, which were applied first to understanding consumer behavior and next to management behavior, turned the attention of systems analysts from economic to social aspects of channels. All that had been written about specialization and integration in the distributive process from an economic standpoint was sustained and extended with new conceptualization, as with Alderson’s sorting, search, and transaction theory, and Aspinwall’s depot and parallel systems theories. But new concepts expressing social behavior were derived from sociological theories of role and group interaction. The marketing channel was thereby perceived as a system of institutions which interact. They control, conflict, and cooperate. Power is essential and pervasive throughout.

In 1967, Mallen, contending that the subject of channels had been neglected by scholars, compiled what he regarded to be the sum of existing articles dealing with the subject conceptually. His emphasis was upon social and theoretical aspects of channels. Therefore among the articles of his choice were some dealing with pluralistic competition, distributive politics, countervailing power, and organizational extension. Others dealt with simulation, Bayesian decision theory, and other quantitative aspects of channel models and measurements. Thus in a sense this was a transitional book moving from economic to social interpretation, and including concepts from the behavioral and mathematical disciplines.

Others conducting research in the same period, or writing shortly thereafter, enlarged upon the points generally incorporated in marketing systems theory, namely that:

- The marketing process consists of a variety of flows: physical products, title, orders, information, credit, payment, risk, post-sale service.
- Market flows move through channels, termed systems, constituting economic specialization in the marketing process and social interaction among its members.
- Marketing systems operate within the constraints of their respective environments, which may consist of the firm, the distributive group, or society at large.
- Achievement of efficiency and effectiveness is gained through continual adjustment effected by management strategy and external constraints.

The contributions of several writers to development of systems theory may be briefly stated as follows.

Fisk, defining marketing as a set of activities that stimulate and serve demand, regarded systems as any set of interacting variables. The social relations of system members were definable in terms of goals, organization and input, constraints, output, and efficiency and effectiveness.

Stern, defining the marketing channel as a social system, regarded an economic system as a subset of the social system, even as the economy is a subset of society in general. The social system concept is expressive of relationship, interdependence, and interaction, the latter perceived in terms of role, power, conflict, and communication.

Lewis identified and characterized the theoretical explanations of channels given at that time by Aspinwall (deposit), Alderson (sorting and transvection), Breyer (contract), Vaile (flows), McInnes (gaps and parallel systems), and Bucklin (postponement). He saw control of channel networks gained through management strategies eliciting cooperation and resolving conflict. Lewis also briefly described marketing channels in a number of other countries.

Palamonten enlarged upon the element of power in the interplay among countervailing groups in conflict over distribution practices. From analyzing conflicts in distribution during the 1930s, he undertook to show “that the economic environment enables, but does not guarantee, the creation of political groups, and that economic groups which seek to operate politically thereby
enter a realm which exercises its own conditioning effects and which does far more than simply reflect the strength and drives of economic groups."

He analyzed the distribution of groceries, drugs, and autos in terms of conflict created by horizontal, intertype and vertical competition. The book is an interesting combination of classical economics, group interaction and political policy.

Bucklin in 1972, still decried the lack of systems analysis in marketing literature, undertook, using literary sources and statistical analysis, to demonstrate key factors which have controlled the growth and development of middlemen. Intending to dispel myths about the role of wholesalers, on whom he said little had been written, he blended traditional history and concepts of model building and multivariate statistical analysis. Both the wholesaling and retailing structures were analyzed from the standpoints of metamorphosis, structure, and competition. The outcome was a statistically supported theory of the resiliency of these segments of the distributive system in response to management strategy and external constraints. But going beyond mere exposition of our own systems, Bucklin generalized his findings to suggest the pattern of the evolution of wholesaling in any industrialized country. His conclusions and rationale were consistent with those of the study of wholesaling in fifteen countries edited by Bartels in 1963.

CONTRIBUTIONS OF SYSTEMS THEORY

Although systems theory did not invoke a new concept of the mission of marketing, it interpreted the marketing mechanism differently and contributed to new marketing theory. Without a perception of the diversity in the unity of the marketing structure, the impact of environmental factors upon its evolution would have been less apparent. Likewise, without discernment of the social aspects of intrachannel interaction, the enrichment of marketing thought through behavioral interpretations of consumer action alone would have been minimal. Or put otherwise, through systems analysis, marketing thought has been infused with a wider dimension of management strategy, better understanding of influences shaping marketing structure as a whole, and keener appreciation of the countervailing forces playing within and around the marketing systems.

ENVIRONMENTALISM

Environmentalism generally refers to the influence of environment upon the development of systems or organisms, and in marketing it is understood particularly to refer to the relationship between environment and the practice and development of marketing.

The presence of this element in marketing thought is relatively new. In early writings it was given little attention, for the environment was the market, to be won, rather than to be compromised with. Gaining dominance over controllable factors in marketing was more engaging than the idea of compromising managerial control with environmental or uncontrollable factors. Nevertheless, with the emergency of systems theory, holism, and the concept of adaptation for survival, environmental considerations became an integral part of marketing, even an independent variable to which the marketing system and management practice responded. From the literary standpoint, the environment remained a subject merely described and classified until it was conceptualized and so made a structural component of marketing thought.

As the definition and analysis of environment progressed, several stages of its development could be identified:

1. Description of USA Environment
2. Description of Foreign Marketing Practice
3. Analysis of Advanced Marketing Technology in Underdeveloped Environments
4. Conceptualization of Environment
5. Conceptual Interpretation of Foreign Environments
6. Conceptual Interpretation of Marketing within a Foreign Environment
7. Foreign Environment Interpreted for Import Marketing

DESCRIPTION OF USA ENVIRONMENT

It would be an overstatement to say that early marketing writers considered environment per se; they took it for granted. Their own environment was all that they knew, and it was a variable factor only insofar as it changed. In an environment characterized as a seller’s market, committed to a laissez faire philosophy, and conceived as an economic environment, the environment was little more than the market. With the increase of government regulation of the economy, the political or legal environment became recognized. And as social concepts were introduced into thought, social environment became a reality.

The several aspects of environment were described, although environment was not analyzed as a separate concept. Marketers and writers were more subjective than objective about environment. They recognized a mutual impact of marketing and environment upon each other, but they did not transcend the characteristics of their particular environment. Such was the state of thought, in all branches of the marketing literature, until into the 1950s, when increasing travel, research, investment, and marketing in other countries brought Americans — the original developers of marketing thought — into contact with other environments.

DESCRIPTION OF FOREIGN MARKETING PRACTICE

While at first marketing abroad was described as though products and marketing strategies, and not environmental factors, were the sole determinants of marketing success, international businessmen gradually recognized that the "peculiarities" and "uniqueness" of foreign environments thwarted their successful use of practices employed at home. Articles then began to appear describing marketing practices and institutions in many countries. They usually dealt with limited subjects, were based upon more or less surface observation, and emphasized differences in marketing discernible throughout the world. They were intended to be informative, and thus they contributed substantially to knowledge of marketing practice. Compositions of them were made in books of readings on international or comparative marketing, such as those of Sommers and Kernan and Ryans and Baker, but they were always of limited scope and coverage.

Also of this exploratory period, but of larger proportions, was a book by Goldman explaining marketing in the environment of the Soviet Union.
Goldman's objective, namely, was to understand Soviet marketing and thereby understand ourselves better. He disclosed an insight uncommon at that time, for it implied a fundamental relationship between environment and marketing which had to be hypothesized before conceptualization of environment could take place.

The contrast between marketing in the USSR and the USA reflected the Marxian philosophy that marketing was unproductive — "parasitic." Goldman's scholarly but traditional exposition of operation of the marketing system showed the implementation of the Marxian philosophy in the planning of the distribution of consumer goods, pricing, financial control, the human element and state ownership, and distribution costs. The book was a substantial addition to knowledge and an example of how marketing practice is carried out in a different political environment.

Of similar character and, interestingly also pertaining to marketing in the Soviet Union was a book published by Greer18 a decade later. Based largely upon newspaper reports of the Soviet press, his intended interpretation of Soviet culture showed many of the unfortunate market consequences of the Communist marketing philosophy. He presented factual, detailed, and timely evidence of practices and problems related to products, retail trade, advertising, and communication, pricing, and channels, transportation and physical distribution, and Soviet international marketing.

ANALYSIS OF ADVANCED MARKETING TECHNOLOGY IN UNDERDEVELOPED ENVIRONMENTS

From the articles and books previously described, one would begin to perceive that social aspects of environment would prescribe differences in marketing practices in dissimilar countries. The economic conditions of dissimilar countries, on the other hand, sometimes do not require such alteration of marketing practices, for the economic functions of marketing are generally subject to the same laws of specialization, scale, proportions, and economy. Consequently, because during the 1960s much interest was shown in assisting economically underdeveloped nations, some marketing books relevant to this subject were written. Moyer,19 in 1965, noting that marketing had been neglected in literature on economic development, pointed out that marketing was not parasitic but indispensable to an economy. The relevance of this to the developing concept of environmentalism is in the reciprocal relationship of marketing and environment. In the United States as in developing countries, the formative character of marketing is emphasized, and applications of marketing to smaller agricultural countries resembled the stage of marketing thought in the United States between 1900 and 1920.

A second example of marketing's formative role in developing-an environment is seen in Miller's compilation of readings in Agribusiness Research.20 Originating at the Stanford Research center, it broadly discussed marketing theory and problems in economic development, concentrating on food and fiber products, and concerned with pricing, supply, demand, and management decision theory, and research and foreign economic development.

Still another book of a different character was also concerned with the contribution of marketing to developing countries. It was a collection of cases illustrating marketing management in developing countries, edited by Boyd21 and emanating from the International Center for the Advancement of Management Education, Graduate School of Business, Stanford University. Intended to develop marketing strategies and improve decision making, it illustrated the adaptation of techniques to environment and stimulated original perception of relationships between marketing and environment.

CONCEPTUALIZATION OF ENVIRONMENT

So long as marketing studies were mononational, environment was taken for granted; but as they became multinational, although differences stood out, the essential aspects of environment began to appear. This raised two questions: What is environment? And what is marketing? An implicit fact was not immediately apparent, namely, that one's concept of marketing was a function of the environment in which he saw marketing performed.

As economic interpretations of marketing in the 1950s were beginning to be complemented by social interpretations, it was natural that social environment should be added to the concept of physical and economic environment and, ultimately, the culture characterizing the society. This broadening interpretation pervaded the viewpoint of the scholars surveying the conduct of wholesaling in different countries in 1961.22 For this collaboration, Bartels, employing anthropological, social, economic and managerial concepts, prepared a conceptual model of environment graduated on a progressively diminishing scale. Accordingly, environment was identified by the following dimensions:

Cultural or national
Social
Economic
Market
Marketing economic and behavioral
Managerial

Each lower level of the environment is encompassed in the larger above it. Thus marketing management within a firm takes place within the context of the organizational structure, goals and resources. Marketing functions occur within the broader institution of marketing, including both its economic and social processes. Marketing in this dimension is then a function of the character of the market, its scope, forces, and constraints. The economy in turn is but one of several major social institutions, the totality of which is superior to any one of them, including the economy, and constitutes the social environment of the economy. Finally, the particular configuration of the social structure is a function of the culture or the basic values and characteristics of a people. Environmentalism is the understanding of the relation of all of these environments to the practice of marketing. The environment is a complex of uncontrollable external factors.

This conceptual framework became the pattern for many subsequent analyses of marketing, both abroad and at home. It was essential that the next progressive development in marketing thought, namely, comparative analysis, be explained later.
CONCEPTUAL INTERPRETATION OF FOREIGN ENVIRONMENTS

Many writers were simultaneously developing concepts for interpreting the marketing environment, and once this stage of theorization was reached, a variety of better and fuller analyses of marketing in other countries were made, hopefully, as one writer put it, that we might better understand ourselves.

Unlike those who were compiling readings of marketing in different environments, Carson23 published the first solo work interpreting in terms of socioeconomic variations the marketing practices of other countries. His thesis was that marketing practice is a function of environmental variables of a country. Because his format was not unlike traditional marketing texts, his insightful interpretations based upon concepts from the social and behavioral disciplines could be better appreciated.

Scott and Marks24 interpreted change in the marketing system as response to environmental change. Taking a macro point of view, they undertook to show how the individual firm — one of many firms — functions and adapts to changing environmental forces: social, psychological, cultural, economic, political, ethical, and moral. Successful marketing resulted not only from knowledge of firm strategies, but from understanding of the variables influencing the firm. Thus emphasis was shifted somewhat from management of the controllable variables to understanding of the uncontrollable ones.

Three other books also illustrated the application of a conceptual view of environment to interpretation of marketing. Anderson25 directly applied the Bartels conceptualization to marketing in Thailand. Glade26 developed an explanation of marketing in Peru based upon seven hypotheses — generalizations deduced from more knowledgeable studies conducted elsewhere:

1. That marketing strategy is a function of environment
2. That foreign firms in an area employ more advanced technology than local firms
3. That non-owner firms employ more advanced technology
4. That firms with high sales volume employ more advanced technology
5. That producers of consumer goods employ more advanced technology
6. That firms with heavier competition employ more advanced technology
7. That firms with low value of typical product employ more advanced technology

These propositions provided interesting insight into selective aspects of the environment of a developing nation which affect marketing practice there.

A third and particularly conceptual illustration of environmentalism is Yoshino's27 analysis of the Japanese marketing system. Unlike contemporaries who interpreted marketing in static environments and underdeveloped economies, he interpreted marketing in Japan as both a developed nation and a changing economy. Thus to environmentalism he added a time dimension, speculating whether as over a period of time societies become more similar, their marketing systems would converge. The following propositions were inherent in his concept of environmentalism:

1. That marketing is a socioeconomic process, not just a mechanical process
2. That the mission of marketing is to satisfy certain human needs (consumption needs)

3. That marketing is a basic component of the social structure. Exchange is a network holding society together
4. That marketing functions in the environment
5. That the marketing system is a function of environmental variables
6. That the marketing system is a function of change
7. That the marketing system generates change

CONCEPTUAL INTERPRETATION OF MARKETING WITHIN A FOREIGN ENVIRONMENT

As knowledge of United States marketing practice spread through the academic and business world, appreciation of environmentalism soon made it clear that practices appropriate in one environment were not necessarily acceptable in another. Consequently, as scholars were capable of doing so, they wrote specialized and general works on marketing in other countries, usually using an approach and format popular in the United States. Unlike some of the already described interpretations of marketing elsewhere in terms of an environmental concept, these were intended not for edification of Americans but for educational purposes in the countries described.

Several works concerning marketing in Canada illustrated this use of the environmental concept. Mallen and Litvak28 wrote a general treatise on marketing in Canada to stimulate more research in Canadian marketing. As there was an increased availability of higher quality published material by 1968, they revised the book, and in 1973 Mallen published another on Marketing in the Canadian Environment.29 All of the books and revisions followed an approach then widely used in the United States, including analysis of the Canadian consumer and industrial markets, products, pricing, institutions, promotion and international marketing. Mallen differentiated between the external Canadian environment and internal aspects of the distributive system.

FOREIGN ENVIRONMENT INTERPRETED FOR IMPORT MARKETING

Still another version of applying environmental concepts to marketing is found in books interpreting one environment to marketers in another. Four such books are those of Wilhelms, Bod dewyn, Ballon, and Bickers.

Wilhelms and Boeck30 wrote to inform export-conscious firms in developing countries of the characteristics of the German market environment. They discussed market conditions and consumer habits, how to sell in the West German market, legal regulations, and how to obtain market information. They also presented statistical data concerning the market.

Bod dewyn and collaborators31 wrote of the environmental factors and features of the business systems of five regions of major economic interest for businessmen: Asia, Latin America, Mid-East, Sub-Sahara Africa and Western Europe. Each area was minutely analyzed in terms of economic structure, business associations, finance, legal systems, marketing, industrial relations, and political patterns.

Ballon, in Marketing in Japan,32 presented a collection of articles intended for the firm going into the Japanese market. Detailed guidelines concerning TV, advertising, promotion, consumer characteristics and sizes, kitchen facilities, and typical menus were presented.

Bickers33 interpreted market differences in Europe for strategy adaptation by firms going into the European market. For each of the countries analyzed, he
CONTRIBUTIONS OF ENVIRONMENTALISM

Bringing to a focus the perception that marketing occurs within an environment has made several contributions to the development of marketing thought:

1. Conceptualization of "environment" has given structure, including range of variability, to emerging marketing theory.
2. It has furnished knowledge of marketing practices and systems elsewhere, facilitating extension of marketing practices into other areas.
3. It has increased understanding of the role which marketing plays in developing economies.
4. It has shown the variety of constraints — natural, economic, and social — imposed upon marketing in different environments.
5. It has prepared the way for comparative analysis of marketing, thus making a definite contribution to the development of marketing theory.

COMPARATIVE MARKETING

Environmentalism, whereby marketing systems are related to their environment, is a short step from comparative analysis of marketing systems. But it is a conceptual step and an important one, and some of the efforts made to conceptualize environment were actually intended to take marketing thought further in the direction of theory development.

The initial tendency when foreign environments were seen, in contrast to that of the United States was to emphasize their differences. Conceptualization of environment showed that the same elements of environment were to be found in all countries but that they differed to some degree. Comparative analysis observed the degree, or extent, to which environments differed in their common respects, and therefore interpreted marketing system differences as matters of degree, not of kind. These concepts introduced into marketing brought new opportunities for postulating relationships and generalizations which are the body of theory.

Although Bartels' Comparative Marketing: Wholesaling in Fifteen Countries was a study of wholesaling and of environmental influence upon marketing, it was intended primarily to illustrate and to develop the process of comparative analysis. However, because the separate writers did not think in comparative terms, the comparative aspect was largely confined to interpretation of the studies. It was found that as economies become industrialized, their wholesaling system for the distribution of manufactured goods underwent stages of circumvention and renaissance; that to the extent that as some middlemen possess financial strength they tend to become captains of the channel; and that the economic task of the distributive system is largely independent of the political ideology of the nation in which it resides. Such gleanings were hints of a universality implicit in marketing thought, although not yet fully verbalized.

Undifferentiated entitlement of books as dealing with environmental or national, comparative and international marketing indicated the newness of these concepts and terminology in the mid-1960s. Nevertheless, whatever the titles, the subject of comparativism was deemed important. Reavis Cox in 1965 was credited with the perception that comparative marketing systems analysis is one of the great frontiers of marketing thought. He saw in this study the derivation of "universals," "limited generalizations," and "specific differences" concerning marketing systems and practice. Bodewyn is quoted by Sommers and Kernan as follows: "The comparative approach must be carefully distinguished from environmental studies, where the accent is on the independent explanatory variables found in the environment, rather than on the dependent ones."

The principal contribution of comparative analysis to marketing thought is a second dimension of variables which it provides for understanding marketing. Systems and performance are interpreted primarily in terms of environmental factors, but, when differences between environments as well as between systems are reduced to common sets of relationships, similarity and universality appear where before there had been difference and uniqueness. By the prospect of such generalizations as may be deduced from comparative analysis, the progress of marketing thought is carried forward.

INTERNATIONAL MARKETING

Study of international marketing emerged from the same circumstances which evoked comparative studies, namely, increased familiarity with and involvement in marketing within different countries — and between them. The diversity of points of view from which the subject was approached was evident in imprecise definition and utilization of such terms as "world marketing," "international marketing," "international trade," "foreign marketing," "domestic marketing," "national marketing," and "comparative marketing."

Most commonly referred to as "international trade," this type of selling until into the 1950s was taught in technical courses of exporting and importing, with emphasis given to documentation and sales promotion. Such courses partook little of the developing marketing thought, for marketing strategies pertained almost exclusively to domestic trade. Consequently, the Gordon-Howell recommendations for business curriculum changes did not encourage international trade courses for fear of proliferation. The dearth of courses in this area was matched by the paucity of literature dealing with the subject.

Notwithstanding this, there appeared in 1935 a book bearing the title World Marketing.34 Impelled by the impetus reached in world trade because of tariff structures, Collins explained the prerequisites to successful business in the complex conditions which had arisen out of the depression. He maintained the importance of being informed of the world environment and of knowing the principles and methods of gaining "consumer accessibility and consumer consciousness" for one's products abroad. In addition to discussing selling, pricing, advertising, and adaptation of products, he also told of such things as preparing for the foreign sales trip — "to the far-distant lands of Romance, Adventures, and Profit!"

Thirty years elapsed until the marketing literature on international marketing came in a steady increase. Kramer35 caught the trend of thought moving from "international trade" to "international marketing," but his work remained
Newer Areas of Marketing Thought

emphasizing formulation of policy and making of decisions. In a word, they attempted to apply scientific American marketing principles to foreign situations.

Of environmental, comparative, and international aspects of marketing, the last has been the least contributory to the development of marketing thought. Whereas the first two were conceptual developments, international marketing was dealt with as the extension of a preconceived technical and managerial processes. If a substantial difference between domestic and international marketing is to be made, it would seem nearest to fall, as indicated by Fayerweather, along lines of economic forces shaping international trade patterns, and nationalistic government policies distorting those patterns.

LOGISTICS

The refraction of marketing which occurred during the 1960s did not necessarily magnify some aspects while minimizing others. Amplification of the human elements — consumer behavior, social systems, management decision-making, and social responsibility — was not entirely at the expense of nonhuman or economic elements. The compensatory development was a resurgent interest in the physical movement of goods from producers to consumers, which was perhaps the essence of marketing in its elemental state.

This renewed areas of study became known as "logistics" or "physical distribution."

Definition of marketing as the activities involved in movement of goods and transfer of their title provided a natural dichotomy of the subject and invited the development of two distinct lines of thought: the physical and the social. Separation of the two began early, as the physical process was identified with creation of time and place utilities, and immaterial processes with possession utility. Moreover, institutional specialists performing only physical functions, such as carriers and warehouses, were not regarded as marketing institutions, whereas those which played some part in title transfer were. The differentiation seems also implicit in the cleavage between the structure of traditional marketing thought, which emphasized title channels and promotional policies, and the less orthodox, which emphasized total systems and environmental context.

Emergence of physical distribution as a special field of study, however, occurred around 1960 in response to both environmental and conceptual developments. New marketing problems had arisen out of both the absolute and relative rise of distribution costs, the increase of inter-city freight rates, and legal rulings casting doubt on uniform delivered pricing systems, and emphasizing the importance of transfer costs. Concurrently, appreciation of the interdependence of transportation and storage and perception of the merits of an integrated approach offered hope of effecting economies in "the gray area between manufacturing and marketing." This hope was abetted by the promise held forth in application to distribution problems of Operations Research techniques, automation, and electronic data processing. Out of these circumstances germinated the new area of study, which was concerned with neither marketing research, marketing principles, nor marketing management — popular subjects of the day — but with the activities of physical supply and distribution.
In its newness, this area of interest lacked an acceptable name. Its substance was generally identifiable as including transportation and storage - place and time elements - but from any point of view these functions had both a backward and forward orientation in the channel sequence. Moreover, reservoirs of goods (inventories), rates of flow, communication lags, price variations, location of facilities, and market behavior all affected achievement of the optimal combination of factors conducive to customers' services and distributors' profits.

The diversity of terms designating this field of study resulted in part from different concepts of it, yet they were sometimes used interchangeably. A survey of representative bibliography reveals the following titles:

Physical Distribution  
Physical Distribution Systems  
Physical Distribution Management  
Business Logistics  
Business Logistics Management  
Marketing Logistics  
Marketing Logistics and Distribution Planning  
Principles of Logistics Management  
Logistical Management

Although the terms were sometimes imprecisely differentiated at first, clarity increased, and because half a dozen writers dominated the literature, frequently updating their works, consistency in usage was achieved. In general, "logistics" has been the more inclusive term. Yet even that has been used in both a macro and micro sense, referring to the logistics of the economy and the logistics of the firm. Borrowed from military usage, it meant a total flow of materials from origin to destination, the systems carrying it, and considerations given to achieving the purpose for which it was organized. Such a total flow was divided into an incoming part termed Physical Supply and an outgoing termed Physical Distribution.

In earliest writings, this field of physical distribution, however termed, was linked closely with a portion of economic theory related to marketing concerning creation of utility. Hekett in 1964 said that logistics in the economy "concerns the translation of consumers' demand for time and place utilities into a supply of these same types of utility." Logistics in the firm facilitated the movement and coordination of demand and supply in the creation of time and place utilities. In this sense, physical distribution or logistics is directly linked to marketing thought as it had been developed up to the 1950s. Smykay, however, pointed out that while earlier marketing literature had emphasized transportation and storage, the newer managerial approach included location decisions as a major part of marketing strategy. Physical distribution was regarded as inclusive of traditional marketing channels but independent of them. Further contrast with marketing was made by distinguishing between "promotion" and "physical distribution," the latter alone being the subject of the new theorizing.

The fabric of logistics thought was a mesh of distribution activities interwoven with interdisciplinary perspectives. The activities were the objective of coordination, that in the total distributive process the right goods would be at the right place at the right time. In the earlier writings, the activities or elements were few in number, identified by Smykay in 1961 as inventory control, plant location, transfer costs and distribution warehousing. As thought evolved, however, the list of manageable activities grew to include the following:

- Order processing
- Transportation
- Containerization
- Manufacturing and converting capacity
- Information flows
- Storage
- Freight transportation
- Market forecasting
- Supply scheduling
- Packaging
- Transit insurance
- Communication control
- Customer service
- Materials handling
- Movement services
- Order processing

Collectively, these constituted the variables which were interrelated in the physical distribution flow. The scheduling of their costs, and their influences upon costs, as a continuous, scaled function provided a quantitative basis for determining the optimal combination of controllable factors. This determination was known as the "total cost approach."

Against the warp of these activities were woven inter-disciplinary perspectives drawn from economics, marketing, mathematics, statistics, transportation economics, production management, industrial engineering, systems analysis, operations research, and electronic data processing. Thus whether the logistical problem were of commercial, industrial, agricultural, or extractive enterprises, or the public sector, the relevant variables could be fitted to appropriate model building concepts, logistical systems designed, probabilities determined and much useful information furnished upon which managerial decisions might be based.

Spawned in an era imbued with management thought and decision-making, logistics reflected this trend. Its beginning might be characterized as technical - its management strategies particularly useful to purchasing agents and shippers on an operational level. By the early 1970s, however, logistical theory was directed to executives in top levels of management. The reason given for this by Smykay in 1973 was the increasing recognition that physical distribution is a key element in the progress of the total corporate effort. Another apparent trend in the literature was closer integration with, rather than total segregation from, aspects of marketing from which, by definition, physical distribution had been separated, namely, the promotional aspects of marketing. Marks and Taylor maintained that promotion and logistics defy separation and are interactive. They thought functions of packaging, inventory maintenance, and order processing, for example, pertained to both, and an interfunctional approach, by coordinated emphasis of functions, might result in lowest total cost. Constantin also urged on the nonphysical aspects of physical distribution in emphasizing the importance of understanding the elasticity and changes in demand as a basis of management of inventory, location, and warehousing.

CONTRIBUTIONS OF LOGISTICS TO MARKETING THOUGHT

This branch of marketing thought developed under circumstances which also brought forth literature on marketing management, the systems concept, quantitative analysis and decision theory. Its beginning was regarded as pioneering, as the projection of marketing thought into new territory. After a
decade, it had achieved an established state not only with relevance to marketing in the United States, but also international marketing, and marketing in other countries. In this maturing process, the following contributions were made to the development of marketing thought:

1. Recognition was given to a substantive area of marketing which had been relatively neglected, namely physical distribution, including the general functions of transportation and storage.
2. Identification of the numerous activities comprised in physical distribution, scalable and measurable variables were made available for theoretical analysis.
3. Concepts and methods from disciplines other than the social and behavioral were employed in determining such relationships as are essential to the development of theory.
4. Understanding of physical or economic systems of marketing, in contrast to its social systems, was increased. Attention was focused upon activities peculiar to the marketing of economic good and the development of strategies not readily transferable to promotion of the programs of nonprofit institutions.
5. The concept of "customer service" in terms of measurable physical performance was added as a key element of the marketing concept. That is, the marketing concept was broadened to include physical support performance of the product or service.

MARKETING AND SOCIETY

During the 1960s a development destined to effect a major change in marketing thought began, namely, the inclusion of society in marketing theory and practice. Since 1950, several indications had been pointing in this direction. The consumer came to be regarded as a social entity, not merely an economic man. Market behavior was viewed as social interaction. Individual enterprises were associated with others in systems. The socioeconomic environment was a major independent variable to which management must adjust. "Responsibility" became the shibboleth of forward-thinking marketers. Yet none or all of these comprised the whole of the development as it moved into the 1970s.

The new element was a point of view which added substance to and required redefinition of marketing. Theretofore, the economist's or manager's point of view prevailed, holding the "business" of marketing as primary and the consequences to the market and society as secondary, although appreciable. In new perspective, marketing is viewed not merely in the context of the total market system, or even the socio-market system, but the total social system. As expressed by Lazer and Kelley, "The result is a movement from the consideration of profits or sales only, to a consideration of the societal implications and dimensions of marketing decisions and action . . . In managerial marketing the independent variables may be such factors as the firm, profits, sales, costs, personal selling, advertising effectiveness, and related factors. In social marketing the independent variables may be society, social costs, social values, social products, and social benefits."

Although the social viewpoint gained prominence rapidly in the late 1960s, its antecedents had historic roots. Apart from administrative and judicial representation of society in conflicting private-public interests, seeds of social concern were sown late in the 19th century. Reemergence of social dominance over the economy bespoke interests of both consumers and competitors. The Consumer Movement of the 1930s, further consumer-oriented legislation and implementation of the marketing concept in the 1950s, were a prelude to expression of social demands which followed. These demands were expressed in riots, boycotting, proxy battles, consumer activism, and legislation.

There were also conceptual as well as substantive antecedents of social concern. Much of the earliest marketing literature was inspired by social criticism of marketing practices. Moreover, neither functional nor institutional literature lacked consideration of the "economic and social aspects" of its area of marketing. And behavioral concepts for marketing managers dealt further with market conflict and suggested improvements in the seller-buyer relationship.

However, when faced with the full blow of social demands in the 1960s, marketing practitioners and scholars were no better prepared to cope with this extension of marketing thought than they had previously been with others. The onrush of change constituted a challenge to marketing practice, which first had to be recorded, then analyzed, and ultimately conceptualized. Most writers recorded the attribution to marketing of defects in product quality, promotional integrity, pricing, competition, and general efficiency. Yet beyond these technical faults, other shortcomings were widely voiced:

- lack of concern for quality of life, in preference for sales volume and profits
- imbalance between producers and consumers in the marketplace
- exploitation of the poor and disadvantaged
- failure to provide opportunities for minority group members
- waste of resources
- pollution of the environment
- invasion of privacy of citizens
- deceptive advertising and promotion
- default in warranties and guarantees
- imbalance between marketing power and larger social objectives
- promotion of the dogma of materialism
- bureaucratic neglect and corporate disregard of the public.

Such circumstances abrating traditional marketing concepts might well have worn inroads sufficient to change thought and practice. In addition, such management practices coincided with new consumer and citizen expectations of the marketplace. Former President John F. Kennedy spelled out four basic "consumer rights": to have safe products, to be informed, to have a choice, and to be heard. Minority groups demanded not only opportunity but redress for their deprivation. Ecologists pointed out the social cost of private negligence. Consumer activists, more organized than ever before, wrought defiance in courts and legislatures.

Amid the smoke of battle, it became recognized that a new era had begun which demanded a metamorphosis of marketing philosophy, in theory and in practice. Such a philosophy would give higher priorities, within our capitalistic free enterprise system, to the following:

- quality of life
- community affairs
- social problems
- reduction of poverty
- opportunity for development of human capital
- provision for good health care, education, and training
- reduction of pollution
- greater consideration of one's fellow man.

Because of the urgency of the call for solution to the social problems associated directly or indirectly with marketing, scores of articles appeared in such periodicals as the *Harvard Business Review*, *Journal of Marketing*, *Quarterly Journal of Economics*, *Journal of Political Economy*, and the like. As in the case of other literatures relating to a new area of marketing thought, many of these articles were collected and published in books of readings. Many were repertorial; some were philosophic; others were analytical. They lacked at first, however, empirical research and a conceptual framework for what was evolving.

Writers approached the subject from a variety of viewpoints, as indicated by some twenty titles published between 1966 and 1974. Some grouped marketing problem areas functionally, as they were discussed in management-oriented texts. Others dealt with consumerism, with social issues, with marketing and society, and finally with social marketing. More familiarity with marketing history and with historical writings was shown in connection with consumerism than was evident in some other marketing literatures. Even a comparative study of the worldwide consumer movement and of government-sponsored consumer activities in nine European countries and Canada was included in one book. Originally the topics of social issues and management problems were grouped topically. As thought developed, more insight was shown in the selection and presentation of included articles, suggesting social determinism in marketing change, interface between the public sectors and marketing, business response and adaptivity, and consequent conceptualization and theorization concerning the changes taking place. Virtually all books compiled were intended as supplementary reading for marketing courses with other texts.

From the outset, it was quickly apparent that marketing practice was challenged and likely to change; it was not so soon apparent, however, that marketing as a discipline was in transition toward a broader framework. This realization came gradually, and by the mid 1970s the form of the new thought had not definitively shaped up. What did seem apparent was that at this juncture, a line of thought paralleling managerial marketing would increase in importance. Advent of the social perspective introduced a new concept and definition of marketing, new variables and relationships, and consequently new theory. A subtle and unresolved issue, however, involved the question of whether marketing related the social viewpoint to the marketing of economic goods and services, or to the “marketing” of programs of all nonprofit institutions as well. The concept of marketing's relationship to society may be further refined to make this distinction.

Thus, in a short span of years, literature on marketing and society has introduced into marketing thought an unprecedented point of view and a wider sphere of thought yet to be encompassed in a general theory of marketing.

ENDNOTES

THE MATURING OF MARKETING THOUGHT

As a conclusion, this chapter originally summarized the development of marketing thought from 1900 to 1960 and projected some lines for its presumed development. In its revision, it serves a double purpose. Not only does it summarize up to and since 1960, but it stands as historical evidence itself of the different perspective in which the development of thought was viewed before and after that date. The first summation, therefore, should be read with awareness of when it was written; the final summation represents a later standard of evaluation.

THE DEVELOPMENT OF THOUGHT – 1900 TO 1960

Given time and favorable circumstances, a growing body of knowledge attains successive stages of maturity. Measures of it have been taken from different standpoints: its scientific character, its usefulness, its consistency, its integration with general knowledge. Some scholars regard marketing thought as a mature body of scientific concepts and principles. Few claim that it could not be improved. Others believe that it has attained only a plateau of maturity and that further progress lies ahead.

The maturity of marketing thought is proportionate to its adequacy. If it serves the purposes for which it has been developed, it is both adequate and mature. On that basis, the traditional body of marketing thought had long been regarded as mature, for it had served well the purpose of developing marketing specialists, for which purpose it was primarily designed. In recent years, however, marketing thought has been regarded as less than mature, needing to grow along new lines as it is expected to serve new purposes: the development of marketing managers, of market-oriented general businessmen, and of competent, critical consumer citizens. Mounting recognition of this has impelled some reconception of marketing in writings, and reorganization of academic offerings. This tendency has been accelerated by claims of the inadequacy of marketing thought made by critics of the business-school curriculum. Thus, marketing thought is challenged to attain new levels of maturity and usefulness. At the moment, while new demands upon it are being interpreted and forward steps are being taken, the future shape of marketing thought is not yet clearly apparent.

In the following pages, facts presented in some detail in preceding chapters are interpreted in light of new demands being made upon marketing, and the implications of recent developments in marketing thought are appraised.

THE CHARACTER OF MARKETING THOUGHT

The adequacy or inadequacy of prevailing marketing thought is related to several characteristics of that thought as it has been developed:
1. It is a Purposeful, Practical Body of Thought. It was developed to solve problems of business activity—problems of functional and institutional nature. Therefore, thought has developed along lines of advertising, selling, sales management, credit, research, retailing, wholesaling, general marketing, and a miscellany of minor subjects. Thought in each area is both specialized and integrated. It has been used by businessmen and by academicians. It has served to instruct in technique and in the broader principles of marketing.

2. It Is Based upon Definite Concepts of Marketing. Every body of thought has its premises, and the basic assumption of marketing thought has been that marketing is a business function, a specialized, technical activity. Implicit also have been concepts of marketing as an economic process, namely, the creation of utilities, but the logic of marketing has rested upon variations of a simple mechanistic concept of marketing.

3. It Is Scientifically Developed. Marketing thought has been primarily a product of inductive research and analysis. Much attention has been given to describing prevailing practices and to the classification of activities and institutions. Principles, or basic generalizations, have been developed within the framework of thought based upon the accepted concept of marketing. Relatively little use has been made of theoretical analysis, of concepts from related social sciences, or of experimental hypotheses in the construction of systems of marketing thought.

4. A Well-Integrated, Established Body of Thought Has Been Produced. Consistency and uniformity have been more typical of it than have basically different or conflicting interpretations of marketing. In specialized areas, as in the body of general marketing thought, an almost customary analysis and interpretation have been presented. The exposition of marketing was conformed to marketing practice, and vice versa. Scholars devoting themselves to the development of marketing thought were more intent upon accuracy of reporting marketing experience than in questioning the concept of marketing that they were expounding. Consequently, development of thought consisted mainly of amplification and verification of basic ideas. Within the framework of analysis employed, a body of thought evolved that was orthodox or traditional, in that it was the standard, the accepted exposition of marketing, from which there were but few and minor deviations.

CONTRIBUTIONS OF MARKETING THOUGHT

Marketing thought has contributed measurably to business and society. Several evidences indicate that a number of wholesome circumstances have resulted from the development of that thought:

1. It Has Furnished a Basis for Improvement of Marketing Practice. It has resulted in better storekeepers, in more effective promotional work, in economies of operation. It has led to the development of new methods, institutions, and policies. Prediction, forecasting, and planning have been improved through the application of marketing knowledge. The marketing viewpoint has been extended to every level of management and administration. It has created in this country a distributive philosophy and system superior to any in the world for accomplishing the ends which our society has set for itself.

2. Through the Evolution of Marketing Thought, Scientific Methodology Has Been Introduced into Distribution and Research. Had scientific management been confined to production, where it was employed before it was introduced into marketing, our economic progress would not have been as great as it has been. It has come into distribution through “the new retailing,” based upon research, as well as through scientific salesmanship, market research, advertising, etc. The professionalization of distribution has been predicted upon scientific management methods.

3. Marketing Thought Has Represented a New Interpretation of the Primary Service Objective in Business. It is the means by which society is fulfilling one of its responsibilities to society—to society in the role of customers. Being an institution created by society, business has a responsibility to act so as to benefit all whom its operations touch. This attitude, new to business since the beginning of the twentieth century, has taken form in marketing, partly through laws, such as the Pure Food and Drug Act, requiring consideration of consumers; partly through the Consumer Movement, clarifying demands of the market for consumer satisfaction; and partly through application of “the marketing concept,” orienting not only the marketing activity but all the functions of business to marketing considerations. The responsibility of business to customers has been epitomized by such sayings as “Consumption is the end of production and distribution,” “The customer is always right,” and “The consumer is King.” Marketing has represented a viewpoint introduced into business that has made these concepts practical.

4. Marketing Thought Has Contributed Concepts and Terminology to the Body of Common Thought. Scarcely a person has not had his thinking enriched by ideas from the body of marketing thought. In this age one could not be well informed, or perform his domestic operations efficiently, without at least a rudimentary knowledge of such things as the distinction between wholesale and retail prices, the circumvention of middlemen, quantity discounts, price maintenance, discount houses, instalment credit, product differentiation, and the like. Marketing thought has contributed these concepts to the thinking of this period.

5. Thought in Other Sciences Has Been Enriched by Ideas from Marketing Thought. The principle of economic specialization has been illustrated by marketing itself, as well as by the variety of marketing institutions and functions. The adaptivity of marketing institutions to economic and cultural change validates the principle that functions give rise to functionaries and that institutions change or disappear when the need for them changes. Marketing studies have also amplified the concept that the functions implicit in a market situation cannot be eliminated but may be shifted to a variety of specialists in marketing.

6. Marketing Thought Has Furnished Principles that Are Applicable beyond the Borders of Our Own Social and Political Environment for the Benefit of Mankind in General. Marketing has been a means for advancing the economic and material welfare of our people, and it is applicable, with modifications, to the enrichment of other people as well.

UNORTHODOXY IN MARKETING THOUGHT

Notwithstanding the solidarity and uniformity of the body of marketing thought, there has not been unanimous agreement as to what the form or
content of it should be. Even during the 1920s, when thought in all areas of marketing was being integrated and the pattern of its widely accepted form of statement was being set, Moriarity was giving an economic interpretation to marketing, and Vaughan was appraising marketing practices from a social rather than a managerial point of view. Throughout the succeeding decades, other men, including Breyer, Killough, Alexander, Vaile, Cox, Grether, and Alderson, also presented analyses of marketing that differed conceptually from the popular explanation of it.

The innovations introduced by those writers represented different concepts of marketing, not merely differences of terminology. They challenged the objectives for which marketing thought had been designed. They considered new problems that might be expected to solve. They implied that the concept of marketing as "activities" was not the only important concept of the subject. Neither was the "consumer viewpoint," the only one that might be taken. They also presented marketing as a complex, interrelated system, which must be understood as a whole. They depicted it as an economic institution, an area of management, a social process.

CRITICISM OF MARKETING THOUGHT

Late in the 1940s, more explicit criticism of traditional marketing thought began to be expressed. That was when increasing self-consciousness was felt concerning the stage of maturity of marketing thought, when attempts were being made to state the "principles" of marketing, and when questions were being raised whether marketing was really "a science." Optimism was expressed by adherents to the traditional exposition of marketing, who saw the lines of thought well established over a number of years, fully illustrated by experiences, and nicely interrelated through several possible "approaches" to the subject. Skepticism was expressed by others, some of whose criticisms were as follows:

...We are surfeited with knowledge in the sense of isolated facts and narrow bands of factual interpretation.... In marketing, at present, there is no need for "pure" theory—that is, theory ranging so widely as to take the form of a logical framework with little or no relevance to reality. In marketing, rather we need various types of "applied theory," developed out of varied interests....

In marketing, the devotion to the facts has been carried almost to the point of the exclusion of general theoretical interests. Marketing science must have both theory and fact-finding.... The development of a pure science of marketing is urgent.... One direction in which the science of marketing may be expected to advance is by evolving a general theory which can serve as the source of hypotheses to be tested by factual investigation.

Marketing thus far has developed a plethora of individual facts and a dearth of conceptual schemes which would relate these facts in meaningful generalizations.

Students of marketing thus far have reaped from their efforts remarkably small harvests of accurate, comprehensive and significant generalizations. Marketing literature offers its readers very few true and important "principles" or "theories".... Existing theories fail to satisfy students because they do not account for or take into consideration all of the relevant observed facts. In essence, this is today's situation in the study of marketing.

Additional criticisms of marketing have been made. One is that marketing thought has been largely vocational. This is said particularly of the specialized literatures, but even the general literature has been designed to prepare the outlook of students for occupational careers. There is nothing wrong with vocational education, but the criticism has been made that the vocational level of marketing thought was low where techniques, operating rules, formalized thinking, and simple policy determination were involved. If that is true, it is because a narrow concept of marketing has prevailed. Marketing has long been regarded as a mechanistic performance, as a type of business function. Vocational guidance for participation in marketing, so conceived, would naturally be aimed at levels of technical performance: salesmanship, record keeping and analysis, credit decision, store layout, and the like. As the concept of marketing has expanded, thought implicit in, and stemming from, narrower concepts of marketing would be held to have shortcomings. Thus it is not necessarily the vocational character of marketing thought that is criticized but the inadequacy of much prevailing thought to meet arising needs.

Another criticism is that the concept of marketing, upon which the superstructure of thought has been built, has not kept pace with social change. Traditional marketing thought has been designed mainly for understanding and solving the distributive problems of business. It presumes marketing management to be a straight-line function, and the responsibilities of management to lie mainly within the area there defined. The social implications of marketing are increasingly coming to the fore, imposing upon management new responsibilities. Many of the demands being made cannot easily be satisfied by the structure of thought heretofore developed, for new concepts and new principles are required. Those deficiencies have exposed marketing thought to growing criticism as a vehicle for accomplishing social objectives today.

Still another criticism is that students of marketing have made insufficient use of related social sciences for concepts that would be useful in explaining marketing phenomena. Many concepts from economic theories have been incorporated into marketing thought, for marketing has been viewed primarily as a field of "applied economics." Recourse to other disciplines in the past has been for borrowing methodology for increasing the effectiveness of marketing activity. Little use has been made of such concepts as would explain marketing as a social institution rather than simply as a business system.

Finally, it has been objected that marketing thought has been based too much upon inductive research and reasoning and too little upon deductive logic and analysis. The tendency to observe, report, and describe has characterized the work of marketing students, while at the same time they were little concerned with hypotheses or assumptions implicit in their thought structures. For this reason, many writings have warranted the criticism of being descriptive rather than analytical and of falling short of the type of thought needed to solve today's marketing problems.

NEWER CONCEPTS IN MARKETING THOUGHT

Since 1950 a number of lines of thought concerning marketing, which before had appeared sporadically as unorthodox approaches and as constructive criticism, have been given fuller expression. In contrast to those writings of earlier years, these later ones have gained wide attention and in many centers
have supplanted traditional expositions of marketing. The trend in the direction
of dealing with marketing on a higher level of management, and from a
categorical rather than a descriptive standpoint, has been accelerated by the
exaltation in business of marketing to higher managerial positions and by
influences brought to bear upon educators to rethink their business curricula and
teaching methods. Thus into the marketing literature have come a number of
new writings corresponding approximately to the "general" writings, intended to
provide an introduction to the subject or to present a managerial viewpoint.

Because of the deep-rooted dedication to traditional concepts and explanations of marketing, these newer forms have been accompanied by some
confusion and debate as to the nature and significance of their differences. Are
they saying old ideas in new phraseology? Is anything better accomplished by
their innovations? These are questions that will be answered by clearer definition
of the new concepts, by recognition of the assumptions implicit in the new
thought structures, and by appreciation of the many roles rather than any single
categorical role that marketing plays in our entire society.

Following are some of the concepts that have been prominent in the newer
expositions of marketing:

THE MARKETING MIX

The marketing "mix" is the combination of means for achieving the
marketing objective of a business firm, which are blended in varying proportions
by management in consideration of prevailing circumstances. The "elements" of
the mix include all promotional means under the authority of the manager of
marketing activities: personal selling, advertising, credit service, product
development, packaging, dealer relations, etc.

In a sense, the marketing mix is a modern version of the factors implied in the
original conception of marketing by Butler, when he defined "marketing" as
"everything that the promoter of a product has to do prior to his actual use of
salesmen and of advertising." It is that combination of factors which is the
promotional undertaking that has always characterized marketing that has
differentiated it from trade or distribution. Whereas, formerly, marketing was a
type of straight-line function, the mix management is a co-ordinative, integrated
function in policy formation.

THE MARKETING CONCEPT

This term designates that viewpoint taken in business management which
causes all management decisions to be oriented to market considerations. The
consumer, or the customer, is assumed to be the end and object of all business
effort. Sales promotion policies are not the only ones chosen to coincide with
market tastes and behavior; product design, production schedules, financial
budgets, personnel plans, and capital investment are also determined on the basis
of the character and conditions of the market.

An earlier counterpart of this concept was that "the consumer is King." The
effect of the Consumer Movement was to arouse businessmen's consciousness of
their obligations to customers, but such arousing occurred mainly in selling and
on the retail level. The newer application of "the marketing concept" has been
adopted by producers as well.

CONCEPT OF MARKETING

Marketing is increasingly conceived not merely as a group of internal activities
or functions but as ways to express other insights into the marketing task and
performance. For example, marketing has been conceived as the process of
sorting out, accumulating, allocating, and assorting. It has been conceived also as
flows of equity, processes of negotiation, and the like.

Newer concepts tend to introduce into marketing analysis the concepts and
termology of other social sciences. They reflect new insights into the social and
managerial problems involving marketing.

HOLISTIC APPROACH

Emphasis has been placed by some scholars upon viewing marketing as a
whole, emphasizing its interrelations. Thus marketing has been explained as the
complex interrelationships of products, place, promotion and price. It has also
been explained as the interaction of agencies, area, and price organizations under
the influence of price, management and government control. Such approaches
are in contrast to earlier ones, which were concerned mainly with the separate
functions, institutions, and products.

MANAGERIAL MARKETING

Marketing thought has always been developed for the purpose of guiding the
formation of business policy, but in recent years emphasis has been placed upon
marketing management as a decision-making process. In some recent treatises
thought has been structured so as to highlight sets of variables upon which
marketing policy decisions are said to be based. Consideration has also been
given to the establishment of a position of "marketing manager" as a top-level
position in organization structure, where, in accord with the "marketing
concept," he co-operates directly in formulation of top-level policies in the
integration of marketing with all other functional activities of the business.

CONSUMER PROBLEM SOLVING

Consumption has long been regarded as a passive process, with business taking
the initiative in the distribution of goods and with business decisions being
inherently different from consumer decisions. Consumers have more recently
been regarded as engaged in problem solving, however, even as businessmen are
- in evaluating multiple means for satisfying desires, in assembling assortments
of goods that provide maximum realization of satisfaction in living patterns, in
maintaining an inventory of products, in maintaining financial budgets, etc. Such
a concept of consumer behavior has provided new insights into the task of
marketing management.

PROJECTED DEVELOPMENT OF MARKETING THOUGHT

Marketing thought has unquestionably entered a new era of development.
That which had evolved before 1950 was, by many evidences, mature, but
changes that have occurred since then have substantially broadened the base on
which an even more encompassing structure of thought will arise.

When significant alterations occur in any body of thought, three reactions
may be experienced. First, ideas at variance with general beliefs are ridiculed,
ignored, and rejected. That was the treatment given for many years to ideas,
viewpoints, ... and concepts at variance with the generally accepted “theory” of marketing. Second, new ideas are embraced, and the traditional is disparaged. That reaction has been expressed in the tendency to reconstruct general “technical” marketing courses. Third, innovations are assimilated and combined in marketing, and their relevance to circumstances that impel them, are better supplemented rather than supplanted by these new ideas. The pattern it may take is not yet clear, but it is likely that it will develop along the following lines:

Increasing Conceptualization of Marketing. Progress in the development of marketing thought will depend upon conscious dealing with the ideas of marketing rather than merely the activities of marketing. The growing concern that has been shown for theoretical considerations in recent years portends further emphasis upon ideas and respect for conceptualization as a means of advancing the understanding of marketing.

There are two ways in which this can occur. First, it will become known that the concept of marketing is more important than the mere definition of marketing. While the definition of marketing has been reduced to an already oversimplified statement, the concepts of marketing have been multiplied. Different concepts of marketing will continue to be reflected in different interpretations, and those differences will be encouraged and respected. Recognition of the conceptual rather than the definitive nature of marketing may even be shown in defining the subject so as to bring out the various ideas for which “marketing” stands.

Second, additional concepts within the body of marketing thought will be created, some by original and innovative marketing scholars and others by creative thinkers in related fields. Concepts comprising the body of thought are tools aiding analysis and logic and facilitating communication of ideas. The development of new concepts, whether of consumer, products, institutions, processes, or results, signifies that new insights have been achieved. They are indispensable, for new insights reveal new problems and provide the means of solving them.

Marketing as a Social Institution. One concept of marketing that may be of special significance depicts it as a social institution rather than merely as a business activity or economic process. The latter two concepts have been extensively explored throughout the marketing literature. The social character of marketing is increasingly becoming apparent. One interpretation made from that standpoint is that a marketing organization is a social group and operates by the principles of group behavior. The more important social interpretation is that the entire marketing process is a society-oriented phenomenon.

Society spawns and supports many institutions, of which the market economy is one, and marketing is a highly specialized phase of that type of economy. It is increasingly recognized that the entire business institution is a creation of society in this era and that it is molded by the values, customs, and structure of our society. The same can be said of marketing. Appreciation of this concept will lead to interpretation of marketing in terms of its environment—not only of the market but of the marketing process itself. It will be seen that marketing is society’s means of providing for its material needs. Elaboration of this concept will provide new insights into the role that marketing must play and the responsibilities it must bear in our society.

Comparative Marketing Systems. A corollary of the social concept of marketing is that which recognizes existing differences among societies as social causes of different systems by which they provide for their needs—market systems and others. No consideration has been given this in marketing thought in the past, for the development of understanding of what marketing represents solely in our own society was a sufficient preoccupation. The relativity of supposedly universal principles of marketing was not seen until, with continued reduction of world space, the indigenousness of distribution systems to social structure had been perceived. The comparative aspects of markets and of marketing around the world is a subject to be developed in marketing thought in years to come.

New Economic Insights. As in the past, so in the future there will be a close relationship between economic theory and marketing thought. Not as in the past, however, is it likely that marketing thought will depend so heavily upon classical economic theory. Departures from concepts of pure competition—homogeneity of products, automaticity of market adjustments, flexibility of prices, rationality of buyers—have been introduced slowly into the body of marketing thought. The addition of concepts of product differentiation, monopolistic competition, administered pricing, and the gross national product analysis have been incorporated in marketing thought, improving the explanation of marketing. Continued close contact must be maintained with evolving economic concepts if the explanation of marketing as an economic function in the social processes is to be kept realistic.

Interdisciplinarity of Marketing Thought. Not only economic theory but other social disciplines will provide substance for the growing body of marketing thought. Recourse has long been had to psychology for interpretations of consumer behavior and, more recently, to sociology and statistics for analytical tools. Methodologies will continue to be borrowed from other disciplines, but it is possible that good use will be made also of substantive concepts from other fields. Historians, sociologists, anthropologists, demographers, accountants, political scientists, philosophers, and others are all producing concepts and understandings of our society that could be useful in interpreting marketing. Insights of those with other than a technical marketing viewpoint will be increasingly important as marketing is conceived of as other than a technical process.

Marketing Thought for Management Levels. With better balance between earlier and later types of marketing thought, a more embracing sense of the potential uses of marketing thought is becoming apparent. Whereas, previously, thought was designed for the development of functional and institutional specialists—salesmen, sales managers, credit managers, advertisers, market researchers, buyers, and retail and wholesale establishment operators—more recently it has been intended for the development of marketing managers. In this recent trend, vocational guidance in marketing on lower and intermediate levels has been overshadowed by “managerial” emphasis. Because the vast majority of the careers in marketing are to be found in “operations” rather than in “management,” future development of thought must provide for all. It is a good thing that some leading educational institutions have turned to the development of marketing managers, for this meets a contemporary need that must be
supplied, but it cannot be thought that that is the only purpose to which the broad array of marketing thought has to be put. Thought must be provided for various management levels, incorporating such concepts and principles as are needed on each.

**New Concept of “Macro-Marketing.”** Distinction is made between two aspects of marketing thought which might be called “micro-marketing” and “macro-marketing.” The former represents that portion of marketing which deals with operations of individual firms, with their objectives, processes, and problems. It represents concern for specific institutions and practices. “Macro-marketing,” by contrast, relates to the over-all function of marketing, the operation of the system in the prevailing market, and the generalities of volume of goods marketed, number of persons employed, average size of institutions, and the like.

The body of marketing thought has included both, with the broad or economic aspects of the subject frequently used as introduction or background for considerations applicable to the operations of the firm. In recent years, however, with growing emphasis on management, expositions of marketing “in general” have been regarded as “descriptive” and not contributing to the immediate objectives of marketing thought. Such a view may prove to be unfortunate, both for the development of marketing thought and for the development of management talent, for management is increasingly dependent upon a workable knowledge of the marketing economy as a whole. Writers have attempted in different ways to provide this macroscopic view, as in a holistic interpretation of marketing. More conceptual and analytical explanations of marketing will provide better macro views, which will be useful to economists and businessmen alike.

**Marketing and Fulfillment of Social Responsibility.** It is widely recognized today that business, being a social institution, has social responsibilities—responsibilities to every category of society it touches: employees, competitors, suppliers, the trade, the community, the nation, and, last but not least, consumers. Its obligation to consumers is to conceive and supply the products and services that the market wants, or that social trends indicate that in a reasonable time they might want. Marketing is the conduct of that phase of business which is concerned with this determination and supplying of consumers’ needs, and therefore it is that management operation through which business fulfills its obligations to society in the role of consumers. Where this obligation is not recognized or where the responsibility to consumers is not fulfilled, marketing, in the fullest sense, does not exist. Where it is seen, on the other hand, and fulfilled, a significant development of business in our society is taking place—in the name of marketing.

**THE DEVELOPMENT OF THOUGHT SINCE 1960**

When the foregoing summary and projections were written, reflecting thought in the 1950s, it was not difficult to think of marketing thought as “maturizing” as attaining a fullness of development that approached completeness. Its structure had been well established for several decades. There was general acceptance of what marketing was and how one should learn and apply it. Knowledge had been reduced to its principles, although they were more implicit than explicit. And growing attention was being given to methodological and structural aspects of thought. All of these evidences were interpreted as indications of maturation, even of the probability that marketing thought had the potential of being a science.

The finiteness of this belief was already in jeopardy in the 1950s, however, as the concept of marketing was being split, its components differentiated, and its cohesiveness dissolved. New approaches produced new interpretations of marketing which complemented rather than supplemented the existing body of knowledge: managerialism, holism, systems analysis, and the like. Attention turned from contemplating the possibility of a deduced science to validating inductively derived theories. Marketing was no longer monolithic; it was many things to many people. While this fragmentation was deemed progress, it lacked the essential cohesiveness and unity earlier attributed to thought. The presumed maturity then seemed to have been a plateau instead of the zenith in the development of marketing thought.

In addition to changing perceptions of marketing as a subject for theorization, marketing theorists in the 1950s became increasingly critical of the standards by which thought development should be judged. Improved evidence of both observable and unobservable phenomena was sought. Empirical research and quantitative analysis were emphasized for keeping mental constructs realistic and measurable. But it was to the logic of science and the processes of thought information that attention increasingly turned, ultimate in the appraisal of marketing in terms of metatheory. Thus while during the 1960s and 1970s, substantive knowledge of marketing increased, progress in thought development during that period was perhaps best shown in writings about the form, rather than the content, of marketing thought. The substance of those writings pertained to issues of science, of theory, and of definition.

**THE ISSUE OF SCIENCE**

Although earliest writers and teachers of marketing probably had no consciousness of founding a new discipline—the study at the outset even had no name—the quest for knowledge, and objective regard for the process of this quest, soon aroused interest in the scientific quality and orientation of the study.

In retrospect it is apparent that natural processes of thought development were occurring, converging on delineation of the field, particularly whether it was or could be a science. Although “science” and “theory” are often used interchangeably in the literature, neither of them appeared with any significance until after the exploration of more elemental forms of thought: concepts, definitions, categories, principles, and laws.

As marketing is a process, its component elements, called functions or activities, were among the first to be identified. Shaw, Westerfield, and Weld were among the earliest writers to list marketing functions, ranging from five to eight in number. Clark, Converse, Hugy, Maynard, Weidler, Beckman, Cherington, and Breuer also attached importance to precise identification of functions and to the functional approach to understanding marketing. By 1935, Ryan, regarding earlier listings as “Orthodox,” listed 120 functions which he perceived performed in the marketing process. Most of these listings were inductively determined, but Jones in 1943 regarded any determination of functions to be dependent upon one’s definition of marketing. In addition to identifying functions, writers also generally classified them. Other basic
concepts, including institutions and commodities, were also identified, defined, and classified, providing a base for a higher structure of thought.

Preliminary also to any consideration of marketing as a formal body of thought was the identification of its generalizations or laws, or, as they came to be called, "principles." The existence of principles was presumed but not verified, for through the 1930s few were explicitly expressed. Bartels explored the literature and found a number of implicit principles and some set forth specifically as logical generalizations. They were classified as relating to marketing operations, institutional relations, and the marketing task.

The pervasiveness of "science" in the thought of marketing scholars is further indicated by the title of an article by Converse published in 1945: "The Development of the Science of Marketing: An Exploratory Survey." He perceived marketing as an area of study in its own right but having been dependent for many of its concepts upon economics, psychology, management, economic history, and accounting. He described the body of marketing thought as consisting of concepts, techniques, and groups of data, listing twenty-one, including "functions," "research," "problem method of teaching," "classification of goods," "business mortality," and "principles of marketing."

During the 1940s, the breadth and organization of marketing thought was also measured by the character and extent of its theories. The fact was that few theories could be identified, notwithstanding the fact that, as Alderson and Cox observed, there was lively interest in marketing theory, enthusiastic response by members of the American Marketing Association to attend meetings on theory, and courses in marketing theory were offered in several universities. Elements of rudimentary theories of marketing were, they believed, to be found not only in the marketing literature but throughout the social sciences. To the extent that marketing study became scientific, it might also become a science.

One, and perhaps the first, of the AMA meetings devoted to discussion of the state of marketing thought was held in 1946. Although addressed particularly to consideration of theory in marketing, the topics were elementary, concerned with defining the purpose of theory in marketing, the significance of different listings of functions, and the role of principles in theory formulation. Nevertheless, some areas of theory formation were tentatively identified, and confidence was expressed in the forward movement of marketing thought to higher levels of integration and statement. Association of marketing with "science" may be noted in excerpts from two talks:

"Whether the science is eventually called economics, marketing, or market-economics; and whether we are called economists or marketeers (sic.) is not important. What is important is that we should welcome the opportunity to become scientists and to develop the science of market behavior rather than to remain content to describe the art of marketing, that we think in terms of basic principles, that we become scientists objectively seeking truth." (H. W. Huegy).

"So long as the basic tasks are recognized and constant study and research are directed at devising more efficient means of performing them, the science of marketing will continue to advance." (E. S. Fullbrook).

Because claims for the scientific nature of marketing had been made mainly in the context of other discussions, none evoked the controversy which followed publication of "Can Marketing Be a Science?" in 1951. Recognition was given to the impediments to recognition of "science" in social fields, but, all considered, it was felt that as marketing thought grew to embrace a number of coherent and related theories, it would warrant, on the basis of both methodology and content, being called a "science," even as economics, psychology, and sociology were social sciences. Agreement with this point of view is evident in references already quoted, in establishment of the Paul D. Converse National Award for those who have contributed significantly "to theory of marketing and toward advancement of science in marketing." and in expression of a feeling that "it would be nice to have marketing classified as a science." 13

Strong exception was taken to this view by writers who saw marketing as an art, not as a science. Hutchinson attributed the slow development of theory to the fact that marketing is not a science. He held that only teachers and marketing researchers believe that marketing is a science, because they work with the scientific method; those engaged in day-to-day distribution do not regard it as such. The rationale inherent in identification of marketing as a science, Hutchinson maintained, was based upon interpretation of dictionary definitions and upon marketing's alliance to economic theory and science. Stainton likewise argued that marketing is an art, claiming that there are too many unknowns and imponderables for it to be otherwise.

For the span of almost a decade, throughout the 1950s, little more was said about marketing being a science, and attention was turned to clarification of its theoretical aspects. In 1963, Buzzell summarized the contributions made to the question of science from the standpoint of the interest of management. He differentiated science and art on the basis that the use of science is an art. He also set for, as he saw it, the standards of a science:

- classified, systematized body of knowledge
- organized around central theories and a number of principles
- usually expressed in quantitative terms
- knowledge permitting prediction and sometimes control of future events.

Taylor, in 1963, similarly contrasted science and art, associating with science the effort to know. A review of the development of marketing thought led him to believe that marketing had the potential of being a science.

By 1970, the controversy had quieted and more constructive and analytical thought was expressed concerning science and marketing. Robin differentiated positive science (what is) and normative science (what ought to be), and pointed out that the efficiency standards of the positive are not always congruent with the ethical standards of the normative. The goal of marketing, he believed, should be analyzed for its "ethical desirability," and should be the goal of a normative science to: maximize total satisfaction for consumers as a group.

Dawson differentiated a "normal" science from a "crisis" science, as applied to marketing, and he raised the question of whether, by concentrating on issues and knowledge within a traditional conceptual framework, marketing had missed the vital issues of society, and thereby had become an irrelevant science—a pseudo-science. He raised the question of whether relevance in marketing theory had been lost in the dedication of marketers to advance the discipline to the status of a science. He saw lack of relevance as a result of
"addiction to paradigms"—generally accepted beliefs. A science structured on this basis defines its problems within its self-determined bounds and assumes solvability of problems in terms of known variables. Exceptions spur research within the framework. Such a science he termed a "normal" science. Contrariwise, a "crisis" science seeks resolution to anomaly from new approaches, wholly new insights, and new meaning. As he saw it, the marketing discipline is subjected to pressures which make for a "normal" science, namely, emulation of the physical science, emphasis on practicability, and obsession with quantifying variables. Instead, marketing should "capture the essential relationship of marketing activities to the unfolding of history and the advancement of society."

Notwithstanding progress in marketing, Dawson saw anomalies in marketing science (1) inability to define the field and its boundaries, (2) neglect of significant issues related to marketing, and (3) questioning of concepts long regarded basic: the marketing concept, consumer-orientation, and the marketing functions.

THE ISSUE OF THEORY

The issue of theory is the concern for the development of that form in marketing thought, beginning with wonderment whether there were marketing theories, through the proposal of identified theories, to consideration of a general theory and the metatheory by which it would be structured.

Remarks of McGarry at the 1946 AMA conference on marketing theory indicate something of the state of thought at that time:

"Any discussion of Marketing Theory must necessarily begin with the question, "What do we mean by Marketing Theory?" Some will claim that Marketing Theory and Economic Theory are one and the same thing, and that we should consider only the problem of Economic Theory as it applies to marketing. Others will contend, with considerable evidence to support their claim, that Economic Theory as presently constituted offers but little aid in the explanation of marketing processes, and perhaps even less aid in the solution of practical marketing problems. That there is much to be gained by the use of Economic Theory as a frame of reference for the study of marketing, no one will seriously deny. However, marketing teachers are primarily concerned with a segment of economics—albeit an important segment—to which the application of Economic Theory is often both inadequate and unrealistic."

Concurrently with that conference laments were being expressed that notwithstanding almost fifty years of marketing facts accumulation, there were few identifiable marketing theories. Whatever existed were paraphrases of economic thought or disconnected generalizations about operational aspects of marketing. Alderson and Cox designated, as likely areas of theory consideration, the spatial and temporal aspects of marketing; cooperation and competition among economic entities, limitations on opportunity in economic activity, attitudes and motivations of buyers and sellers, and the development of marketing organization. Their emphasis was upon economic behavior, whereas at the same time Vaile recommended use of all pertinent generalizations from any discipline in development of marketing theory, which contended should be descriptive rather than normative theory. He doubted the possibility of writing a theory of marketing, and he doubted that marketing had the earmarks of science.

In 1950, Cox and Alderson, leading proponents of marketing theory, from the standpoint of the increasingly viable unorthodox approach to the study of marketing, opened the dimensions of theory beyond economics to the inclusion of marketing concepts developed in other disciplines. Expanding their thoughts from the article published two years earlier to a book of papers contributed by individuals known to be active in some area of theory relative to marketing, they enlarged the perception of marketing theory to include elements of demographics, psychology, and organizational behavior, as well as economic theories relating to interregional trade, consumer actions,vertical price relations, and management of the firm. They regarded marketing theory to be in its infancy, and this fact was partially evident in the miscellany of topics brought together under the title Theory in Marketing.

A better effort to structure theory was made by Revzan in his review of the Cox and Alderson book, which he saw as an imprecise format for expositing theory, lacking as it did a conceptual framework. His own framework of a theory of marketing included the following elements or concepts:

- An institutional approach, wherein marketing is viewed in its overall structure
- The marketing process, defined as the functioning of a system of interrelated structural units
- The organic structure of marketing related to the economy as a whole
- Each unit of the marketing structure existing in its own evolutionary cycle
- Group interaction
- Collective action controlling individual action
- Cooperation and security requiring some self-sacrifice
- Institutional controls
- Resolution of conflicts
- Ethics in coercion and control

While thus presenting one of the earliest conceptual structures for a theory of marketing—not merely a marketing theory—Revzan nevertheless questioned whether marketing theory existed. He recommended that the AMA appoint a committee of interested persons, hold further conferences, and sponsor research and publication to further consider this question.

Whereas Cox and Alderson had presented incipient theories of people mainly outside the marketing group, and Revzan had proposed a framework for a rather general theory of marketing, McGarry in 1953, believing that university professors should lead in development of marketing theory, discussed theories with which four such professors became indentified:

- E. W. Grether — a theory of interregional trade, a wholly economic interpretation and statistical analysis of the flow of trade between regions of differential advantage
- Wroe Alderson — a theory of "searching and sorting," whereby place and time utilities are created; a sociological and psychological framework
- Reavis Cox — a theory of distribution channels, wherein the channel is conceived as an economic unit, evidencing agency cooperation in performance of the several flows inherent in the process of distribution; institutional economics.
Implicit in most of the writings on marketing theory was the idea that the 
identification of variables and establishment of their relationships was the 
esSENce of theory construction, for within such relationships lay the key to 
explanation, prediction, and control, which are generally conceded to be the 
objectives of theorizing. Relatable elements vary, however, depending upon the 
concept and definition of marketing, for the lesser concepts are inherent in the 
greater. Consequently, as new views of marketing opened, new relationships 
were studied and new areas of theory explored. Developments occurred so 
extensively during the 1960s that a pattern of relationships gradually became 
apparent, permitting some classification of them as part of the structure of 
theory.

Barlent was particularly concerned with theory structure and attempted in a 
series of publications, during the 1960s, to relate concepts of marketing 
to their implicit marketing concepts, variable to each other in generalized 
relationships, and theories to a more encompassing theory of marketing. With 
increasing clarity, distinction was made between economic and social aspects of 
marketing, between micro organizations and their macro environments, and 
between domestic and international marketing. Each of these areas of thought 
constituted a subject for a number of marketing theories, and collectively they 
covered the field of marketing in such a way as to suggest the possibility of a 
general theory of marketing.

After exploring the particular areas, Barlent attempted to integrate the 
structural elements in a general theory, illustrating primarily the form of 
theory structure, and secondarily the substance of one person’s theory of 
marketing. A more elaborate and analytical illustration of this theory 
interpreting a meta theory approach to theory formation was also undertaken.

Considering the contrasting views held about marketing itself, not to speak of 
the relation of marketing to theory and science, it would be no surprise that 
there would be disagreement on efforts to formulate theory, particularly a 
general theory. On one side would be such as Alderson, who integrated a 
significant general theory; many theorists who have presented particular and 
lesser theories; and Barlent, who proposed merely the structure of an integrative 
theory. On the other side are those who discredit any theory on the grounds of 
inexactitude; those who deny the possibility of a general theory, if by that we 
mean one and only one general theory appropriate for all purposes and all 
people; and those who disagree with the logic of particular theories presented. 
Of the latter group, Hunt took exception to the Barlent theory, claiming that 
its component theories were not theories because they failed the test of his 
criteria that theories consist of (1) systematically related sets of statements, (2) 
lawlike generalizations, and (3) empirically testable propositions. Refutation of 
Hunt’s contentsions, on the other hand, was made by Pinson, Angmar, and 
Roberto, who believed that his conclusions were contradictory to his own 
criteria. So goes the surfaced evidence of a much deeper issue!

As theorization progressed, it was immediately apparent that those who theorized 
were not always objectively cognizant of the requirements of good theories and 
that unawareness of this could retard theory development. The next step was an 
effort to verbalize a meta theory for marketing, or the criteria for scientific and 
systematic theory formation. Disparate judgments had been expressed 
sporadically from time to time, but in 1965 Halbert wrote at length on the 
subject. He recognized a need to know not only about marketing phenomena
but also about the methods of science. The state of marketing theory at that
time he described as follows:

- preoccupation with concepts, classification of language, consolidation, 
synthesis
- no major theorists
- lacking major theoretical framework
- nonexistence of definite schools of thought, with the closest
  approximation being:
  Functionalism – Alderson
  Economic approach – Moriarity, Vaile, Grether, and Cox
  Managerialism
  Three traditional approaches: functional, institutional, commodity.

His recommendation for best developing a science of marketing included: (1)
better understanding of substantive elements, especially unobservable elements;
(2) imaginative methodology; and (3) interactive communication between
marketing and other disciplines of research.

Halbert proposed the following criteria for theory:
1. that it consist of essential elements and their relationships
2. that it consist of both implicit and explicit theories, telling not only
   what things are, but also why they are and why they are important
3. that it include a statement of the operability of the concepts in the
   real world
4. that it distinguish between “theories” and “theory,” and that all
   theories be consistent with each other
5. that it reflect characteristics of the theorist as well as of the subject of
   his study
6. that it conform to three criteria of adequacy:
   – syntax, or the legitimacy of the logic of theory
   – semantics, or the correspondence of theoretical manipulation to
     manipulations possible in real phenomena
   – pragmatics, or relevance and usefulness to the solution of important
     problems.

Bartels also in 1970 undertook to set forth criteria for theory building in the
form of seven axioms:

1. Theory proceeds from a concept of its subject and should be consistent
   with it.
2. Theory is built upon basic concepts derived from the concept of the
   subject and from related scientific disciplines.
3. Basic concepts contain a range of qualities expressing their variability.
4. Variables having a range of qualities when cast in a
   dependent-independent relationship provide a basis for explanation or
   prediction.
5. Valid relationships having generality constitute a theory.
6. Diversity in theories resulting from individual and subjective aspects of
   theorists is normal.
7. All theories of a discipline, however diverse, should be embraceable,
   implicitly or explicitly in a general theory, either by grouping or by
   synthesis.

The Maturing of Marketing Thought

The continuing issue of theory is the need for more imaginative
conceptualization of marketing phenomena, validation of hypothetical theories
and models, and integration of subtheories into the general theory which their
separate substance implies.55

THE ISSUE OF DEFINITION

Whether marketing is a science, and what kinds of theories comprise it,
depends upon how marketing is defined. Defined that is, not simply literally as
in textbooks, but actually in the minds of marketing theorists. The confusion
and controversy which have made issues of the status of marketing thought have
originated largely in the undelineated diversity of concepts of marketing which
have been prevalent in the literature. Without clear and explicit definition of the
subject, differing thought structures and controversial appraisals thereof have
resulted.

Imprecise definition has resulted to some extent from the continual
broadening of the concept of marketing. So long as marketing was narrowly
conceived and defined, a limited structure of thought satisfied the aspirations for
completeness; when conceived multidimensionally, however, the body of
thought became made up of many theories and a more complex structure. If
“science” connotes the wholeness or completeness of a discipline, it is
understandable how the term might have been used to characterize marketing in
its early stage, as it was then perceived. But as enlargement occurred, the term
would be appropriate only for the latter stage and no longer for the former. The
terminology of marketing thought must be interpreted historically, even as the
development of thought itself.

Among many definitions of marketing, two major concepts are outstanding:
that marketing is an economic process, and that marketing is a social process. As
a phase of economics, marketing has been further described as micro and macro
processes, as independent and as environmentally constrained, as local and as
global in its domain. In its micro, independent and local dimensions, marketing
has sometimes been characterized as an art rather than as a science; its theories,
if knowledge was at all so regarded, consisted of operational principles and
precepts. In its larger dimensions, economic-based marketing thought was
regarded as having characteristics of the economic science. Conceived as a social
process, on the other hand, personal rather than economic elements are
predominant and theories relate to such matters as role identification and
interaction; groups and social environment; culture, expectations, and
responsibility.

When marketing thought is so outlined, it is apparent that progress in its
development has consisted of enlargement of the concept of marketing as a
whole, and of differentiation and magnification of its component elements.
Contemplation of whether its future development will continue along these lines
provides opportunity for interesting speculation. It will surely be affected by the
prevailing concept of marketing, of which two alternatives are critical: (1) that
marketing consists of explicated processes, which from time to time may be
supplemented by conceptual additions, or (2) that marketing is a pervasive but
yet unfully conceived process, which is proximated by our progressive
enlargement of marketing thought. The former implies that marketing is relative,
a function of descriptions made of it; the latter, that marketing is an absolute
concept and that definitions and theories are a relative approximation of the
absolute. The former implies a progression of knowledge from percepts to concepts to body of thought; the latter, progression from concepts to body of thought to application and perception of evidence. The former holds theory to be nonexistent until explicitly set forth. The latter regards theory as implicit in a concept of marketing, to be discovered, not invented, by marketing theorists.

However marketing is conceived in the future, the relation of definition to theory will be the same. Historically, the evolution of marketing thought has progressed from the narrower concept to the broader, from the preactive action to the serviceful, from self-interest to social consideration, from economic to social determinism, from action to interaction, from the provincial to the global. Is there some orderly progression implicit in these contrasts in what marketing should be understood to be? Has the fullest interpretation of the role of marketing in human affairs yet been stated? Will progress ultimate the maturation? How these questions are answered will much affect the nature of marketing theory and whatever larger proportions marketing thought assumes.

ENDNOTES