The Identity Crisis in Marketing

Is marketing a specific function with general applicability or a general function that is specifically applied?

In "Conceptual Conflicts in Marketing," William G. Nickels reported that of 74 marketing professors surveyed, 95% felt that the scope of marketing should be broadened to include non-business organizations, and 93% believed that marketing is not concerned solely with economic goods and services. These responses imply that marketing is something other than the official definition given by the American Marketing Association, something other than what is currently presented in most marketing textbooks, and something other than what marketing theory has yet been developed to express.

In the marketing literature of the past few years, this broadened view has come to define marketing as the application of marketing functions or techniques to both economic and social, business and nonbusiness processes. The former pertain to the distribution of economic goods and services; the latter, to the dissemination of ideas, values, and programs of religious, educational, military, political, social service, and other types of institutions. The broadening of marketing to include the latter represents a shift of emphasis from economic to noneconomic subject matter, from physical to mental elements, and from entrepreneurial to societal activities. Wide acceptance of this viewpoint is evident in the survey. It is apparent also in current marketing literature, conferences, collegiate courses and, to some extent, in business practice.

During the past 75 years many new, and usually broadening, concepts of marketing have appeared. Few, however, have gained the support that has been given to the idea that marketing rightfully encompasses such a diversity of activities. This change of viewpoint has occurred largely within the last 25 years, within scarcely two generations of marketing scholars. Some coming into the profession during this period may never have known marketing otherwise, having been educated primarily in its managerial, social, and quantitative aspects. Others may see marketing in a broader perspective, if not in broader scope. While normative criteria may be lacking to say how marketing should be defined, some merit may be found in a speculation as to why this viewpoint has come about and what its implications are relative to marketing theory, education, and practice.

Evolution of the Scope of Marketing

Since its inception early in the 20th century, the concept of marketing has undergone many changes. The causes of change have been both conceptual and perceptual: conceptual, through the introduction of new ideas as to what marketing is and what it ought to do; perceptual, through envisionment of new realms in which the marketing process might be applied. These two influences have determined the pattern and logic of the broadening definition. While its stages may be variously identified, the following seem apparent.

1. Marketing, concerned with the distribution of products

Originally the economic process was conceived as divided between production and distribution, the marketing portion of the process beginning upon completion of production. Marketing was viewed as a technical process, dealing with physical distribution and the economic and legal aspects of transaction. Marketing also was conceived in general terms, as concerned with the macro aspects of the distributive process. It dealt with economic variables and with economically motivated market behavior. That was the state of marketing early in this century, when it was an outgrowth of the economics discipline.

2. Marketing, as the economics of distributive enterprise

Beginning in the early 1920s, enterprise aspects of marketing became increasingly emphasized. Functions and problems of institutional operation, but not yet the processes of management decision making, were the principal subjects of concern. This interest coincided with the need for mastery of the mathematics of markup and merchandising and of distribution cost accounting in the expanding activities of marketing manufacturers and distributive institutions. Yet marketing remained associated with the discipline of economics and with the distribution of products.

3. Marketing, as management of the distributive process

An elevation of marketing management occurred during the 1950s, when variables other

than the simple mathematics of making ends meet gained attention. Management of the “4 Ps” of marketing—products, price, promotion, and place—represented a concept of marketing moved one step more from the macro to the micro and from the general to the specific, yet from the routinely operational to the coordinately managerial. “The marketing concept” represented an enlargement of the marketing manager’s role within the internal organizational structure.

4. Marketing, as distributive managerial decision making

With the introduction of new managerial concepts into marketing management, emphasis shifted a degree further from macro considerations toward a broadened interdisciplinary concept of management itself. Educational literature and courses reflected this in their incorporation of models, quantitative analysis, electronic data processing, and various methods and techniques of decision making.

5. Marketing, as a social process

In the late 1950s, increasing interest in behavioral disciplines imbued marketers with greater appreciation of the humanistic aspects of marketing. This constituted a new element, in contrast alike to the economics of distribution, the mathematics of merchandising, and the processes of decision making. Roles of marketing participants definable in other than their economic context were identified, and the patterns of their interactions and perceptions of responsibility were explored. As the roles identified were exclusively those of participants in the marketing process, and not those in other social, nonbusiness institutions, the ethics deduced were those relevant to competitors, customers, employees, and the like. This step in broadening the concept of marketing led to the study of consumer behavior, system interactions, and economic social responsibility.

6. Marketing, as a societal process

During the 1960s, marketing became increasingly regarded not merely as a social process involving economic participants, but as a societal process, one undertaken by society in which the functions and responsibilities of the marketing segment were viewed as interrelated with all other segments of the social structure. In its relationships with the legal, political, educational, religious, and general community environments marketing was both a dependent and an independent variable. Marketing behavior was seen to be influenced by the nonbusiness values of its participants, and nonbusiness institutions were seen to be influenced by business and the activities of businessmen. In this mutual interdependence was spawned a consciousness of social responsibility, a responsibility to individuals in roles other than that of customer. This idea was phrased succinctly by Lazer in 1969: “Marketing’s responsibility is only partially fulfilled through economic processes.”

7. Marketing, as a generic function applicable to both business and nonbusiness institutions

Beyond its relationship to society in general in the distribution of economic goods, marketing in the late 1960s became viewed as a generic process, one applicable to the fulfillment of the needs and goals of all types of institutions. Kotler and Levy said in 1969: “When we come to the marketing function, it is also clear that every organization performs marketing activities whether or not they are recognized as such.” They identified the marketing functions as product development, pricing, distribution, and communication. Thus in preparing and presenting their ideas and programs, government departments, political campaigners, military recruiters, educators, and activists are said to be engaging in “marketing”; and it is the province of professional marketers to provide expertise on their behalf. It was recommended also that:

Marketing is that function of the organization that can keep in constant touch with the organization’s consumers, read their needs, develop “products” that meet these needs, and build a program of communications to express the organization’s purposes.

It is thus that the scope of marketing has broadened to the dimensions preferred by the large percentage of marketing professors surveyed by Nickels. Such agreement as his figures show may not be unexpected, in view of the fact that so many of the people now teaching marketing arrived amidst the increasing socialization of the discipline. On the other hand, that not more see merit in a narrower view of marketing is unexpected, considering that there are several meaningful and workable views of marketing, and the issue is conceptual and debatable.

The crux of the issue is this: is the identity of marketing determined by the subject matter dealt with or by the technology with which the subject is handled? Specifically, is marketing the application of certain functions, activities, or

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techniques to the dissemination of economic goods and services, including the satisfactions they provide? Or is it the application of those functions and techniques to the dissemination of any ideas, programs, or causes—noneconomic as well as economic, nonbusiness as well as business?

Elemental Marketing

It will be recalled that the initial use of the term marketing indicated a combination of functions essential to the distribution and sale of products. The emergence of “marketing” in the early 1900s, however, was not the beginning of the distributive process. The need for distribution or dissemination of products has characterized all societies, in all of their stages of development. To provide for the supply of their consumption needs, societies have developed processes, institutional patterns, agencies, standards, priorities, and values requisite for achieving their particular objectives. Although the distributive systems have been known by a variety of names, they have served the same purpose: the distribution of products, whatever their kinds and however they might have been produced. They also shared in common the fact that they dealt with the economic goods of the society. The performance of this function in this century has been identified as marketing.

It is also evident that consumption needs are but one of several types of human needs, all of which societies provide for through their institutional structures and processes. The government, the family, the church, the military, and the educational institution supply different and particular social needs, and although their activities at times overlap, their social role is definite. Marketing has initially and generally been associated exclusively with the distributive part of the economic institution and function. In this capacity, marketing is identified by the substance and the subject of its area of concern.

Marketing in a Social Context

As emphasis in marketing has shifted from economic to social behavior, insight has been gained into the interaction of those who participate in marketing, and techniques for guiding interaction patterns have been developed. These have come from studies in consumer behavior, personnel management, channel organization, communication, cross-cultural relationships, and social responsibility. Marketers skilled in these techniques have found application for their expertise outside the marketing field, for people in different roles act similarly and respond alike to stimuli. Thus as the scope of marketing practice has broadened, so has the concept of marketing, with the term social marketing designating the application of marketing techniques to nonmarketing fields.

The receptivity of nonmarketing fields to marketing techniques, however, indicates no void of social behavior patterns and knowledge of them in those fields. On the contrary, basic human intelligence attains goals in interaction through communication, persuasion, adaptation, compromise, accommodation, and the like, whether expressed in the home, school, church, or government. In marketing, those processes have been termed market research, selling, market segmentation, adaptivity, consumer orientation, promotional strategy, and the like; and these activities have constituted “marketing.” Had the research and conceptualization occurred first elsewhere than in the economy, terms from the educational, religious, or political areas might by now have been incorporated in marketing terminology, rather than vice versa. What in marketing is “selling” in the school is “teaching,” in the church “proselyting,” in politics “propagandizing,” in the military “indoctrinating.” The marketer who adapts his product to the market is doing what the teacher does in organizing his class presentation, the preacher in sermonizing for the needs of his congregation, or the housewife in catering to the food tastes of her family.

The question, then, is whether marketing is identified by the field of economics in which the marketing techniques have been developed and generally applied, or by the so-called marketing techniques, wherever they may be applied.

If marketing relates to the distributive function of the economy, providing goods and services, that physical function differentiates it from all other social institutions. Its functions or techniques are then a subset of behavioral functions generic and common to all institutions.

If, on the other hand, marketing is defined by its functions—as though they per se, rather than their economic application, were the unique and distinctive aspect of marketing—then marketing functions presumably would be different from interaction processes elsewhere, different in kind and not merely in degree. Thus the marketing functions would be generic, having the rank of genus, divisible into such special categories as product marketing, political marketing, or cultural marketing, each determined by the area in which the techniques are applied. If, however, the behavioral processes and not the marketing techniques are generic, their manifestation in the market is but a special and specific instance of a broader category. Following are three key questions of this controversy:

Is marketing made generic simply by the application of its concepts and terminology to nonbusiness activities?
Are the patterns of human behavior pervasive and generic, to be subclassified in fields of interaction?

Can a field of application be more basic or generic than the fundamental disciplines upon which its techniques are based?

The claim that all organizations are engaged in "marketing" and that "marketing" functions are universally applicable implies a deduction uncommon in marketing logic. The concept of marketing functions was originally inductively derived from observation of many functional activities, rather than deduced from a hypothesized concept of marketing. Consequently, those functions become categories of thought, carrying a sense of the product distribution process. Such functions were concrete, not abstract, and their application to other than business purposes was not considered. When viewed as social behavior rather than marketing behavior, however, the familiar functions take on a different appearance. Selling becomes a form of communication; buying, a form of problem solving; marketing management, a form of decision making. Being "a form of" these things, marketing is but a species of the generic, broader behavioral activity. Thus communication, research, interpersonal response, and adaptivity become the generic functions, and their identification as "marketing functions" is not. From this standpoint, too, the idea that the fields of political campaigns, religious evangelism, or Red Cross solicitation are the province of marketers, rather than of social scientists, may also be questionable. If they are not the fields of their own specialists, they are the domain of social scientists in general, and not of marketers in particular.

Implications of the "Broadened Concept"

Marketing professionals have increasingly devoted themselves to extending their expertise into noneconomic fields. The benefits of this are:

It affords for use in areas of society where little behavioral research has been done the findings and knowledge from areas where much has been done.

It provides opportunity for marketers to put to a more general test techniques intended for particular application in economic areas.

It provides cross-fertilization of concepts developed by researchers in dissimilar fields.

It furnishes occupation for marketing specialists who wish broader employment of their talents.

On the other hand, there are also some possible disadvantages to broadening the concept of marketing through the notion that techniques derived largely from the study of market phenomena are generic, when in fact those market techniques are applications to the marketplace of a broader class of techniques expressing more basic principles of social behavior.

At a time when many problems of physical distribution are calling for solution, the broadened concept has turned attention away from these problems to nonbusiness interests. Methodology has to some extent replaced substance as the content of marketing knowledge. Forms of decision making have become more important than knowledge of the subject about which decisions are to be made.

Literature has become increasingly esoteric, abstract, and unintelligible to many business practitioners.

Graduate marketing education has excluded, presuming foreknowledge, much factual content concerning markets and product marketing.

Undergraduate programs, as provided for by numerous textbooks, have become managerial, behavioral, and quantitative.

In the wake of these trends is a development worth noting, namely, the emergence of the field termed logistics or physical distribution. Marketing originated with major emphasis upon the physical movement and distribution of products. It evolved through emphasis on functions, institutional operation, marketing management, systems and role behavior, model building, ethics, and social responsibility. Now again has appeared a return of interest in the distribution of economic goods and services. If "marketing" is to be regarded as so broad as to include both economic and noneconomic fields of application, perhaps marketing as originally conceived will ultimately reappear under another name.