Marketing Theory and Metatheory

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Marketing Metatheory

There is little evidence that marketing thought evolved in conformity with any widely accepted standards of what such thought should consist of or how it should be expressed. Prevailing problems of marketing and their significance in society preoccupied thinkers and writers, who did not concern themselves with the relatively abstract questions of theory formation. Being intelligent men, they naturally employed scientific methods, classified phenomena, and reasoned logically. The outcome was a quantity of information which has been called a "body of thought." It contains elements of theory, and in some instances it approximates the character of theory.

Throughout this development, uncertainty was expressed about whether the knowledge of marketing warranted being regarded as "a theory," as "theories," or as a "science," or "discipline." These questionings revealed a growing but unarticulated awareness that in the evolution of a body of thought the substance of theory and the form of theory are two distinct yet inseparable subjects for consideration. The substance of theory is the subject of the field, in this case marketing; form is part of the substance of another theory, whose subject is theory itself. This distinction not having been made, standards for the formation of theory were not developed and adopted. To have developed such standards would have been to develop a metatheory.

Theory Contrasted with Metatheory

As the term metatheory is virtually unused in the marketing literature, distinction between it and theory is needed.

Theory is a form in which knowledge is expressed, and the term is used with two meanings. First, it designates a tentative,
speculative, or unproven generalization concerning a subject. In this sense, it is synonymous with “hypothesis” and represents an early stage in the logical process. Second, it means a summary or considered conclusion reached after analysis and synthesis of information, and, as such, it represents a mature stage in the development of thought. This second concept of theory is the sense in which the term is used hereafter.

Being such a form of knowledge, a theory is distinguished in scope, character, and purpose from other forms. It is in contrast to facts, assumptions, hypotheses, and principles or laws. A theory is comprehensive and inclusive. It is intended to explain facts and to prove or disprove its underlying hypotheses. A wholly intellectual construction, a theory consists of concepts or ideas and their relationships. Theories are tentative, timely, refutable, applicable, and capable of being incorporated into larger bodies of thought. In all this, however, a theory pertains to a subject, such as marketing, physics, music, and the like.

There are differences among theories other than those based upon their subject matter. Some are simple theories, merely generalizing coherent ideas. Others are more complex and may consist of a number of separate theories combined. Some theories are enlarged by adding one to another in a continuum of explanation; others, through synthesis from a higher level of abstraction. These are termed general theories. Still others integrate incongruent theories and are intended to resolve their differences. These are known as epitheories. All of them deal with the substance or subject of a phenomenon. The theory which deals with the subject of theories, on the other hand, is called a metatheory.

To this author’s knowledge, the term metatheory appears only once in marketing writings, in the preface of John A. Howard’s *Marketing Theory,* wherein he says merely that “a metatheory of marketing . . . is needed” and speculates briefly about its nature. In no other books dealing with the science and theory of marketing is the term indexed, and seldom is its subject dealt with even without use of the term itself. This is not to say that marketing literature is devoid of awareness of some of the requirements of theory that could be set forth in a metatheory. References will be made in the following chapter to some writings which discusses the subject.

Webster’s 3rd New International Dictionary defines metatheory as follows: “a theory concerned with the investigation, analysis, or description of theory itself.” The Encyclopaedia Britannica provides this information concerning the term: “For certain logical problems a theory is constructed whose subject matter is another theory. The former is known as the metatheory of the latter.” A linguist says: “Discussion of the properties of theories and the ways in which theories can differ from one another is called metatheory. The complete specification of the requirements imposed on a theory will be called a metatheory.”

The concept of metatheory is further amplified by a philosopher as follows:

In the first place it is most important to keep constantly in mind the distinction between a theory T which deals with a certain subject matter . . . and a theory which has the theory T itself as its subject matter. The theory which has a given theory T as its subject matter is called the metatheory to T (p. 6). . . .

Next we must understand a further distinction within the metatheory. Corresponding to the two aspects—structure and meaning—of T its metatheory will have two subdivisions. The first—called the syntax or morphology of T—is concerned solely with the structure of T . . . . But, in addition to its purely structural aspect, the elements of a language have a reference to something other than themselves by virtue of which the language functions as a means of communication. Names and designatory expressions denote objects. By means of other expressions—called statements—we are able to assert that so and so is the case and this assertion may be true or false. Such notions as denoting, truth, and falsehood all involve the relation of the signs or words of the given theory T to the subject matter of T, and the branch of metatheory which contains notions involving this relation is called semantics (p. 6).

By the formalization of a scientific theory is meant the process of constructing its metatheory, the most important tasks being, as we have seen, (i) enumerating and elucidating the undefined signs, (ii) establishing rules of statement construction, and (iii) establishing rules of statement transformation (p. 65). . . .

A theory is said to be axiomatized when it possesses a set of primitive or undefined concepts with the help of which all its remaining

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concepts can be defined, and a set of primitive statements or postulates from which all the remaining statements can be derived as consequences (p. 66). . . .

Every formalized theory is accompanied by an explicitly formulated metatheory" (p. 70).

These references suggest that the quality of marketing thought is related to the soundness of marketing theory; that the quality of its theory is a subject which itself can be analyzed; and that the development of marketing thought may be facilitated by understanding a metatheory to marketing theory and its distinction from marketing theory itself.

As no marketing metatheory has yet been formulated, and as most expositions of metatheory relate to the philosophy of science in the physical and mathematical sciences, whatever is now said in application of the concept to marketing must yet be simple, exploratory, and tentative. Metatheory is here understood to pertain to the requirements of theory formulation, with particular reference to the structure of thought and to utilization of language for the communication of meaning. In this study, some comparability of theories between marketing and the physical sciences is acknowledged, but it is also recognized that the differences between the social and physical phenomena result in differences in their theories and in the metatheories applicable to each.

REQUIREMENTS OF THEORY

What then are the requirements of a theory? What are the properties and elements to be sought in the development of marketing theory? What are the criteria by which technical and normative judgment may be made of marketing theory at this or at any other stage of its evolution?

The following are hypothesized as essential qualities of theories:
1. Subject identification
2. Basic concepts
3. Intraconcept differences
4. Interconcept relationships
5. Generality
6. Diversity
7. Resolution of differences

Subject Identification

A first requirement which a metatheory makes is that a theory should deal with a specific, definable subject and be related to it throughout. This is a requirement of subject identification and unity. Stated conversely, a theory should not be built upon uncertain or conflicting concepts of a subject, unless to deal with the uncertainty or to resolve the conflict.

Emphasis of this seemingly obvious and hardly disputable point arises from the fact that such unity of subject and thought structure does not always exist. In the study of marketing, there have at times been discrepancies between the concepts of marketing proposed and the expositions of the subject presumably based upon those concepts. For years, there was a tendency among marketing writers to define marketing only as the processes involved in the movement of products and the transfer of title. Committees on definition and other lexicographers have been inclined to reduce the definition of marketing to the fewest words and to imply that there was one definition of the subject. That this is untrue has been shown by many interpretations of the subject, interpretations employing different concepts, terminology, and reasoning.

Notwithstanding this concentration on a limited definition of the subject, marketing has been conceived and defined in a number of ways: as distribution of products, as creation and satisfaction of demand, as flows of intangibles, as an institutional management process, as systems management, and as a social process. It is all of these. But all of these concepts of marketing cannot be explained with one theory, any more than a variety of theories be linked to a single concept of marketing. A structure of marketing theory is implicit in every concept of marketing, and conversely, every theory of marketing relates to a particular concept of marketing, be it explicit or implicit. There must be consistency and unity between the concept of the field and the theory related to it.

Lack of precise subject identification has introduced confusion into marketing thought by minimizing the importance of difference in expositions of marketing. It has obscured the fact that differences are not merely semantical but are of theoretical im-
port. As a result, there has been unfruitful debate and discussion of whether new theories supplemented or supplanted older ones, whether new theories were "sound" or "unsound" relative to older ones.

Whatever definition of marketing may be accepted, in the structure of thought based upon it, that definition serves as a fundamental hypothesis of the theory. It is as though to say: "Assuming that marketing is as defined, it follows that..." Then follow the logical explanations implicit in the definition.

The first axiom of a metatheory, therefore, is that theory proceeds from a concept of its subject and should be consistent with it.

Basic Concepts

By definition, theory is a compound phenomenon, an arrangement and organization of ideas. These ideas are concepts, and concepts are intellectualized statements of something perceived or sensed. Therefore it is only as the visible world is conceptualized or translated into ideas that it can be dealt with theoretically. Things are not the essence of theory; ideas are. Only ideas, or mental impressions, are subject to the processes of logic. A concept is a mental impression, in contrast to a visual perception. It is an ideal representation of something, an abstraction, a synthesis of essential qualities, an intellectual construct. Only when sense evidence is converted to an intellectual concept—beyond its being a simple mental awareness—can it be incorporated in theoretical structures. It is imperative, therefore, that the phenomena of the market be conceptualized before theory development can take place.

Conceptualization has occurred throughout the study of marketing, and marketing thought has reflected the quality of its concepts. The basic concepts of theory are drawn mainly from the concept of marketing held by theorists. So long as marketing was regarded as an entrepreneurial operation or a physical economic process, the principal concepts underlying theory were those related to products, institutions, functions, and management policies. Such were the primary and derivative concepts incorporated in the explanation regarded as "marketing theory" from 1920 until almost 1950. The structure of thought, of analysis, and of literature reflected these divisions of the subject of "marketing." Theory of this kind had limited usefulness, however, and new needs inspired other concepts of marketing.

With new concepts of marketing came also into the body of thought other related concepts. A concept of marketing as a managerial function implied additional concepts of the areas or functions to be managed, such as products, promotion, placement, and price. A concept of marketing as flows implied concepts of types of flows, channels, circuits, linkages, and blockages. A concept of marketing as social behavior implied concepts of social roles, interaction, role participation, expectations, and obligations. Likewise, other concepts of marketing yielded still other lists of related concepts which were basic to the development of theory.

Basic concepts in marketing thought, however, are not derived solely from the concept of marketing but also from other scientific disciplines. They have come from economics, sociology, anthropology, history, law, mathematics, and others. As students of marketing brought to bear upon marketing research some of these conceptual and methodological frameworks, new concepts of marketing were suggested requiring concepts from these assorted fields. Together they constitute the selected building blocks upon which the structure of marketing thought is based.

A second axiom of a metatheory for marketing is that theory is built upon basic concepts derived from the concept of the subject and from related scientific disciplines.

Intraconcept Differences

If the conceptual model of a theory is to approximate existence, the diversity found in reality must in some measure be represented in the theory. This presumption, however, poses a dilemma: the concrete and the abstract, the reality and the model of reality are opposites, and as one is approached the other is sacrificed. The more an abstract painting omits the details of what it depicts, the less relation it has to its subject. So it is with theory development. One of the basic processes of scientific thinking is to produce abstractions in the form of concepts. This is done by compounding similarities and by differentiating dissimilarities. Reduction of diversity by this process removes a concept further
from reality; reality may again be approximated as the diversity is restored.

In the conceptualization of marketing experience, a wide assortment of concepts have been produced which have two types of diversity: differences of kind, and differences of degree. The major basic concepts differ from each other in kind, in substance; they relate to different phenomena. These are external or inter-concept differences. On the other hand, there are abstractions representing a range of difference in reality which is of the same kind but different in degree. These are internal or intra-concept differences. It is this intraconcept difference which must be preserved or restored if theorization is to retain specificity and relation to reality.

Restoration of the diversity inherent in a concept is achieved by analysis and classification of its subject matter. The differences existing within a concept are of two types: inclusive subdivisions and exclusive range. The inclusive differences are those whereby a concept is subdivided into its components so that a broader category includes a lesser one. Assume, for example, the concept "economic institutions." It may be divided to show concept difference as follows:

A. Economic institutions
   1. Production establishments
   2. Distribution establishments
      a. Retailing establishments
      b. Wholesaling establishments
         (1) Functional wholesalers
         (2) Merchant wholesalers
            (a) National wholesalers
            (b) Local wholesalers

In this illustration, broader categories include the lesser ones. Distribution establishments include both retailing and wholesaling establishments; wholesaling establishments include both functional and merchant wholesalers, etc. On the other hand, the categories subdividing a next broader concept are exclusive of each other. Production establishments are not inclusive of distributive establishments, retailing establishments are not inclusive of wholesaling establishments, etc.

When thus arrayed, the subdivisions of basic concepts express the range, gradation, and character of their diversity. Such elaboration adds realism to theoretical models and plasticity to exposition. Subconcepts constitute a refinement of the categories of thought, making possible the statement of hypotheses with greater exactitude and precision.

The actual performance of this step of discovering the range and subdivisions of a larger marketing concept is not an easy one in thought development. The initial division of an idea into its components is a creative process. One may recall the difficulty of defining the types of middlemen so that a census count could be made of them, or the insight into interaction patterns gained when the concept of "monopolistic competition" was added to "monopoly" and "competition."

Through diversity or range, plasticity is given to thought because range connotes position in an array, and judgment is required to identify, measure, and interpret the characteristics by which phenomena are arrayed or the elements of which a basic concept is composed.

A third axiom of a metatheory is that by subdivision of basic concepts, their range and qualities may be shown in intraconcept differences.

Interconcept Relationships

A second type of difference in ideas is that between basic conceptual categories, in contrast to that within those categories. Basic concepts are subdivided for the purpose of identifying their components, but the differences between dissimilar concepts are noted for the purpose of relating them. The establishment of such relationships is essential to the construction of theory.

The purpose of theorization is twofold: to predict and to explain. Prediction is a statement of probable effect, nature, or behavior in phenomena, a hypothesized probability, not simply that something will occur, but that it will occur in relation to some assumed or actual accompanying circumstance. Theory is the explanation underlying this statement of probability; it is the means by which probability is expressed, where prediction is the objective. Explanation, however, rather than prediction is generally the objective of theory in the social and behavioral sciences, because the human element reduces probability, and prediction
is less reliable. Whether theory is for prediction or explanation, the requirements of theory are the same.

A presumption of causality is basic to prediction. The causality presumed in theory, however, is conceptual rather than physical. It is a presumed condition in the relationship between two concepts, whereby one is deemed an independent variable, the other a dependent variable. The dominance of the one and the subordinance of the other defines determinism or causality. Effects are thereby attributed to postulated causes, and the probability of the occurrence of the effects establishes the reliability of the prediction and of the theory.

In some areas of science, these deterministic relationships are termed "laws"; in others, as in the social disciplines where influences are less certain or less known, they are generally called "principles." They are the same in essence, while differing in degree of certainty. In either case, such relationships are the substance of theory.

An illustration of a relationship between conceptual categories may be found in a theory of product channels. For the purpose of explaining channel formation, basic concepts of products and channels may be used, for it is visibly apparent that different products go through different channels. But which is the dependent and which the independent variable? Test the proposition: Products are a function of channels—

Products = f (Channels)

Experience and logic show this to be invalid. Therefore test the converse: Channels are a function of products—

Channels = f (Products)

Products are thereby made the independent variable in the equation. This proposition, however, is not illumined until the basic categories are subdivided to identify different types of channels and different types of products, perhaps as follows:

Channels = f (Products)
Long       Convenience goods
Medium     Shopping goods
Short       Specialty goods

Such analysis of the basic concept permits statement of more specific hypotheses concerning the nature of cause and effect. It is realistic that more than one factor influences channel choice, and a multiple correlation may be stated thus:

Channels = f (Products, Markets, Producers)
Long channels = f Convenience, Local, Large
Medium channels = f Shopping, Regional, Medium
Short channels = f Specialty, National, Small

Thus, a number of independent variables may be identified and their components classified. It may then be reasoned that long channels are a function of (or appropriate for) products of a convenience nature, produced by large size producers and sold to a local market. Reason and observation will suggest many combinations of such factors; some will more nearly explain conditions in the marketplace than others.

A fourth axiom of a metatheory is that concepts in a dependent-independent relationship are the bases of explanation or prediction.

Generality of Relationships

The merit of a theory lies in the validity of its predictions, in the coincidence of its explanations with experience. If this coincidence occurs in a single instance, the observation may be useful, but the greater value of a theory is in its suitability to the explanation of experience on a broader scale. Universality is an ideal seldom achieved, especially in the fitting of theories to social or behavioral circumstances. It is, nevertheless, a status to which generalization tends in scientific reasoning. The generality which gives credence to theory is evident in repetition of the interaction of related factors, in their congruence under different circumstances, and in their consistence with other theory. Isolated incidents of relationship among variables may suggest a theory, but in actual development of theory a general validity of those relationships is necessary.

In terms of this requirement of theory, marketing thought has had some theoretical merit. Many of its explanations have been substantiated by innumerable repeated evidences; they have been consistent throughout the range of related variables; and they have been congruent with broader patterns of thought to which they pertain. Some exceptions to these are noted in the section following.
A fifth axiom of metatheory is that theory based upon presumed relationships is valid to the degree that these relationships have generality.

Diversity of Theories

When theory is not subjectable to precise confirmation, as it is not in marketing, the criteria for theory evaluation must include subjective as well as objective determinants of its quality. Theories may be produced by individuals having different viewpoints, who employ different concepts, who perceive different relationships, and who therefore reach different conclusions. Such subjective elements are less admissible in the physical sciences than in the social sciences, but in the latter, theory is frequently influenced by personal characteristics of the theorist. His technical competence in research, his educational mix, his religion, philosophy, ethics, and aesthetics all influence the marketing theorist's selection, perception, and delineation of his subject. While coloring his theories, these factors may neither diminish their credibility nor their value in explanation, problem solving, and prediction. To the contrary, diversity of theories may enlarge and enrich the body of marketing thought. Consequently, in theory formation, and especially in the evaluation of theories, values must be assigned to the factors producing diversity. The criteria of self-knowledge of the theorist, his insight, sincerity, and intellectual integrity, as well as the realism and usefulness of his point of view—these, too, are criteria by which theory in a social field must be appraised.

Little theoretical diversity of any significance is found in marketing thought throughout most of its history, because one concept of marketing and its related basic concepts were so widely accepted that uniformity rather than diversity predominated. In recent years, however, a change has occurred, even as the characteristics of theorists themselves have become more diversified. Recourse to concepts and relationship patterns from other scientific disciplines, familiarity with quantitative as well as verbal language, perception of marketing from viewpoints of managers, consumers, and the public rather than only from that of the scholar, and acknowledgment of either creative, competitive, economic, social, or cultural determinism of marketing evolution—these factors have increasingly resulted in diversity in marketing thought. Although differing individually, such diverse theories collectively compose the body of marketing thought.

A sixth axiom of a metatheory of marketing is that as theory bears the mark of the marketing theorist, individuality and diversity are normal characteristics of theory.

Theory and Epitheory

Although various influences produce diverse theories, there is a strong tendency toward their unification. The unification of diverse theories takes place in two ways: one, through integration or combination of differences; another, through the resolution or dissolution of differences. The former is illustrated by the aggregation of the separate theories. The latter, by the synthesis of separate theories. In the former, unity is a composite; in the latter, an abstraction.

The study of marketing has grown both ways. Its scope has been widened to include new subjects and to present a more general theory. At the same time, its level of abstraction has been raised in the form of epitheories, unifying theories which could not simply be combined.

A seventh axiom of metatheory is that all theories of a discipline, however diverse, should be embraceable, implicitly or explicitly, in a general theory, either by grouping or by synthesis.

METAMARKETING

Somewhat parenthetically, perhaps, reference is appropriate here to another concept relative to a type of marketing theory, namely, metamarketing. This term, too, has been used but once in marketing literature, and like metatheory it has implications that deserve serious consideration. The term relates, however, to theory, and not to metatheory, for it implies a concept of marketing and is not concerned with theory.

The significance of the term lies in the implications of the prefix "meta," the meaning of which may be deduced partly from

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other usage of that term. Literally, it means “beyond,” “after,” or “higher.” It is used in this sense in the word “metaphysics.” According to the definition of metaphysics in Webster’s Dictionary, “The term was first used, it is believed, by Andronicus of Rhodes, the editor of Aristotle’s works, as a name for that part of his writings which came after the Physics. . . .” The primary meaning of metaphysics is derived by those discussions of Aristotle which he himself called the First Philosophy or Theology, and which deal with the nature of being, with cause or genesis, and with the existence of God. Later, metaphysics was understood as the science of the supersensible. . . .” There are still other usages, but they are not relevant to the present discussion.

As Kelley has used “metamarketing,” he associates it with a social concept of marketing in contrast to the earlier traditional or mechanistic concept of it. This social concept did evolve “after” the other, and in complexity it is “beyond” the traditional concept. As these newer concepts of marketing become assimilated in thought, however, they become marketing itself, and the significance of “meta” in that usage disappears.

An alternative use of the term might employ its signification of “higher,” in its reference to the supersensible, which is defined as “that which is above or beyond the sensible, or apparent to the senses: spiritual.” Marketing is a sensible phenomenon, but to the extent that it—or anything—is susceptible to deterministic interpretation, a concept of spiritual causation is relevant. Such a conception is not mystical; rather it implies a fundamental harmony of the universe which human logic approximates. The spiritual Principle impelling this likeness is the causative element of metaphysics. Interpretation of it as a deterministic influence in marketing, as that which is “beyond” the realm of marketing as usually conceived, is then the subject of metamarketing. Somewhat more is said of this concept in a later chapter of this book entitled “Dimensions of Marketing Thought.” Suffice it here to recognize the term for brief deferred further consideration.

SUMMARY

In summary, the axioms here proposed state briefly the principal points of a metatheory of marketing—a theory of the characteristics that marketing theory should possess and by which it should be judged. They relate not to the content of marketing theory but to its form. They are capable of elaboration and subject to disagreement from other points of view. However, inasmuch as a venture into this subject is at present exploratory, there is no reluctance in making this initial statement. Immaturity of thought on metatheory as it relates to marketing prevents much from being said directly concerning it. It is the author’s intent in this book, therefore, to enlarge upon the concept of metatheory and its implications by indirection, by reference to and reinterpretation of statements already made about marketing theory. Thus, it is hoped to construct some understanding of a metatheory for marketing in order that better statements of marketing theory may be forthcoming.
Marketing Theory

The unconsciousness of marketing writers concerning a metatheory for marketing left the development of theory to be governed by the normal standards of scholarship and by critical appraisal of their works. In this context, a great number of students of the subject have made contributions both to the theory of marketing and, ultimately, to the statement of criteria by which such theory should be appraised. Some contributors to the growing body of thought ferreted facts, researching and analyzing marketing practice. Others caught insights that aided them in conceptualizing experience and in defining the terminology of the field. Still others furnished generalizations, relating concepts and integrating functional, institutional, managerial, and other phases of the subject. A few have attempted to provide a general theory for marketing as a whole. In so doing, all have played important, although sometimes individually small, roles in the development of both marketing theory and a metatheory for marketing. The nature of these contributions over the years suggests grouping them as follows: (1) pretheory theorization, (2) scientific self-consciousness, (3) theory in marketing, and (4) emergence of metatheory for marketing.

Pretheory Theorization

The first period of theory and metatheory development was one of pretheory theorization. It began with the initial study of marketing as a new subject, soon after the beginning of the 20th century, and it extended into the 1920's. It was a stage of thought development in which neither a definable theory was achieved nor a metatheory considered; yet theorization, or theoretical speculation, progressed along several lines. This was a stage in which the field of inquiry became identified, conceptualized, defined, and classified.

Identification of marketing as an area of inquiry was the first fulfillment of a metatheoretical requirement essential to the development of marketing theory. Several concepts of marketing were early set forth. A 19th century economist, Edward Atkinson, saw the distributive process as movement of things. A similar thought expressed by another economist, Eugen von Bohm Bawerk, was picked up by Arch W. Shaw, who, in 1915, conceived marketing to be "matter in motion." At the same time, Ralph Starr Butler set forth a management concept of marketing as a number of activities performed in promoting and distributing products. These concepts antedated a more general concept widely accepted by marketing scholars in the 1920's as activities involved in the transfer of goods and the exchange of title. Its acceptance as a basic definition of the field contributed, after 1920, to achievement of other metatheoretical requirements, namely classification and the perception of relationships.

When marketing was conceived as a form of motion, analysis of that motion disclosed its component activities. Thus developed a concept of marketing "functions," which throughout ensuing years were variously listed but which were uniformly regarded to be basic concepts in marketing theory.

Concurrently with the conception of functions as a principal category of thought, two other categories—"commodities" or things moved, and "institutions" or the movers of things—were also implicit in that concept of marketing. However, these three categories of thought—functions, institutions, and commodities—were not merely categories but variables, with myriad interrelations capable of exploration and statement. Cause and effect were attributed, and their relationships were deemed to be the "principles" of marketing. These principles constituted generalizations of both minor and major character, but the level of integration of marketing knowledge was not then conceded to constitute a "theory." The sum of knowledge of marketing was called

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“methods,” “policies,” “elements,” and “principles,” but the level of theory was not suggested, nor was that term used.

During its initial stage, therefore, marketing thought was characterized by theorization but not by theory. Actually, marketing scholars showed little concern about either theorization or theory; they dealt with the subject of substance rather than form. Their conceptions sprang from experience or were derived from familiar fields, particularly economics. Their generalizations ranged from truisms to valid principles, but they showed little evidence of conscious effort to develop other than a practical, understandable exposition of this newly recognized area of economic behavior.

Scientific Self-Consciousness

Beginning in the 1930’s and continuing until the early 1950’s, developers of marketing thought began to express scientific self-consciousness, which made them aware of their little progress toward the statement of theory. Inquiry was directed toward inventorying the state of the discipline to discover its past and its potential.

The subject of “principles” was one presented for consideration by advanced students of marketing during the 1930’s. Leading authorities’ uncertainty concerning the “principles” they had professed but not identified was expressed in his seminars by Harold H. Maynard, under whose influence the author’s interest in this subject was whetted. Even the questioning of its status indicated that developers of marketing thought were experiencing the imperative to fulfill metatheoretical requirements which had not yet been formally identified.

The first public consideration of the state of marketing theory, per se, was at a meeting of the American Marketing Association in 1946. Before that time, however, the author, in fulfillment of doctoral requirements, had done considerable work in exploring the character of marketing thought. In his dissertation, entitled “Marketing Literature—Development and Appraisal” (1941), he analyzed marketing thought from the standpoint of its sources, concepts, and principles. The substance of this dissertation later found expression in publications, two of which are included in this volume: “Marketing Principles,” and “Can Marketing Be a Science?”

The 1946 meeting was significant in that it brought the growing interest in marketing theory into expression. A panel chaired by Edmund D. McGarry consisted of Robert Bartels, Orin E. Burley, Earl S. Fullbrook, and Harvey W. Huegy. Two metatheoretical implications of their appraisal of marketing theory were that the relationships among phenomena constituted its “principles,” and that, granted there were a number of theories of marketing, it was unlikely at that time that a marketing theory could be formulated comparable to the “totally integrated system of principles such as one finds in an economic theory.”

Recognition that theories might represent different points of view was indicated by Huegy: “In considering the development of principles, a natural question is whether they should be developed from the broad social point of view or from the point of view of market operators.” While this may imply a theory, it is evidence also of diversity in theory, which ultimately requires reconciliation and unification in the type of general theory it was thought then to be impossible to state.

Reflecting differences of opinion as to how much progress had been made in formulating marketing theory, Burley thought that while the absence of theory in the marketing literature may be overestimated, “it has probably been a good thing that no serious attempt has been made to set forth marketing theory by ‘italicized position’ in the way that some economics texts have done with economic theory.” He also acknowledged that some of the older men present had lived to see the “complete cycle” of the development of marketing theory from “factual discussion (primarily description and classification) to generalized statements which relate two or more phenomena (principles) to the stage of interpretative explanation (theory). . .” His perceived stages coincide with some of the axioms of a proposed metatheory of marketing, indicating unconscious compliance

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3 Ibid., p. 8.
4 Ibid., p. 15.
5 Ibid.
with a metatheory yet to be stated explicitly. Burley also foresaw that in the development of marketing theory, students of marketing would borrow increasingly from other social disciplines for their theoretical concepts.

Such meetings as that of the AMA in 1948, courses offered in universities, and books and articles dealing with marketing theory were cited in 1948 by Wroe Alderson and Reavis Cox in their pioneering article "Towards a Theory of Marketing," as evidence of growing interest in the subject. Their interpretation of this trend attributed it to the few significant generalizations in marketing thought and the relatively narrow nature of the problems which marketing men had undertaken to solve. Dissatisfaction with the generalizations was the principal stimulus of the growing concern about theory. Improvement of theory, they believed, required statement of more meaningful problems, assembly of relevant facts, careful description and classification, formation of significant hypotheses, and verification of the hypotheses. The sources of marketing theory they believed to be economic theory, studies of group behavior, ecological studies, and the marketing literature itself. Thus, these scholars attempted to pinpoint the problem and the solution of the perceived lack of theory in marketing. They set forth, accordingly, some of the standards by which adequacy in theory would be judged.

Theory in Marketing

A third stage in the development of marketing theory was that in which theories were actually set forth, in contrast to mere discussion of the evolving elements of theory. In the previous stage, it was assumed that there were theories, but there was satisfaction in leaving them unidentified for the moment. In this third stage, the question of whether there were marketing theories or a theory of marketing was of less interest, and until a comprehensive general theory could be set forth, numerous theories of varying scope were proposed. However, not only was the subject of theories discussed, but that of science. By this was implied what, from the standpoint of a metatheory, may be regarded as a more general theory of marketing.

The first of the significant works of the period was a symposium of essays collected by Reavis Cox and Wroe Alderson and published under the title Theory in Marketing. As editors, recognizing that because the "theory of marketing was in its infancy, there existed no ready-made outline of topics based upon traditional subdivisions of the field," they sought the writings of individuals known to be active in some area of theory. It is understandable, therefore, that the 20 articles published were varied, unrelated, and exploratory. They dealt with theory in such areas as price, competition, quantity limits, retail centralization, advertising, and market location. Views of the following authors seem relevant to metatheory:

C. West Churchman—that through market research, which requires rigor along intellectual lines, (a) important concepts of marketing would be classified, (b) the interrelation of these concepts would be shown, (c) a more general scheme would make explicit the relationship of marketing concepts to concepts of other fields.

Wroe Alderson—that marketing theory needed "a broader and richer approach than is currently offered by any school of economics," and that "some basic concepts are required to facilitate the kind of integration in the social sciences that appear urgent from the marketing viewpoint." He then developed such concepts as organized behavior systems, internal balance, external equilibrium, compenency, seriality, concurrence, survival, and adjustment.

George L. Mehren—that the "ultimate function of theory is to facilitate the formation of hypotheses"; that "marketing theory should provide reasonable a priori answers to marketing questions—a basis for choosing the independent variables and the forms of their relationships to given dependent variables, with a good chance that both choices will test out."

Whereas in this 1950 publication fragments of theory were set forth and some characteristics of theory hypothesized, in 1957 Wroe Alderson wrote the first extended theory of marketing,

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7 Reavis Cox and Wroe Alderson, Theory in Marketing (Homewood, Ill.: Richard D. Irwin, Inc., 1950).

8 Ibid., p. 11.

9 Ibid., pp. 66-67.

10 Ibid., pp. 126, 127.
In 1963, George Schwartz published *Development of Marketing Theory,* in which he sought to answer the question: "What progress has been achieved in the development of marketing theory through use of certain major theoretical approaches?" In the approach taken by William J. Reilly, Schwartz saw measurement of relationships as essential to theory formulation. In a social physics approach of John Q. Stewart, he perceived another problem of validating generalizations, namely, the presumed tendency of social theorists to generalize their own personal motives as a model for a standard man. "The importance that Stewart places on the collection of empirical regularities stems from his concept of the development of science, i.e., from quantifiable observations, to empirical regularities, to general laws. Collection of empirical regularities for their own sake, he writes, has often in the natural sciences been the indispensable step toward later theoretical understanding." In E. T. Grether's interregional and intraregional marketing theory, he recognized a marketing theory consisting of a number of more or less complementary theories, a theory in which the perfection of static analysis was sacrificed for the more vital empirical evidence. In Edmund D. McGarry's macroscopic functional analysis, he saw a theory of marketing based upon the marketing functions. In the channel theory of Reavis Cox and Charles S. Goodman, he saw evidence of the need to define marketing, to develop analytical concepts, and to scale and measure classified data as a basis of generalizing conclusions concerning a normative theoretical value, namely, efficiency.

Still another example of theory is found in *Marketing Theory* by John A. Howard. Concerned with both the content and form of theory, Howard poses for use by marketing executives three interrelated theories—organization theory, decision theory, and behavioral theory—which may serve executives in organizing their own facts or in making comparison for theories developed in their own experiences. Classifying theories as descriptive or pre-
propositions as a basis for guiding empirical research, 19 or (2) "by setting up meaningful equations or other relationships arrived at intuitively, and then going . . . back . . . to validate these propositions." 20 Choosing the latter approach, they recognized the following requirements of theory:

1. A formal language, consisting of two types of terms: those called "primitives," not defined within the logical structure, which serve as rudimentary building blocks; others called "subject matter primitives," which are introduced in developing a particular field of theory.

2. Rules of inference and a series of propositions, consisting of two types: axioms, or propositions given; and theorems, based upon axioms, which are propositions that are acceptable only when proven.

3. Characteristics of simplicity (as few primitive terms as possible): consistency, exhaustiveness, and completeness.

Illustrating these standards of theory, they developed a partial theory of marketing, utilizing two basic concepts of a marketing system behavior, namely, transactions and transsections.

Michael Halbert has been one of the more evocative contributors to this field. His book, The Meaning and Sources of Marketing Theory 21 was published in 1965 and excerpted in Theory in Marketing. 22 Cognizant that the culture is supplying strong motivation for the development of marketing science, which in turn must be based upon adequate theories, he too recognizes that available marketing theory is far from adequate, mainly because there has been little attempt to generalize, to build comprehensive marketing theory.

Halbert speaks of the following characteristics of theory: (1) it must consist of essential elements and their relationships (p. xxviii); (2) it must consist not only of implicit theory describing what certain things are, but also of explicit theory telling why they are and why they are important (p. 4); (3) it must be more

17 Ibid., p. 9.
19 Ibid., p. 117.
20 Ibid., p. 118.
than a mere recording of observations or results of analyses, more than definitions and logical operations. "There must be the complete statement of the operational or 'semantic' relations between the terms in the definitions and the behaviors in the real world to which the definitions refer . . . A theory, then, must include an explanation of its own uses, that is, how one can make decisions with it" (p. 5); (4) it must provide distinction between "theories" and "theory," and all theories must be consistent with each other and the dependence and independence of related factors must be evident (p. 18); (5) it must reflect characteristics of the theorist as well as of the subjects of his study (p. 27); (6) it must conform to three particular criteria of adequacy (pp. 30–35):

- syntax — the legitimacy of the logic of a theory; its formal rules;
- semantics — the correspondence of theoretical manipulation to manipulations possible in real phenomena;
- pragmatics — the relevance and usefulness of theory to important problems.

Perry Bliss28 tackled the problem of a metatheory of marketing by explaining how we can "know" about marketing. Speaking of levels of knowing," he identified them as (1) sensory direct report of experience, (2) conceptualizing and naming phenomena perceived, (3) recognition that concepts are variables which are linked to build a higher level of inquiry, (4) mental manipulation of variables for achieving deeper insights, (5) generalizing relationships in broader propositions or general laws, (6) resolving irregularities into uniformities through sufficiently encompassing models, (7) establishment of relationships between several conceptual areas. Marketing theory, according to him, is the insight gained by looking through a "kit of conceptual schemes." Bliss also recognized that basic to marketing theory is a clear concept of what marketing is.

William Lazer,24 assessing the status of marketing theory, saw not only the potential but the imperative development of better marketing theory. Two requisites for an adequate body of marketing theory are a conceptual framework in which statements about marketing can be formulated, and usefulness of these statements in understanding and solving marketing problems. In a movement away from descriptive factualism to the development of general principles and theories, Lazer saw the following changes occurring in marketing theory:

1) less reliance on the speculative, intuitive approach to marketing;
2) recognition and emancipation marketing is seeking as a science;
3) the expansion of the concept of marketing from one of sales, or of institutions, to include marketing as a pervasive force in the firm as a whole, in our economic system and competitive environment, in our society, and in world affairs and markets;
4) the de-emphasis of the introspective concern with description and classification;
5) concentration on marketing decision making, marketing planning, and marketing systems;
6) placement of marketing under the same rigorous methods as other scientific disciplines such as physics, chemistry, sociology, and psychology.

In Lazer's view, the age of marketing theory is ahead. While specialized theories will continue to be developed, increasing attention will also be given to integration and generalization of theory.

Summary

It is apparent that the concepts of theory and metatheory in marketing have grown clearer with the passage of time and the development of marketing thought. Unstructured, descriptive observations predominating during early years of the study of marketing, held together by a framework borrowed mainly from economics, have gradually evolved into more conceptual, interconnected, and generalized systems of explanation now approaching the status of theory. Yet, throughout this development few clear

28 Cox, Alderson, and Shapiro, op. cit., pp. 84–91.

distinctions have been made between the content of marketing
theory and the requisites of its form. Where standards of theory
have been set forth, they have generally differed in expression,
except that the authority with which some individuals have
spoken on the subject has given credibility and acceptability to
their views.

In this environment of growing interest in theory, the follow-
ing articles in this book were originally written and published.
They have coincided with this growing interest in the subject and
have perhaps in some measure contributed to it. They are here
presented to illustrate the factors affecting the formulation of
marketing theory and metatheory.
Marketing Principles*

(The article "Marketing Principles," published in 1944, was an outgrowth of the study of marketing thought made several years prior to that time for the author's doctoral dissertation. (It was written during a period of wartime service in New York) as an effort to bridge over the years when interest in civilian activities such as marketing was suspended. That was not a fertile period for the writing of books and the development of marketing thought, but with the material at hand a discussion of marketing principles was ventured.

The question of "principles" had become increasingly intriguing during the late 1930's.) On the one hand, book titles since the early 1920's had professed the statement of "principles," for in addition to "Principles of Selling" there were "Principles of Advertising," "Principles of Retailing," and even "Principles of Marketing" in general. On the other hand, even authors of "principles" books were skeptical of whether there were actual principles in their writings. Certainly they were not set forth in italics and bold print. They were not succinct statements such as appeared in economics texts at that time proclaiming the "laws" of diminishing returns, market and normal price, and the like. In marketing writings principles were implicit rather than explicit; they were to be inferred from the general exposition of the subject. At times they appeared as truisms or unquestionable rules of thumb for marketing practice.

There was even then a sense that a principle was a type of generalization and that it expressed a relationship between factors that could be identified as causes and effects. Apart from the economic principles inherent in marketing and introduced into marketing books from economics, the most fertile material for the development of principles was in the relationships of the concepts: commodities, functions, and institutions, which were derived from the mechanistic concept of marketing then prevalent. Various statements of the dependence of functions upon commodities, of institutions upon functions, and of the marketing task upon conditions of production, products, and the market together, constituted the most widely accepted principles.


Credence in these "principles," however, was not universal. Although widely accepted as the core of "marketing" during the period of 1920-1950, they nevertheless were disclaimed by some who repudiated even the concept of marketing from which they sprang. This rejection of satisfaction with the state of marketing knowledge increased as managerial, social, and other concepts of marketing attained favor after 1950. In the breaking up of dedication to the traditional concepts then held, disfavor with "principles" grew to the point where the term itself was rejected by some theorists. They were willing to accept nothing more than "currently useful generalizations" as a designation of their summary statements.

Notwithstanding this controversy, the disagreement was not with the fact that there should—and could—be "generalizations." It was with the implication that the generalizations derived from a limited concept of marketing were the whole of marketing. New concepts of marketing were providing new basic concepts, new relationships, and new generalizations.

At the time this article was written in the early 1940's, this storm concerning "principles" had not broken. Consequently, there was confidence that with the generalizations then being stated, the study of marketing was attaining maturity. It was, so far as that concept of marketing was concerned. Moreover, the validity of those principles has not changed. Whatever broader concept of marketing may be held, whatever broader integrating theory may be stated, the concept of marketing which provided the "principles" of the 1940's remains an integral and essential part of marketing thought.

A criterion of the maturity of logical analysis is the extent to which principles of a subject are developed and stated. Measured by this standard, the study of marketing can be said to have made substantial progress, because during the past thirty years not only have many facts about marketing been collected, but many truths concerning it have been soundly generalized. Nevertheless, the relative absence of principles identified as such, suggests that something is yet to be desired in the statement of marketing theory.

It may be said at the outset that the existence of marketing principles has been widely resented, for a long-standing objective of students of marketing has been to derive and to state them. Some writers have named their books Principles of Marketing,
and others have set apart certain generalizations which they termed "principles."

Notwithstanding this long-expressed interest, there exists today neither a clearly identified body of marketing principles nor general agreement as to what a principle is. The absence of such a body of principles suggests one of two conclusions: either that the facts of the subject have not been sufficiently ascertained, or that the significance of methodological and theoretical problems is not fully appreciated. However, sufficient data describing the marketing process have been collected to suggest that the absence of principles is not due to ignorance of the subject. Their apparent absence must be attributable to another cause.

THE DEFINITION OF "PRINCIPLE"

One factor contributing to this lack of stated principles is the wide variety of meanings given the term, among which are the following: rule of action, general truth, fundamental assumption, and comprehensive or governing law.

It is generally agreed that (a principle is an element of science falling between specific observation and theory.) Observation and experience are the prerequisites to thought which organizes itself as theory. Individual experiences repeated in one's own existence are habitual rules of action; repeated in the actions of others, they form behavior patterns, which are, more or less, summaries of individual experiences. Observed facts, consciously entertained, constitute the main postulate, elementary proposition, or fundamental assumption of deductive analysis.

Upon these premises are built theory and science. The statement of the relationships existing between seemingly causal and effectual phenomena, constitutes a law, theory, or principle. A body of such principles is a doctrine. Science is accumulated knowledge considered as a distinct field of study, and systematized with reference to the discovery of general laws.

In contrast to all of them, art is knowledge applied and made efficient by skill.

Because these terms have been employed interchangeably so that their exact meanings have been obscured, it is well to remember that a principle is a statement of causal relationship between two or more phenomena.

PRINCIPLES IN ECONOMIC AND MARKETING LITERATURE

In both economic and marketing writings, a principle has properly been regarded as a statement of relationship between causes and effects. In theoretical economic writings, however, the attempt to demonstrate such relationships has resulted in lengthy explanations. The sets of relationships existing, for example, between various scales of operation and resultant costs of production cannot be set down in few words. The principles of valuation, specialization, exchange, et cetera, are also explained at length, but there rarely grows out of those explanations a concise statement which would serve as a basis for predicting the results likely to follow from given causal conditions. Nevertheless, although principles may not be explicitly formulated, they seem to be implicitly present in the discussions.

In marketing literature, on the other hand, the concept of principles has not been associated with such lengthy theoretical discourses. The subject has been neither so broadly generalized nor so penetratingly reduced to fundamental assumptions as theoretical economics. It has been more descriptive and practical, and, as a result, the principles derived have been of a simpler nature. For example, in studies of relationships existing between markets and the distributive means of reaching them, principles have tended to represent rules of action more than comprehensive and governing laws. As a matter of fact, the simpler type of principle, such as rules for choosing a particular channel under given circumstances, has been emphasized almost to the neglect of the broader factors governing channel choice in general.

That one or the other type of principle is necessarily the more suitable for either marketing or economics cannot be said. Each has its merits. And each field of study may benefit by employing to a greater extent the methodology characterizing the other.

There are a number of reasons for the failure to develop principles of the broader sort for the field of marketing. First, marketing was regarded more or less as an activity of institutions comparable to mechanisms performing a function. That type of study was thought most important which yielded improvements in operating techniques and developed rules of action. Second, the
need for improved rules of action required the elaborate description of the marketing process. Consequently, emphasis was placed upon description, and such description did not at times exceed the bounds of summarization of the individual cases observed—it did not attain the status of generalization. Third, marketing writers have not always been conscious of the assumptions underlying their logic. They were, on the whole, generally concerned more with the practical than with the theoretical aspects of the subject.

In defense of the study of marketing, it may be said that inasmuch as the field is one commonly regarded as “applied economics,” rules of action rather than generalized principles may be expected. Furthermore, it is perhaps fair to judge the study of marketing not by the maturity it has attained, but by the direction of its inclination. The youth of the study of marketing may preclude generalization, and, as in other more developed sciences, the broader principles may be derived only at a later stage. The character of the principles already stated may be peculiar to that elementary stage of a science in which facts are sought, concepts defined, and classifications delimited; in which the existence of law explaining relationships, effect, and change is assumed; and in which generalizations are made tentative pending fuller understanding. This stage precedes one in which more philosophical issues are taken up, and in which methodology, ideology, and relationships of various disciplines are investigated. The study of marketing may be ripe at present for scholars who will synthesize it and formulate the more general principles.

PRINCIPLES IN MARKETING LITERATURE

Perhaps the most convincing evidence of the type of principles thus far presented is found in the principles themselves. Below are listed some which have been found in a variety of marketing writings, and which are intended to be a sample rather than a comprehensive list of principles. Some have been taken verbatim from the writings; others have not been accredited to particular writers because the generalizations are so common in marketing thought that it would be unjust to attribute a statement of them to any one person. The categories into which they have been grouped are also merely suggestive rather than conclusive and final.

1. Operational Principles—those which pertain to business conduct, and which are accepted as laws or rules to be employed in the operation of a marketing institution.

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 the goods in question.

Good lighting is a requisite of successful merchandising, because it creates a pleasing atmosphere for trading, facilitates inspection of merchandise, enhances its appearance, and gives an impression of modernity and prosperity.¹

The convenience of all concerned is the foremost consideration in store layout.²

For private brands to be successful, the demand for them must be consistent and steady.

The initial stock for a new store should consist approximately of the proportions of stocks in going stores. Subsequent stocking should reflect demand and supply peculiarities of the locality.

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.

In selling, greet customers promptly; remember names and facts; study your customer; know your goods; make things plain, tell the truth; do not argue, etc.³

Every book on merchandising principles and practice will be found to abound in generalizations of this type. It has been the most common and abundant type of marketing principle presented.

2. Principles Involving Institutional Relationships—those pertaining to the combination of institutions into marketing channels and to the competitive relations of the establishments.

² Ibid., p. 75.
³ Ibid., pp. 280–281.
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.

3. Principles Relating to the Marketing Task—those which are drawn from the relationship of marketing to more general social and economic phenomena.

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.

4. Marketing Principles

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

A simple economic organization is most conducive to direct selling. 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 of the marketing facilities.

As peoples 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.

4. Hypothetical Principles—those which, breaking away from observational and statistical bases, project generalizations into hypothetical situations from assumed bases.

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 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 which 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.\textsuperscript{11}

The seller under conditions of pure competition, will expand his output until his marginal cost is equal to his marginal revenue.\textsuperscript{12}

5. **Truisms**—those 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 matter-of-fact.

   Every middleman exists because of a demand for his service.
   \textsuperscript{13}
   The growth of any marketing structure is evolutionary, not revolutionary.
   \textsuperscript{14}
   The costs of direct selling increase with the addition of functions to be performed.
   \textsuperscript{15}
   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 which makes it of commercial importance, middlemen or buyers appear in the local market.\textsuperscript{16}

In addition to falling into these classifications, the principles may also be identified as of long-run or short-run significance, of broad or narrow application, of inductive or deductive origin, and so forth. The number of such principles which may be stated and classified is limitless, both because innumerable ideas may be expressed concerning marketing and also because principles may be stated in different ways. The examples presented here merely begin the list of principles with which we are perhaps familiar, but many of which are not identified as principles. These examples do, however, present some of the sound generalizations reached, and indicate a few of the problems which are involved in deriving them.

**PRINCIPLES MORE THEORETICAL**

If principles of marketing were developed in the manner of those found in economic writings, relationships would be drawn in a more general fashion, and the principles would be left more or less implicit in the theoretical discussion. Ideally, a study of principles would combine both broad investigation of related factors and concise statement of the more profound relationships.

If marketing principles were approached from this broader viewpoint, some of them may be developed as follows:

1. **Principle of Markets.** Whether or not there is a market for anything depends upon the existence of demand and supply. A market, however, is seldom an automatic, perfectly equilibrated transaction. On the contrary, numerous efforts are made to make commodities conform to expected demand, and demand is molded to make available commodities acceptable to it. The relationships of factors involved in the establishment or identification of the elements of exchange could be expressed as a wide variety of principles.

2. **Principle of Marketing Functions.** It is claimed that the functions of marketing are inherent in the marketing task, but disagreement among writers as to what the marketing functions are leaves no one to believe that there is only one list of such functions. Much needs yet to be written on the relationships between the marketing task under different circumstances and the functions involved.

3. **Principle of Institutions.** Existing marketing institutions have come to be logically and popularly classified by types. The history of each is known. The relations between historical, economic, social, geographic, and other conditions and these institutions, however, have not been fully studied. It is known that with economic and social trends, changes have occurred in the structure of marketing institutions. A statement of principles involved in the development of institutional types would not only illuminate the understanding of the system, but would also be useful in shaping the progress of individual institutions faced with changing conditions.

4. **Principle of Distributive Channels.** The passage of various commodities through their channels has been traced, and the merits of different combinations of institutions as channels have been discussed at length. Nevertheless, there is still needed an organized presentation of the conditions and policies which result in the establishment of the diverse distributive channels.

5. **Principle of Operating Costs.** The economic principle of

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\textsuperscript{13} Maynard, Weidler, and Beckman, *op. cit.*, p. 293.

\textsuperscript{14} Ibid., p. 290.
overhead costs has some special applications in the field of distribution, because the factors of production are combined in ways unexplained in traditional economic treatises. Although statistics present inconclusive evidence of trends and tendencies in distribution costs, the character of those costs is represented, and numerous relationships of costs and circumstances are discernible. Relationships between distribution costs and policies of market selectivity may also be more generally stated.

If it is believed that the principles suggested above have already been derived in the existing writings, it should be recalled that on the whole the treatment of the principles involved has been narrow compared to the scope which is possible. Both the names and the content suggested for principles of the more general type are offered in the hope that they may stimulate further consideration of the subject.

CONCLUSION

The relative lack of stated principles points to a critical but hopeful condition in the study of marketing. On the one hand, it suggests that the deeper implications have not been drawn from the acknowledged facts; on the other hand, it offers one of the most fertile fields for marketing research.

As a knowledge of marketing principles is indispensable for the practice of marketing, so it is vital to the proper teaching of the subject. Courses may profitably be built around the study of principles, taking the principles either as a point of departure from which logic and illustration proceed, or as a destination toward which an investigation is directed. Being broad generalizations demanding interpretation, they form useful bases upon which students may be questioned and their perception and logic tested.

A knowledge of principles and of the place which they occupy at present in marketing literature serves also as a basis for evaluating additions to the available writings on marketing. Some books are primarily descriptive, others merely logical or interpretive, still others theoretical. Each has its advantages, and the character of each can be judged by its content of principles.

Finally, familiarity with principles serves as a basis upon which marketing doctrines or the science of marketing may be developed. The formulation of individual principles standing alone represents but one stage in marketing analysis. Another stage, and a significant one, includes the combination of principles in a manner by which a theory of marketing is formed. It is evident, therefore, that while the derivation of principles is of value in itself, its greater value lies in the promise of the broader study of marketing which it holds forth.
Influences on the Development of Marketing Thought, 1900–1923*

Two courses in economic research, which he conducted at Northwestern University in the 1930's, Professor Horace Secrist summarized as follows: "In economic research, what you get depends upon what you do," and "What you do depends upon who you are." He meant that one’s findings are dependent upon his data and the technology he applies to them, and that one’s selection of problems and of the means of researching them depends upon him—upon his frame of reference, which in turn is a product of his education, intelligence, predilections, disposition, and other subjective factors. This point of view emphasized the importance of personal factors in scholarly research.

Heard at a time when this author sought a concept for analyzing the developing marketing thought, this observation opened new vistas. It provided this hypothesis: that complementing external, environmental influences on research and thought development are personal, subjective factors also affecting the character and color of contributions to a discipline. In an extreme degree, personal factors may constitute bias. At best, they give character and direction to an evolving discipline.

Applied to marketing thought, this concept led to consideration of what in the backgrounds of early students of marketing led them to think and write as they did about the subject. Whereas marketing thought had been regarded as the product of deliberate, objective, scientific effort, this article portrayed it as a product of the whole marketing scholar, a reflection of the total personality of the man. When the article was first submitted to the Journal of Marketing in 1949, the editor rejected it on the ground that marketing thought had not yet developed to a point where such an appraisal could be made of it. If it could, he added, it should be done by an older person! After another year, further revision of the article, and some conversation with the editor, it was accepted and published.


As the study of marketing approaches the half-century mark, it is both interesting and profitable to review its development and to observe some of the early influences which helped to shape its course.

Such influences were varied and were both objective and subjective in nature. Evidence of the more objective factors is found in the fact that the form and content of marketing thought have usually reflected the nature of the predominant marketing problems. They have mirrored also the growing need for a body of instructional material for academic use. Subjective factors were equally influential in the development of marketing thought, for in many instances the attention of early students was drawn to marketing mainly because of characteristics of their own make-up.

Between 1902 and 1905, four men, simultaneously and independently in different parts of the country, so crystallized their knowledge of marketing that they began to teach it. Not only was the environment ripe for investigation owing to the increasing concern of businessmen with distributive activities, but also men had by then begun to see the potential benefits of a research approach to the solution of marketing problems. Subsequently, as scientifically trained minds sifted the known and discoverable facts about marketing, writers produced a literature useful for both business and educational purposes. Thus, there developed during the years prior to the early 1920's a substantial and rather
uniform body of marketing thought. From that starting point have evolved broader and more specialized studies of marketing.

This paper is concerned with those subjective influences which inspired the first students of marketing. A study of the initial group of student writers, active before the middle 1920's, reveals some of the basic influences which have promoted and shaped contemporary marketing thought.

TYPES OF SUBJECTIVE INFLUENCES

The initial interest of pioneering students in the subject of marketing was generally the result of three types of influences: youthful experiences, academic stimulus, and occupational demands. Youthful experiences planted, and academic stimulus cultivated, seeds of interest in marketing activity; occupational demands shaped the growing thought until it yielded a harvest of writings.

Youthful Experiences

Youthful experiences most often included contacts with marketing made through family and friends and through part-time and after-school clerking and selling in retail stores. By such means many youths were made aware of problems of marketing and were attracted to marketing as an interesting field of economic activity.

Youthful experiences did not produce immediate marketing thought, but they did have a remote influence upon it. They furnished food for thought and also helped to shape the frames of reference through which individuals later viewed marketing activity. Thus, they not only stimulated interest in marketing but also they molded to some extent the forms in which inquiry would take shape.

Academic Stimulus

The second influence upon the development of marketing thought and literature was academic in nature, stimulated not by first-hand marketing experiences of students but by their contacts with teachers and textbooks. Youthful experiences, involving mainly physical perceptions rather than intellectual conceptions, tended to raise questions rather than answer them. It was necessary, therefore, that the casual observer become a student before a science of marketing could be born.

Teachers constituted one important source of such influence; books, another. At first, the influential teachers were those in the fields of economics, sociology, psychology, and the like; marketing teachers later constituted a more direct and stronger influence. Through books, too, some students discovered their interest in marketing. Such influences sometimes brought sudden illumination. In other cases they worked more slowly, first providing information, next arousing interest and intellectual curiosity, and finally stimulating original marketing research.

Occupational Demands

Professional necessities constituted the third, and possibly the most important, influence upon the development of marketing thought. They usually provided the occasion for research and for the expression of the thought which was developed.

In order to learn the facts of their subject, early teachers of marketing had to trace the course of products to the market, observe the operation of marketing institutions, and analyze the costs incurred by middlemen. They explained and interpreted marketing phenomena, created concepts, coined phrases, and defined terms. They wrote textbooks and articles to provide material for their students. They talked to civic and business groups, engaged in professional consultation, and pooled their information for mutual benefit. Such demands on them had direct bearing upon the development of marketing thought and literature.

INFLUENCES UPON EARLIEST TEACHERS OF MARKETING

Four of the earliest contributors to marketing thought were Edward D. Jones, Simon Litman, George M. Fisk, and James E. Hagerty, who, between the years of 1902 and 1905, offered marketing courses in Michigan, California, Illinois, and Ohio,
respectively. Their interest in marketing grew mainly out of their occupational environment.

Edward D. Jones. Jones was a product of the University of Wisconsin, where he taught from 1895 until 1902 and where he undoubtedly came into contact with the prominent liberal economists of that campus. He went to the University of Michigan in 1902, at a time when Henry C. Adams, head of the economics department at Ann Arbor, was extending the field to “more practical activities of men.” Both Adams and Fred M. Taylor encouraged him to give a course entitled “The Distributive Regulative Industries of the U.S.,” described in the University Bulletin of 1902 as follows: “This course will include a description of the various methods of marketing goods, of classification, grades, 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.” This was presumably the first marketing course taught in this country. Jones very soon devoted himself entirely to the field of management, and neither Ralph Starr Butler nor Hugh E. Agnew, both of whom were at Michigan when he introduced his course, had direct contact with him. Nor did any other subsequent marketing writers, so far as is known.

Simon Litman. Litman studied at the School of Political Science, Paris, and also in Munich and Zurich before going to Berkeley. At the suggestion of Adolph C. Miller, chairman of the newly organized department of economics, he offered at the University of California, beginning in January 1903, a marketing course described in the Bulletin of 1902–1903 as follows: “Technique of Trade and Commerce: A study of the organization and institutions of commerce; commercial forms and practices.” Faced with the problem of developing content for such a course, Litman interviewed San Francisco merchants and studied outlines of related material in two German books written by Cohn and Grunzel. With these aids he organized the course which he presented there from 1902 until 1908 and which he developed thereafter at the University of Illinois, where he replaced George M. Fisk. Litman continued to teach marketing at Illinois until 1921, when the work was taken over by Behrens and, two years later, by Paul D. Converse. His writings were in the field of international trade. He retired in 1946.

George M. Fisk. In 1903, Fisk introduced marketing instruction at the University of Illinois, where he taught five years. Shortly after he left Illinois for another school, his career was terminated by an untimely death. He, too, wrote in the field of foreign commerce, his main contribution being entitled International Commerce Policies.

James E. Hagerty. The first marketing course at The Ohio State University was offered by Hagerty in 1905. Originally entitled “The Distribution of Products,” it was renamed in the following year “The Distributive and Regulative Industries.” Hagerty’s interest in marketing evidently was first felt about 1900 when, as a graduate student of sociology at the University of Pennsylvania, he undertook for his dissertation a study of mer-

FIGURE 8-1
Lines of Personal Influence in the Development of Marketing Thought
cantile institutions. He, too, had studied at the University of Wisconsin, as well as elsewhere at home and abroad, but his early investigation of marketing occurred in Philadelphia. By questionnaire and interview, he interrogated merchants concerning their practices, and familiarized himself with the scant writings on the subject then appearing. They consisted mainly of articles in trade journals, filed at The Philadelphia Commerical Museum. After 1901, when he went to Columbus, his thinking was shaped also by such books as Credits and Collections, edited by T. J. Zimmermann (1902); The History of the Standard Oil Company, by Ida M. Tarbell (1904); and reports of the Bureau of Corporations and of the Industrial Commission, Volume VI of which he used as a text for the marketing course which he introduced in the spring of 1905. Hagerty continued to develop the subject of marketing for many years and retained an interest in it until his retirement in 1940.

CENTERS OF INFLUENCE UPON MARKETING THOUGHT

Although the first marketing courses were offered at the four above-mentioned schools, the principal contributions to early marketing thought were made elsewhere. The eminent marketing writers of the first two decades of this century were not the product of instruction by those teachers, nor did the more marketing-minded students become connected with those institutions. Interest in marketing germinated not so much in specific courses in that subject as in progressive study of economics. Consequently, individuals receptive to a career in the study of marketing found a natural attraction to universities renowned for their advanced economic thought, and the majority of the earliest marketing writers were sooner or later associated with such schools. Foremost among such institutions were the University of Wisconsin and Harvard University.

The Wisconsin Group

At the turn of the century the University of Wisconsin was a seat of progressive and liberal economic thinking, for on her campus were W. A. Scott, John R. Commons, Richard T. Ely, and H. C. Taylor. It was natural, therefore, that Wisconsin should play a leading role in the evolution of marketing thought. To her campus were attracted such pioneer students of marketing as Jones, Hagerty, Hibbard, Macklin, Nystrom, Butler, Converse, Comish, and Vaughan. Since the residence of some of these men at Madison overlapped, they were a stimulating influence upon one another.

Benjamin H. Hibbard. The impulse to study marketing came to Hibbard gradually, almost accidentally, growing for the most part out of conditions of his work. While living in northern Iowa, he had noticed for years that farmers sold their produce at a very low figure, whereas the same products were resold later at a much augmented price. In 1902, therefore, when he began teaching at Iowa State College in a small department of agricultural economics which aspired to do some research work but which had no funds for such activity, he undertook a modest study of grain marketing, the novelty of which gained for him attention out of proportion to his findings.

A few years later, in 1913, Hibbard was invited to the University of Wisconsin to take charge of marketing studies and research. There he gave what was probably the first organized course in cooperative marketing of agricultural products, and he wrote a number of bulletins, particularly on the subject of marketing dairy products. In 1921, he published the book Marketing Agricultural Products, for which he is perhaps best known as a marketing writer.

Theodore Macklin. During the latter years of Hibbard’s teaching at Iowa State College, Macklin, a student there, became interested in marketing. Immediately following his graduation in 1911, and while serving as a lecturer at the college, he assisted P. C. Holden, Director of Extension, in work which took him on observation trips throughout the state. Like Hibbard, Macklin was strongly impressed with the fact that while farmers did a fine job of producing, they did not perform the marketing task with equal effectiveness. His conviction that he should learn more about marketing led him in 1913 to the University of Wisconsin, where he studied the subject and received his Ph.D. in 1917. Macklin’s selection of Wisconsin may have been influenced by Hibbard’s transfer there in the same year.
Nystrom interrupted his academic career with several years in business practice. From 1921–1927, he was director of the Retail Research Association and the Associated Merchandising Corporation. His writings were likewise interrupted, and not until after his return to teaching did he, in 1928, publish *The Economics of Fashion*. The contents of this book were drawn in large measure from his practical experience. Upon returning to teaching, he offered a course in the economics of consumption, and that too found ultimate expression in *The Economics of Consumption*, published in 1929.

*Ralph Starr Butler.* Butler joined the staff of the University of Wisconsin in 1910 as an Assistant Professor of Business Administration, with responsibility for developing correspondence study courses in business for the University Extension Division. He went there fresh from a stimulating experience in Cincinnati as assistant to the Eastern Sales Manager of the Procter & Gamble Company, his first work in the field of marketing. He had been impressed with the fact 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 through salesmen or advertising. This recollection was vividly with him when he went to Wisconsin with responsibility for preparing the correspondence course.

When Butler arrived at Wisconsin, the curriculum included mostly courses which dealt with such specific business activities as bookkeeping, retail salesmanship, advertising, commercial law, courses which had prior to that time also been taught in other schools and colleges. Upon surveying the meager literature of business then available, he was astonished to find that none of it dealt with the broader considerations which lie behind the final expression of the sales idea. Since the subject had never been treated by any writer, he decided to prepare a correspondence course covering those marketing functions a manufacturer must perform before making actual use of salesmen and advertising.

After experiencing considerable difficulty in finding a name for this field of business activity, Butler finally decided upon “Marketing Methods.” A course consisting of six printed pamphlets was published under that title by the University in the fall of 1910. The following year, Butler revised the same material for publica-
tion by the Alexander Hamilton Institute under the title Selling and Buying, as part of the 14th Volume of its first series of textbooks. The title was changed to Marketing after a year or two, with further revision of the material. The only such book on the subject, it was widely used in schools and colleges for several years.

In 1911 also, Butler expanded the material and offered his course to resident students of commerce at the University. Although courses of similar content were then offered elsewhere, it is possible that Butler's was the first to use the title of "Marketing," even as his text was the first to appear with that term in the title. He later wrote some articles on marketing subjects, but his major contributions to the field have perhaps been made in his practice of marketing, during his many years as a distinguished business executive.

Newel H. Comish and Floyd L. Vaughan. Newel H. Comish was another marketing writer who also came under the Wisconsin influence. He took his Master's degree at Madison in 1915 and his Ph.D. in 1929. His work brought him into contact with Hibbard and Macklin, both of whom contributed to his training in the field. Very likely the influences of that environment, as well as of his own direct farm experience induced Comish later to write The Cooperative Marketing of Agricultural Products, published in 1929.

Floyd L. Vaughan was another early student of marketing at the University of Wisconsin, where he received his Ph.D. in 1923. Before that time he had had considerable teaching experience and had worked with the Federal Trade Commission. In 1920, with W. H. S. Stevens, he wrote on country grain marketing for The Grain Trade, Vol. 1. Following his work at Wisconsin, he published Marketing and Advertising in 1928.

Contribution of the Wisconsin Group

Thus, the men who studied, taught, and wrote of marketing at the University of Wisconsin were responsible for taking several of the initial steps in the establishment of marketing science. Attracted from different sections of the country and from both academic and practical pursuits, nurtured by the progressive atmosphere of the campus to which they gravitated, and mutually stimulated by their associations with one another, they are credited with several innovations. They crystallized the conception of this field of activity as marketing and were perhaps the first to use this term in the title of a course or book on the subject. They are credited with offering the first course in cooperative marketing of agricultural products, with spreading the knowledge of marketing through university extension correspondence and resident courses, and with the promotion of research in institutional as well as agricultural marketing. From that university, therefore, emanated during the early years of the century a strong influence upon the development of marketing thought and literature.

The Harvard Group

Another center of influence in the development of early marketing thought was at Cambridge, with Harvard University's Graduate School of Business Administration and its Department of Economics. The marketing contribution there has been distinguished and unique. In addition to producing much of its own marketing talent, Harvard has played a generous part in the intellectual development of other students whose residence there has been only temporary. Among the earlier contributors to marketing thought and literature who have either taught or studied at Harvard are the following: Cherington, Shaw, Copeland, Tosdal, Weidler, Maynard, McNair, Borden, and Vaile.

Paul T. Cherington. An example of the nature and importance of personal influence is found in the case of Cherington, whose interest in marketing was stimulated in part by his association with James E. Hageroy. The contact was made at the University of Pennsylvania, where Cherington was a student and Hageroy, while teaching, was assembling the material on marketing channels and institutions which constituted his Ph.D. dissertation in sociology. Cherington probably had commercial interests prior to his meeting with Hageroy, but it is understood that he acknowledged that personal contact and influence to be instrumental in molding his thought and interest in marketing.

Cherington received his B.S. in 1902 and, while carrying on
graduate studies for which he received his A.M. in 1908, served also as Editor of Publications of The Philadelphia Commercial Museum. Upon leaving Philadelphia in that year, he went to Harvard University, where he taught marketing through 1935. For a number of years after that he devoted his efforts entirely to professional marketing research. As an early marketing writer, he is best known for Advertising as a Business Force, published in 1912, and for The Elements of Marketing, published in 1920.

A. W. Shaw. Shaw contributed to and partook of the Harvard influence when, about 1910, he went to Cambridge to help reorganize the new Graduate School of Business Administration. While there, he also lectured on business policy. He wrote “Some Problems in Market Distribution” for the Quarterly Journal of Economics in 1912, the year of publication of the advertising book by Cherington, with whom he had close contact. His book, An Approach to Business Problems, was published in 1916.

Shaw’s interest in marketing evidently developed after he had made notable contributions to general business practice. From the early 1900’s, while in business with L. D. Walker, manufacturing office equipment, he widely observed business procedures as a means of devising improved systems and methods. Everywhere the uniformity of business needs and functions impressed him more forcibly than the diversity of circumstances in which the basic practices were found. He devoted himself, therefore, particularly through his magazine, called System, to advancing the interchange of ideas among businessmen, who, he felt, were retarding business progress by the narrow isolation of their individual interests and experiences. This effort to emphasize the order and uniformity of business also colored his later writings on marketing.

When he was at Harvard, other factors contributed to his thinking, which resulted in the above-mentioned article entitled “Some Problems in Market Distribution.” Having become more conscious of marketing activity, he was aware of the need for a name to identify the distributive activity, as Butler also had been. A German professor had made him aware of the fact that a science must have a concept. While seeking the concept for the unformulated and undescribed activity in which he was interested, his thinking was further influenced by an awareness of the constant change which pervades all things, an idea which he gained from a lecture on the religion of pure experience. Thus, he began to conceive marketing as the process of “matter in motion” and to discern therein the uniformity and order which he had found in other business practice.

At that same time he was influenced also by Dean Gay, whose lectures emphasizing the merchant in the economic history of England challenged Shaw to trace the activity of trade and its functions. At Gay’s suggestion, Shaw later lectured to the former’s class on what he had found out about the functions of the British merchant. The substance of the lecture became the content of the article published in the Quarterly Journal of Economics.

Melvin T. Copeland. The weight of personal influence is clearly evident in the marketing career of Copeland, both as regards the factors which led him to become a specialist in knowledge of the cotton industry and those which stimulated his contribution to marketing literature in the form of a problems book.

His interest in the cotton industry was an outgrowth of a study made in 1906 as a graduate student in economics under the direction of Professor F. W. Taussig. The usual library research and field investigation familiarized him with the industry and its marketing activities. During the next six years, he taught economic history and economic resources of Europe at Harvard, spent a year abroad as a Traveling Fellow giving particular attention to cotton manufacturing, and returned to teach for two years at New York University. In 1912, the year of publication of his Cotton Manufacturing Industry of The United States, he returned to Harvard to the Graduate School of Business Administration with a specific assignment to start a course known as “Commercial Organization.” Two years later the name of the course was changed to “Marketing.”

Upon his return to Cambridge, his development was further influenced by his contact with Dean Gay, who, according to Copeland, had brought to the Graduate School the idea of teaching by “cases” and who required that instruction, insofar as possible, should be by discussion of problems rather than by lecturing. Copeland started to teach by this method in 1912. The following summer, as field agent of the newly established Bureau of Business Research, he gathered figures on the cost of
doing business in retail shoe stores. The next year he was put in charge of a similar study of the retail grocery trade. In 1916 he was appointed Director of the Bureau of Business Research, in charge of the studies of operating expenses in various retail and wholesale trades. Thus, throughout the early years of his teaching career, Copeland was not only indoctrinated with the method of teaching from problems, but also by his experience prepared himself for the development and presentation of courses in that manner.

In 1919, when Wallace B. Donham became Dean of the Graduate School of Business Administration and when Copeland returned to teaching from his wartime service, one of Donham's first requests was that he undertake the preparation of a problems book. This resulted in the publication of the first edition of Copeland's *Problems in Marketing*, published in 1920. In that same year, again at Donham's request, the Bureau of Business Research undertook to organize a collection of problems for other courses. Copeland's continued research and contacts with business led ultimately to the publication in 1924 of his *Principles of Merchandising*.

*Harry R. Tosdal.* Tosdal, like a number of other marketing writers, entered the field by way of the department of economics. Upon completion of his doctorate in 1915 at Harvard University, he taught economics at Massachusetts Institute of Technology (1915–1916), at Boston University (1916–1920), and at Harvard, as a lecturer on economics, from 1918–1920. In 1920, he became affiliated with the Graduate School of Business Administration on a full-time basis as an Associate Professor of Marketing and Director of Student Research. The following year, he published *Problems in Sales Management*.

*Malcolm P. McNair.* McNair was one of the men whose training and experience were both gained at Harvard. He received two degrees there and has taught there since 1917. For the first three years, however, he instructed in government and English. In 1920, like Tosdal, he began to teach marketing. Five years later he published *Retail Method of Inventory* and, in 1926, *Problems in Retailing*.

*Neil H. Borden.* The thinking of Borden concerning marketing as well as the character of some of his contributions to the field have been in some measure the product of his associations as a student and member of the staff at the Harvard Graduate School of Business Administration. Going there from the University of Colorado, where in 1919 he received his A.B. degree, he was exposed to the case method of teaching which Copeland and others had been developing for several years. Thus, not only the substance of his marketing thought but his convictions as to the method by which the subject should be taught were firmly molded by the guiding influence of his associates.

Following the completion of his M.B.A. work in 1922, he served as a case collector in the Harvard Bureau of Business Research. The following year he taught marketing under Professor Copeland, from the latter's newly published *Problems in Marketing*. He also assisted Daniel Starch in the latter's advertising course. Starch's interest in advertising came from his training as a psychologist, and, although he made some use of problems, his teaching method differed from that being developed at Harvard. When Starch left the school, Borden was put in charge of the advertising course and immediately put it on a problems basis. Out of that effort came his original edition of *Problems in Advertising*, published in 1927.

**Contribution of the Harvard Group**

In contrast to the University of Wisconsin, which early marketing writers left after their student days to teach elsewhere, the Harvard Graduate School retained on its teaching staff a large proportion of the early writers who studied there. Members of the Harvard staff were participants in the early development of principles of marketing, but their principal contribution throughout the years has been the compilation of marketing problems, both general and specialized.

**The Middle Western Group**

Notwithstanding the fact that the earliest marketing courses were offered mainly in the Middle West, the universities of that area, with the exception of Wisconsin, did not make major contributions to marketing thought and literature during the early years. That seeming paradox may have resulted not from the character of the marketing taught but from the nature of the
offerings in economics. While these institutions had some notable economists on their faculties, none of them had such an aggregation of prominent economists as there were at Wisconsin and Harvard. Nevertheless, as interest in marketing grew, valuable contributions to the growing body of marketing thought were made by men working and teaching in Minnesota, Michigan, Illinois, and Ohio. Among the men of that group were Weld, Clark, Ivey, C. S. Duncan, Converse, Weidler, Maynard, and Beckman.

L. D. H. Weld. Weld was another early writer whose interest in marketing grew out of the demands of his working environment. Going to the University of Minnesota in 1912, he spent one year in the Economics Department before moving to the College of Agriculture, which was eager to develop knowledge of how Minnesota products were marketed. Farmers were particularly interested in the practice of cooperative marketing. Accordingly, Weld spent much of his time in finding out what became of products after they left the farms. He also taught one course in agricultural marketing. It is possible that the word "marketing" in the title was the first such use of the term in connection with a course on the marketing of farm products, notwithstanding the fact that Taylor and Hibbard were simultaneously covering similar ground in their course in farm management at Wisconsin.

Since there was practically no literature on the subject when Weld began to teach marketing in the fall of 1913, he had to develop his knowledge of it largely by his own resourcefulness. He studied at first hand the movement of grain through the Minneapolis Chamber of Commerce, and the use of future trading. His findings were reported to the Bureau of Markets of the U.S. Department of Agriculture, but were not published, reputedly because they put future trading and its economic functions in too favorable a light. Furthermore, he was called before a Minnesota legislative investigating committee, which tried to prove that he had been instructed by the trustees of the University to teach his dangerous doctrines about the efficiency of grain marketing through the Minneapolis Chamber of Commerce and about the beneficial functions of future trading.

In gathering information on marketing processes, Weld actually accompanied shipments of butter and eggs to the market in order to trace their course through the wholesalers, jobbers, and retailers in New York, Chicago, and other cities. He also studied pricing methods, commodity exchanges, auction markets, and the cooperative shipping associations of Minnesota.

The results of his investigations were twofold. First, he increased his knowledge of marketing for teaching purposes; second, he developed in his own mind some fundamental principles about marketing. After two years of this activity, he finished writing in 1915 The Marketing of Farm Products, which was published the following year, after Weld had gone to Yale. He remained at the Sheffield Scientific School for two more years that he continued in the teaching profession. During his tenure there he continued in marketing research, with his interests mainly in the field of manufactured goods.

Another significant event of those years was perhaps the first associative effort among men interested in teaching marketing. In 1914, Weld had an opportunity to read before the American Economic Association a paper on "Market Distribution," thus making the first scientific presentation of the subject of marketing before that group. Four years later, at a meeting of the same Association in Richmond, Weld assembled five or six men who were interested in marketing for a discussion of their work. That small group, meeting annually and growing fairly rapidly, was the nucleus out of which later developed the National Association of Teachers of Marketing.

Fred E. Clark. A variety of factors contributed to the interest which Clark found in marketing. As a young man he sold house-to-house such commodities as Rand McNally Atlases, Wearever Aluminum Ware, and ironing boards. His first intellectual contact with marketing, however, was made during his graduate study, and the major influences upon his writing occurred after he had begun to teach.

Reared on a farm and schooled at Albion College, Clark went for graduate training in economics to the University of Illinois, where he was influenced by David Kinley, head of the Department of Economics and of the School of Commerce, to the end that his interests in practical economics and private business were enlarged. For his Master's thesis he chose a marketing subject, "The Cooperative Grain Elevator Movement in Illinois." Like all early students of marketing, he was much influenced by
the works of such pioneers as Weld, Nystrom, Butler, Shaw, and Samuel E. Sparling of the University of Wisconsin.

From 1914 to 1919, following his academic training, Clark had a succession of one-year teaching appointments, the demands of which evidently caused him to shift his major interest from economics to marketing. By 1918 he had prepared in mimeographed form the first draft of his text, Principles of Marketing, which was used that year at the University of Michigan, where he was teaching. Henry C. Adams, head of the Economics Department there, gave him strong encouragement to write, as did Dean Heilman at Northwestern University, to which Clark moved in 1919. The book finally was published in 1922, after the first draft had been used as a text at Michigan, Minnesota, and Northwestern.

Paul W. Ivey. Ivey’s professional path closely paralleled that of Clark. Having taken his A.B. at Lawrence College, he did his Master’s work concurrently with Clark at the University of Illinois. Each earned his degree there in 1913. Ivey, too, had a succession of teaching assignments which took him consecutively to Dakota Wesleyan, to the Universities of Michigan, Iowa, and Nebraska, and, in 1923, to Northwestern University, where by that time Clark had been for four years. After some years, he went to teach at the University of Southern California.

During his years of teaching, Ivey, like Clark, was evidently distilling from his experiences and business contacts the essence which he presented in his book, Principles of Marketing, published in 1921. The influences of his subsequent years evoked from him a series of publications specially related to the field of retail salesmanship.

Paul D. Converse. The marketing interests and viewpoint of Converse were shaped significantly during his youth and college years by intellectual influences both parental and academic, which gave him a social consciousness as well as a high regard for practicality. In his father, a well-educated Presbyterian minister with interests in social reform, Converse saw, sometimes by contrast, the importance of practical applicability of theory. From his economics teachers, trained at Wisconsin, he gained a healthy respect for private property, profit, and individual initiative. From experience as an examiner for the Federal Trade Commission, he gained convictions of the soundness of “progressive” liberalism, the partiality of pressure groups, and the basic soundness of individual self-interests in the private enterprise system.

His first course in marketing was taken during a brief enrollment at the University of Wisconsin in 1915, where he studied under Ralph Starr Butler the material which appeared in the latter’s book, Marketing. There he received the benefit of Butler’s practical experience, a viewpoint which was valuable to him when, following three years of teaching at Washington and Lee, his Alma Mater, he began to teach marketing in 1915 at the University of Pittsburgh, a school characterized by a strong vocational emphasis. Because no general marketing textbooks were available, Converse had his students read Nystrom’s Economics of Retailing. All of these influences led him to use mainly the middleman or institutional approach in his first book, Marketing Methods and Policies, published in 1921 while he was still teaching at Pittsburgh.

Moving to the University of Illinois in 1924, where the marketing work had been developed by Litman and Behrens, Converse came under two other influences of location. In that area he saw more clearly the importance of agricultural marketing. Away from a large metropolitan center, he de-emphasized vocational training and gave more attention to sound training in the fundamentals of marketing.

Walter C. Weidler. One of the early students of James E. Hagerty who made a career in marketing, Weidler was enrolled during 1911–1912 in the course which Hagerty had started in 1905. As a graduate student at The Ohio State University, he briefly assisted both Hagerty and M. B. Hammond, labor economist, of whom he was also a protégé. He was faced with the decision as to whether he would specialize in marketing or in labor. On the one hand, he was the better acquainted with marketing, having served an apprenticeship during earlier years in a wholesale dry goods company. He also had friends and relatives engaged in distribution. On the other hand, his intellectual interests seemed to lie in broader economic problems.

Continuing doctoral work at Harvard University, Weidler elected to take a course in marketing and applied for, but did not gain admission to, the section taught by Cherington. While taking the course with another professor, he also audited a labor course in the event that he should later wish to continue in that
field. Upon his return to Ohio, however, the way opened for him to specialize in marketing rather than in labor, and ultimately he became co-author of a text entitled *Principles of Marketing*.

C. S. Duncan. The entrance of Duncan into the marketing field illustrates the influence of intellectual curiosity in encouraging, and the impotence of other occupational demands in preventing, the development of a genuine interest in a subject. His attention had first been drawn to marketing activity in the early 1890's while he was clerking in a general merchandise store in a small town. His many questions concerning marketing went unanswered until, while teaching English at The Ohio State University and after reading a stimulating book by J. D. Whelpley entitled *Trade of the World*, he enrolled in a summer course in marketing being taught at the University of Chicago by a visiting professor, Paul Cherrington. Duncan was on leave at the time to complete his doctoral requirements. That course, according to Duncan, had marked influence upon what he later thought and wrote on the subject, and showed him the possibilities of study in this field with which he had been so dimly acquainted and about which he had much curiosity. Following that course with Cherrington, Duncan remained at Chicago for several years teaching marketing. His books, *Commercial Research and Marketing and Its Problems and Methods*, were published in 1919 and 1920, respectively.

Harold H. Maynard. Like others whose predilection for marketing did not appear during their undergraduate years, Maynard became interested in marketing gradually, and evidently through fortuitous circumstances. As an undergraduate at Iowa State Teachers College, he was interested mainly in political science and collegiate debating. As a graduate student at the University of Iowa from 1914 to 1916, he became interested in economics and economic history. For his Master's thesis he studied credit unions, under the direction of Harvard-trained Eliot Jones. Marketing was not then taught at Iowa but, through his work in economic history, Maynard became familiar with the names and activities of prominent business leaders and developed receptivity to an interest in marketing.

Behind those intellectual influences and in line with his interest in debating, were other experiences which contributed to this receptivity. At an early age he had done house-to-house and farm-to-farm selling. During summers of his college years he had been business manager of a traveling Chautauqua unit and thus had not only excellent selling experience but also repeated opportunities to hear a lecture on the problems of small town merchants faced with growing chain store competition.

In 1916, Maynard enrolled in the marketing course offered at Harvard by M. T. Copeland and studied in mimeographed form some of the material which Copeland published in 1920 under the title *Problems in Marketing*. There, too, he came under the tutelage of Cherrington, who replaced Copeland for the last sixty days of the term when the latter was called to Washington in connection with war work. The influence of contact with those two men was great enough to lead Maynard into the teaching of marketing after the war.

Following the war, he taught for one year at Vanderbilt University and for three years at Washington State College, before going to Ohio State in 1923 to initiate a course in Introduction to Business. Constantly he availed himself of opportunities to learn of marketing, writing a dissertation on "Marketing Northwestern Apples" while teaching retailing at Washington State College, and working in the established course in Marketing Problems at Ohio State. Having met Weidler at Harvard and having been brought to Columbus by his invitation, Maynard collaborated with him and T. N. Beckman in preparing *Principles of Marketing*, published in 1927.

Theodore N. Beckman. Beckman's discovery and pursuit of marketing interest was largely the result of an intellectual challenge. While awaiting acceptance of his application for admission to a diplomatic school with the idea of pursuing a career in the consular service, Beckman found interest in economics and business subjects at The Ohio State University, where he was doing undergraduate work during the years prior to 1920. Hagerty's marketing course and the writings by Weld and Cherrington helped him to see opportunities for expanding the knowledge of marketing and for correcting misconceptions therein. He renounced his diplomatic aspirations and began his career in marketing.

The inclination of his special marketing interests toward credit and wholesaling was the result of influences in his university environment. While teaching a general marketing course, and
upon encouragement by Hagerty, who was also interested in the subject of credit, Beckman taught a short course in credit administration for the Columbus chapter of the Institute on Credit of the National Association of Credit Men. In preparing for this, he spent much time in credit offices of Columbus business concerns talking with credit managers. When the course was offered at the University in 1922, the inadequacy and incompleteness of the available literature and readings impelled the writing of his textbook, *Credits and Collections in Theory and Practice*, published in 1924. That book was accepted in fulfillment of the requirement for his doctoral dissertation, although for that purpose he had for a considerable period been making a special study of wholesaling. Encouragement in the wholesaling study was given by C. S. Duncan, when others saw little or no profit in such an endeavor, and it too was ultimately published in book form.

**Contribution of the Middle Western Group**

The literary contributions of early Middle Western teachers of marketing appeared within the space of a few years around 1920 like the second of a succession of waves, the first of which had broken eight to ten years earlier in the writings of Butler, Cherington, Shaw, and Nystrom. During the decade from 1910 to 1920 the early explorative concepts of marketing were refined, established, and augmented, and the study attained an integration which effectually terminated the pioneer stage of the development of marketing thought. Whereas at the beginning of the decade the field of study was delineated by the new concept and term “marketing,” by the end of the decade the principles of marketing were being widely postulated. Students at the beginning of the century explored the marketing practices of businesses 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 the First World War concentrated primarily on the functional aspects of marketing. Thus, the Middle Western group of writers contributed mainly an integration to the study of marketing, emphasizing functions and principles and treating the subject with a form and fullness which has since characterized the central body of marketing literature.

**The New York Group**

Although neither Columbia nor New York University made prominent contributions to marketing literature during the early years, they are deserving of mention in this review of influences. About 1920, toward the end of the period with which we are presently concerned, Hugh Agnew, whose teaching experience extended back a number of years and who was to become perhaps the first of the leading contributors to marketing thought in that area during the later years went to New York University. Nystrom and R. S. Alexander also began teaching in the New York area during the decade of the 1920's. They and others in that area who have been associated with marketing are distinguished primarily by their contributions to marketing thought developed from the institutional approach.

Hugh E. Agnew. Employment factors were instrumental in shaping the thinking and writing of Agnew, giving emphasis to advertising and journalism. He had done typesetting on the campus paper at Hillsdale (Michigan) College, which he attended from 1893 to 1896. With this and other college publication experiences behind him, upon graduation from the University of Michigan in 1902 he bought a country newspaper. Successful direct mail advertising stimulated his interests in that means of selling and gave him a glimpse of what could be done with it.

In 1912, he took over the management of a newspaper business in Canton, Illinois. There he wrote several articles on advertising, and controversies incited by them led him to write more. In 1913, he joined the faculty of the University of Washington for a short period. He then went into the advertising business until 1920, in which year he accepted simultaneously a professorship at New York University and an editorial position on *Printers’ Ink*.

**SUMMARY AND CONCLUSIONS**

At the end of the first half-century of study of marketing, a review of its progress and status reveals certain significant facts:

1. That the study was originally an outgrowth or extension of the field of economics rather than an inductive theorization of business experience.
2. That inductive research into business activity developed early and furnished the substantial basis for a marketing science.

3. That students of the subject were drawn from academic and business fields alike and were motivated by a variety of subjective as well as objective influences.

4. That the structural outlines of the study were fairly well crystallized by 1920 when the principles of marketing were the subject of many writings.

5. That the majority of the principal contributors to marketing thought during the first two decades of this century have continued to be prominent in the ranks of marketing scientists.

6. That the early analysis and statement of marketing have remained sound and tenable and for the most part have been only refined and elaborated by subsequent writings.

Drawn from diverse academic and business experiences and working in a variety of places, the early contributors to marketing thought nevertheless constituted a homogeneous group, unified by their common interest and by the influence which they had upon one another. There were fewer than a dozen university centers at which, during the period of 1902–1920, the early contributors to marketing thought were found, and still fewer to which the majority of them were attracted for study and research. The predominant characteristics of the respective institutions inevitably influenced the students whom they touched, and ideas and attitudes were carried throughout the country from those centers.

The principal stimulus to marketing study at first appears to have been an environment of progressive economic thought, as illustrated by the impetus given the study of marketing at Wisconsin and Harvard. The character of the contribution made to marketing thought, however, was less an outgrowth of the economics taught at a given school than of other environmental factors. Students working in agricultural areas devoted themselves largely to study of agricultural marketing. Those in urban and metropolitan centers specialized more in the marketing of manufactured goods and in institutional and technical aspects of marketing. The earliest students developed primarily the commodity approach to marketing study while those of slightly later years developed the functional and institutional approaches and the literature of marketing problems.

Early marketing literature was the product of academicians, notwithstanding the fact that original thinking on the subject was not confined to academic centers. The nature and demands of teaching have inevitably stimulated writing. While indulging their individual interests in marketing research, teachers of marketing, almost exclusively, have been the compilers, writers, and often the originators of marketing thought.