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What is This?
Commentary

On the intersection of marketing history and marketing theory

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Abstract
Can historical research contribute to marketing theory? This essay argues ‘yes.’ The essay begins by reviewing the conventional view of marketing theory. Then, it discusses the nature of historical research, proposes how marketing history and theory intersect, and provides two examples of how historical method has been used to advance marketing theory.

Keywords
market segmentation, marketing history, marketing theory, product differentiation, qualitative methods

How do marketing theory and marketing history intersect, if they do? Can historical research contribute to marketing theory? If ‘yes,’ how? If ‘no,’ why not? I remember being surprised years ago to find that some marketers viewed qualitative and quantitative research to be incommensurable. Similarly, I am now surprised to learn that there is a strong view among at least some journal reviewers that history and theory are mutually exclusive. Such a view must not be unanimous among Marketing Theory’s reviewers and editors, for there are numerous examples of historically-oriented articles that appear in this journal (e.g. Henry and Caldwell, 2008; Ballantyne et al., 2003; Bradshaw and Holbrook, 2007; Drummond, 2006; Egan, 2003; Henry and Caldwell, 2008; Hubbard et al., 2005; Shaw and Jones, 2005; Tadajewski, 2006).

Why, then, would some marketers believe that marketing history cannot inform marketing theory? One reason might be that some marketers associate historical research with what Merton (1968: 21) decries in sociology as ‘adumbrationism.’ Adumbrationism is ‘the dedicated, deliberate search for all manner of earlier versions of scientific or scholarly ideas.’ Indeed, ‘in an attempt to show that there is nothing new under the sun . . . the adumbrationist describes the faintest shadow of resemblance between earlier and later ideas as virtual identity.’ Of course, adumbrationism does

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occur, and when it does it often seems to be lacking in civility or even to be mean-spirited, but most historical research does not have adumbrationist designs.

How, then, does marketing history intersect with marketing theory? In the interests of full disclosure, I am a supporter of and a contributor to both historical and theoretical research in marketing. Furthermore, I have argued that ‘doctoral students in marketing should be historically informed . . . [as to] historical research method, the history of marketing practice, and the history of marketing thought’ (Hunt, 2010a: 443). Consequently, I incorporate marketing history into my marketing theory doctoral seminar. Indeed, Hunt (2010a: 451) encourages other marketing academics to ‘fuse history into theory,’ and it provides specifics on how to effect the fusing.

This article argues that marketing history can inform marketing theory. I begin by (1) reviewing the conventional view of marketing theory, before (2) discussing the nature of historical research, (3) proposing how marketing history and theory intersect, and (4) providing two examples of how historical method has been used to advance marketing theory.

What is theory?

The conventional view of marketing theory, which traces back to Hunt (1976), before being articulated in Hunt (2010b), is that positive theories should be distinguished from normative theories. Positive theories focus on what is, whereas normative theories focus on what ought to be. More formally, positive theories are systematically related sets of statements, including some law-like generalizations that are empirically testable. Positive theories increase scientific understanding through the explanation and prediction of phenomena. Therefore, positive marketing theories focus on systematic structures that explain, predict, and assist in understanding marketing phenomena.

In contrast, normative theories are systematically related sets of statements, including some prescriptive statements, which (1) evaluate what marketing ought to be, or (2) guide what marketers ought to do. There are at least two kinds of normative theories. One embodies an ethical ‘ought’; the other entails an instrumentally rational ‘ought.’ Some normative theories are ethical theories that prescribe morally correct, desirable, or appropriate behaviors or states of affairs. Examples of such prescriptive statements include ‘deception in advertising is morally wrong’ and ‘a market-based economy is morally preferable to a command-and-control economy.’ A second kind of normative theory consists of prescriptive models that assist decision makers in rationally choosing from among a limited set of alternative actions or strategies, given certain (1) objectives, (2) consequences or payoffs, and (3) states of nature. For example ‘in order to maximize profits, one should produce the quantity at which marginal cost equals marginal revenue.’ Normative marketing theories focus on either the ethicality or instrumental rationality of marketing behaviors, states, or decisions.

The conventional view of marketing theory also distinguishes between the contexts of discovery and justification. ‘Discovery’ relates to the procedures for developing theories and ‘justification’ relates to their evaluation. Positive and normative theories are evaluated in different ways. The validity, the truth content, of positive theories is evaluated, most prominently, by (1) checking their internal logic and (2) empirical testing. Normative theories, on the other hand, cannot generate empirically testable hypotheses because ‘ought’ does not imply ‘is.’ Rather, specific ethical theories may be evaluated by examining their internal logic and their consistency with more general ethical norms. And specific, instrumentally rational theories may be judged by their internal
consistency and their usefulness in addressing particular problems in an efficient and effective manner.

The preceding suggests that there are many ways that specific kinds of research would constitute a contribution to theory. A partial list would include (1) developing new concepts; (2) proposing new relationships among concepts; (3) integrating specific theories into more general structures; (4) proposing that existing theories explain/predict new phenomena; (5) proposing new ways to develop theories; (6) proposing new ways to evaluate theories; (7) examining the boundaries and contexts of theories; (8) checking the logic of theories; (9) exploring the ontology of theories (i.e. what exists?); (10) evaluating the epistemology of theories (i.e. how do we justify what we claim to know?); (11) proposing new axiologies for theories (i.e. new goals); (12) investigating the philosophical foundations of marketing theory; and, of course, (13) empirically testing theories.

**What is historical research?**

Historical research entails the systematic collection and analysis of data with the aim of understanding some entity or entities through time. Historical research on marketing and marketing-related subjects is done by two groups of scholars, marketing professors in business schools and business history professors in history departments. As Jones (2010) discusses in detail, marketing historians distinguish between historical research that focuses on marketing practice (e.g. histories of advertising, retailing, and specific firms) and the history of marketing thought (e.g. histories of concepts, theories, institutions, associations, marketing theorists, and schools of thought). In much historical research, the two areas overlap. The three editions of Bartels’ book (1962, 1976, 1988) are probably the best known volumes on the history of marketing thought.

Jones (2010) divides the works on marketing history into three eras: ‘Recording the facts’ (1930–59); ‘Foundations of the new marketing history’ (1960–79); and ‘The new marketing history’ (1980–present). He identifies over 1600 publications devoted to marketing history between 1930 and 2009, with over half being published since 2000. These data document the dramatic growth in the number of articles and books devoted to marketing history. A major institution encouraging research on marketing history has been the biennial Conference on Historical Analysis & Research in Marketing (CHARM), which began with a workshop held at Michigan State University in 1983. The *Journal of Macromarketing* also fostered marketing history research by establishing a marketing history section editor in the early 1990s. In 2009, the number of works on marketing history became substantial enough to warrant the founding of the *Journal of Historical Research in Marketing*, which is published by Emerald.

**How do marketing history and theory intersect?**

Clearly, the history of marketing practice, the history of marketing thought, and the development of marketing theory are distinct subject areas. How, then, do they intersect? Jones (2010: 67) provides a succinct answer: ‘We must know where we’ve been in order to understand where we are.’ That is, in order to gain a full understanding of our concepts and theories, we need to know who developed them, when they were developed, the contexts in which they were developed, the purposes for which they were developed, the industries that used them (and often created them), and the constraints under which they were developed. History, then, can lead to a better understanding of extant theories and the development of new theories.
The preceding does not imply that all historical research contributes to marketing theory, but it does imply that some kinds of works do. To concretize how marketing history can inform marketing theory, I use two examples. The first concerns the product differentiation versus market segmentation controversy, which relates to normative theory; and the second addresses the positivism versus qualitative methods controversy in the philosophy debates, which relates to positive theory.

**The product differentiation versus market segmentation controversy**

As the first example, both ‘product differentiation’ and ‘market segmentation’ are key concepts in normative marketing theory. Indeed, many hold that market segmentation strategy is ‘one of the most widely held theories in strategic marketing’ (Piercy and Morgan, 1993). As originally documented in Dickson and Gintner (1987), there has been much confusion in marketing about the concept of ‘product differentiation’ and how it differs from ‘market segmentation.’ Specifically, some marketers hold that product differentiation is an alternative to market segmentation strategy; others argue that product differentiation is a complement to (or means to implement) a market segmentation strategy; still others maintain that product differentiation is both an alternative and a complement to market segmentation strategy (e.g. Schnaars, 1998). Because the meaning of ‘market segmentation’ is (reasonably) well understood, the controversy stems from the ambiguity of ‘product differentiation.’

Hunt (2011) uses historical methodology to explain how the confused status of product differentiation came about. The article traces the use of the concept of product differentiation in marketing to Smith’s (1956: 5) famous article, which defined product differentiation as ‘bending of the will of demand to the will of supply’ and maintained that product differentiation is an alternative to segmentation. But Smith cites Chamberlin’s (1933) theory of monopolistic competition as a primary source for his ideas. Hunt (2011) discusses the historical context within which Chamberlin developed his theory. This context was neoclassical economic theory, which emphasizes homogeneous products, equilibrium, and equation-solving.

For neoclassical theory, a Pareto-optimal state of welfare requires, among other things, industries characterized by homogeneous products and resources. Therefore, neoclassical economists put forth the following argument to support their claim that product differentiation was pernicious: because in most industries (1) homogeneous, intra-industry demand is ‘close enough’ to being natural (and any observed differences in tastes, preferences, and use requirements are artificial, contrived, and resulting from advertising); and (2) homogeneous, intra-industry supply is ‘close enough’ to being natural (i.e. individuals and firms in the factor markets are relatively uniform as to their skills and capabilities); then (3) the natural state of affairs in most industries is that products will be homogenous; and therefore (4) efficiency will be maximized. Hunt (2011) labels the neoclassical argument as the ‘resisting homogeneity’ interpretation of Smith’s ‘bending of the will of demand to the will of supply.’ In this view, product differentiation is the pernicious practice that occurs when firms take their naturally occurring, horizontal demand curves and artificially tip, tilt, or slope them downward.

Hunt (2011) then discusses a second interpretation of Smith’s ‘bending of the will of demand to the will of supply.’ This interpretation is that, in most industries, (1) heterogeneous, intra-industry demand is natural; and (2) heterogeneous, intra-industry supply is natural; but (3) as a matter of corporate strategy a firm may decide to ignore the heterogeneity of demand; and (4) produce and
market a single, standardized product; which it then (5) promotes vigorously. In such an interpretation, Smith’s ‘bending the will of demand to the will of supply’ is not to tilt or slant a firm’s naturally occurring, horizontal demand curve. Rather, it is to (1) ignore all the naturally occurring, tilted, or slanted demand curves facing the firm and (2) treat the marketplace as if it were a single, homogeneous market. This second interpretation is labeled the ‘ignoring heterogeneity’ view.

Hunt (2011) then presents arguments in favor of the ‘ignoring heterogeneity’ view, shows how this view resolves the product differentiation controversy, and suggests that the label ‘mass market’ strategy may be a better descriptor of those firms whose strategy is to resist the natural heterogeneity of demand in the marketplace by vigorously promoting a standardized product. The point to emphasize here is that the use of historical method is essential both for understanding how the controversy arose and for potentially resolving it. Therefore, historical method contributes to resolving a present controversy in normative marketing theory.

The positivism versus qualitative methods controversy

There have been numerous controversies in what is often referred to as the ‘philosophy debates’ in marketing. One controversy has been the use of what is labeled ‘the positivism is dead’ argument by advocates of qualitative methods. That is, many advocates of qualitative methods argue for their particular qualitative approach by distinguishing their approach from the ‘positivist research’ that supposedly dominates marketing, management, and consumer research. Because positivism is dead or discredited in the philosophy of science, advocates of qualitative methods argue, qualitative methods are preferred. Stated succinctly, this argument is:

1. Positivist research (i.e. research guided by the tenets of logical positivism) dominates marketing, management, and consumer research.
2. Positivist research is the same thing as quantitative research, and is causality seeking, adopts determinism and the machine metaphor, is realist, reifies unobservables, and is functionalist.
3. Positivism has been shown to be dead (or thoroughly discredited) in the philosophy of science.
4. Therefore, all research that is quantitative, causality seeking, and so forth, is also discredited.
5. Therefore, researchers should adopt some form of qualitative or ‘interpretivist’ method.

Hunt (1991, 1994, 2010b), uses historical method to show that premise (1) of the ‘positivism is dead’ argument is false: marketing, management, and consumer research do not follow the key prescriptions of the philosophy advocated by the logical positivists/empiricists. Furthermore, focusing on premise (2), the historical analyses show that ‘positivist research’ (1) is not the same thing as quantitative research; (2) does not imply the search of causation; (3) does not imply determinism and the machine metaphor; (4) is not realist; (5) cannot reify unobservables; and (6) does not imply functionalism. Therefore, because premises (1) and (2) in the ‘positivism is dead’ argument are historically false, the argument fails. It is no wonder, then, that participants in the philosophy debates have so often complained of misconceptions, misunderstandings, misrepresentations, and mischaracterizations. The rhetoric of positivism bashing, so common in discussions justifying qualitative studies, actually degenerates into nothing more than simply the bashing of contemporary marketing, management, and consumer research. Indeed, the term ‘positivism’ in much of the social science literature has become just a convenient term of abuse. As philosophers of science have noted, this way of using ‘positivism’:
is not a mere terminological confusion. It is so tendentiously inaccurate that positivist ... becomes a term of abuse ... In reality, logical positivism was the most self-critical movement in the history of philosophy. Every major objection to positivism was proposed by positivists themselves or associates at work on problems set by positivism, all in the scientific spirit of seeking truth. It is particularly unfortunate that the technical failure of particular positivist doctrines is so often used ... to cover an attack on clarity and science itself. (Levin, 1991: 63–4)

There are many sound arguments for using qualitative methods in marketing, management, and consumer research, but historically informed scholarship shows that ‘the positivism is dead’ argument is not one of them. The point to be emphasized here is that historical research informs marketing theory and the ‘philosophy debates’ in marketing. No historically informed researcher would ever use the ‘positivism is dead’ argument.

Conclusion

Although the history of marketing practice, the history of marketing thought, and the development of marketing theory are distinct subject areas, the preceding implies that they do intersect. Specifically, to gain a full understanding of our concepts and theories, we need to know who developed them, when they were developed, the contexts in which they were developed, the purposes for which they were developed, the industries that used them (and often created them), and the constraints under which they were developed. The use of historical method, as the two examples in this article show, can clarify extant theory, resolve controversies, and contribute to the development of new theory.

References


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