### CHAPTER EIGHT  EVALUATING THEORY

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philosophy of Science Criteria</td>
<td>162</td>
</tr>
<tr>
<td>Applying the Criteria: An Example</td>
<td>163</td>
</tr>
<tr>
<td>Nontraditional Criteria</td>
<td>164</td>
</tr>
<tr>
<td>Dr-Stance</td>
<td>169</td>
</tr>
<tr>
<td>Metaphor</td>
<td>170</td>
</tr>
<tr>
<td>Generative Capacity and Irony</td>
<td>172</td>
</tr>
<tr>
<td>Reality Tests and Other Criteria</td>
<td>174</td>
</tr>
<tr>
<td>The Reader's Turn</td>
<td>174</td>
</tr>
<tr>
<td>Summary</td>
<td>175</td>
</tr>
</tbody>
</table>

### CHAPTER NINE  POSTSCRIPT: A COMMENCEMENT

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Brief Review</td>
<td>176</td>
</tr>
<tr>
<td>Some Underdeveloped Issues</td>
<td>177</td>
</tr>
</tbody>
</table>

### APPENDIX I

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>182</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDEX</td>
<td>205</td>
</tr>
</tbody>
</table>
The old physics assumes that there is an external world which exists apart from us. It further assumes that we can observe, measure, and speculate about the external world without changing it. . . . The concept of scientific objectivity rests upon the assumption of an external world which is "out there" as opposed to an "I" which is "in here". . . . The problem that went unnoticed for three centuries is that a person who carries such an attitude certainly is prejudiced. . . . The point of view that we can be without a point of view is a point of view. . . . The new physics, quantum mechanics, tells us clearly that it is not possible to observe reality without changing it.

Gary Zukav

Virtually all of the positivistic treatment of science has come under sustained attack since the 1950's. . . . Gradually the cumulative effect of these challenges has been that . . . positivistic analyses are, or are coming to be, widely viewed as inadequate. Thus the last vestiges of positivistic philosophy of science are disappearing from the philosophical landscape.

Frederick Suppe

Augmenting Traditional Science

There exists a highly fascinating, and very dense, thicket of issues loosely clustered under the umbrella term "philosophy of science." These issues concern the very nature of human inquiry. Because we vary greatly in our thinking processes, the types of intellectual skills we possess, and the aspects of our world that intrigue us, we also vary greatly in our preferred modes of inquiry. This variation is a source of richness in the scientific intellectual endowment. Variety is the spice of intellectual life, too. However, above all else, scientists and managers are human. We tend to identify with certain ways of doing things; indeed, we build careers and develop deeply held self-images based on these different ways of doing things. When we encounter an approach that we perceive to be very different from what we are accustomed to, we often respond in the fashion customary for most people presented with any innovation: we reject it or at best keep it at arm's length for a good long while. Rudolf Carnap, a physicist and major figure in the philosophy of science, has observed: "I have found that most scientists and philosophers are willing to discuss a new assertion, if it is formulated in the customary conceptual framework; but it seems very difficult to most of them even to consider and discuss new concepts."10


This reaction is not necessarily unhealthy. Every innovation of whatever sort is not appropriate for everyone, nor are all innovations necessarily good for anyone. Partly for this reason controversies are often engendered when different modes of inquiry are brought into contact with one another. Attack and defense and sometimes further enlightenment can ensue from controversy.

This very human response to differences in modes of inquiry underscores the fact that scientific methods used by researchers and managers are social products. They are the products of people who are influenced by many things: who they apprenticed with as students and as on-the-job trainees, their times and cultural heritage, their birth order in the nuclear family, social nurture received while going through puberty, the schools they attended, and similar factors. That the procedures of science that are created by people become defined and placed on a plane above human frailty simply makes them comparable to other major social products of civilization.

Contemporary marketing thought presently champions or deifies one particular scientific method: traditional science. (There is no one type of traditional science but rather multiple variations of it.) This is also referred to as "positivist belief" and "storybook science" by contemporary thinkers in the psychology and sociology of science and in the history and philosophy of science. The methods of traditional science are characterized in principle by the dispasionate, unbiased formulation and testing (disproving) of hypotheses in ways that may be easily replicated, such testing procedures and outcomes being communally available.

Traditional science has been criticized not as being incorrect but simply as being very incomplete. It ignores the human or social dimension of knowing.4 It expresses what many social scientists think physical scientists do. In practice, science is neither dispassionate, unbiased, value-free, nor always open.5 Nor can it be so to the degree suggested by traditional thinking. For example, a sample survey of publications in Management Science covering the period 1955 to 1976 found that nearly two thirds of the papers pursued a strategy of advocacy in which a simple dominant hypothesis (nearly always supported) is compared to a simple null hypothesis. The author demonstrates that this is the least objective of all the approaches used in the sample of articles.6 In what has become a widely cited research effort Michael Mahoney provided one set of journal referees with a paper containing results in agreement with the dominant hypothesis among their

1Wolfgang Stegmuller, The Structure and Dynamics of Theories (New York: Springer-Verlag, 1976).


group. An equivalent sample of journal referees were given the identical paper but with the empirical results reversed and thus disconfirming the dominant hypothesis. The first set of referees accepted the paper, giving it a high rating on relevance and methodology. The set of referees who were confronted with disconfirming evidence rejected the paper, giving it a low rating on relevance and methodology. It may also be questionable as to whether our perception of a truly unbiased scientist, isolated in a laboratory, is a useful one even if it could be accurate. Particularly in the social sciences, such lack of emotion may not be desirable. Consider the following statement by Churchman and Ackoff:

Pragmatism does not advocate the scientist who removes all his emotions, sympathies, and the like from his experimental process. This is like asking the scientist to give up being the whole man while he experiments. Perhaps a man's emotion will be the most powerful instrument he has at his disposal in reaching a conclusion. The main task, however, is to enlarge the scope of the scientific model so that we can begin to understand the role of the other types of experience in reaching decisions and can see how they also can be checked and controlled. The moral, according to the pragmatist, should not be to exclude feeling from scientific method, but to include it in the sense of understanding it better.

In fact, Blankenship argues that a view of scientific inquiry that ignores the impact on the research process of the personality, experiences, and values of researchers, managers (clients), and subjects (especially as all three parties may interact with one another) may yield invalid and unobjective marketing research.

An inference that might be drawn from Churchman and Ackoff's notion is that inquiry is not a matter of "science" only or "art" only. Perhaps art and science are not two distinct values, but a blend, each enhanced by the other. In an essay on realism in marketing models, Churchman suggests that a good marketing model is one that is meaningful both to scientist and manager (artisan). It must be the product of an intellectual perspective that combines a scientist's way of thinking about things with a manager's way.

Although we shall have much more to say on this topic later, perhaps enough comment has been provided at this point to permit an explicit statement of the contemporary view of science. The contemporary view holds that scientists and their methods are very often not unbiased and value-free; that a posture of objectivity is not always a desirable way of discovering knowledge even if it were possible; that traditional notions of disproving or falsifying hypotheses are of limited value; and that "reality" may be structured in different yet equally valid ways. This view, of course, contrasts sharply with the traditional view of science described a few paragraphs earlier. What is most important for readers to keep in mind as they read this book is that the contemporary view differs from the traditional view primarily in its assumptions about how science is conducted and their work. Both views stress the importance of rigorous methodology and the importance of control. Both view employ the same array of research techniques. The contemporary view simply says that there are substantial deviations from traditional science assumptions, that these deviations need to be understood in order to better evaluate knowledge, and that many of these deviations might be capitalized upon in ways that can improve the process creating valid knowledge.

No one view is inherently better than another. Each view has its special benefits and limitations. This book suggests that two views are better than one.

Generative Theory

Substantial assistance is available within the marketing literature to assist in this field in understanding the composition or structure of theories and the testing of hypotheses and theories. However, creating theory is not the same as understanding, modeling, and testing theory. Little guidance is available to a marketing student about creating theories. The need for creating more theories and better theories in the field is great. "An examination of the marketing literature of the last decade suggests a predominance of empirical studies with small samples and limited generalizability, a considerable number of methodological papers, and very few conceptual papers proposing new concepts and theories." Even if we employ theories developed in nonmarketing contexts, a unique attributes of marketing contexts may require a process of adaptation which is itself a theory development or creation activity. We uncover a new insight which results in a somewhat different theory. However, the borrowing theories has not always proved fruitful, especially when adaptation is attempted. Efforts at applying personality theory to consumer behavior perhaps the best-known illustration of this point. In many instances, it may

---

8 Blankenship, op. cit., pp. 22-24. Various views on this position and other ideas in this chapter may be found in Proceedings from the Workship on the Epistemology of Management Research (Stockholm: The Economic Research Institute at the Stockholm School of Economics, 1980).
more efficient—and in any event more fun—to play the role of an architect developing a blueprint rather than a carpenter primarily following someone else's blueprint.

What we are urging is a point of view that we hope augments traditional science by helping the reader to develop what Kenneth Gergen describes as a "generative capacity" in one's thinking. The theory builder is the creator, the generator of thoughts, ideas, and evidence about phenomena that are not yet entirely understood. The generative capacity of a theory is its ability to challenge the commonly accepted assumptions of society and to suggest alternative ways of looking at phenomena. More formally, it is "the capacity to challenge the guiding assumption of the culture, to raise fundamental questions regarding contemporary social life, to foster reconsideration of that which is 'taken for granted,' and thereby to furnish new alternatives for social action."

The vast majority of theories lack this capacity, a deficit which has been attributed to the heavy emphasis placed upon the positivist-empiricist orientation. This orientation is characterized by a set of assumptions, one of which is reliance upon "objective" facts, and by the use of traditional logic, involving the accumulation of great quantities of data and extensive training in methodology but not typically in theory building. The problem with this approach lies in the formulation of research questions: "Neither the facts nor the logic can furnish the questions to be asked of the data or metaphor for conceptual organization." Through the use of generative theory and creative imagery, the scientist can alter his or her mode of conceptualization from that which is commonly accepted so as to effect social change. In other words, by creating theory we can also create new social forms and world views. This does not mean that theories that primarily describe events or activities are not useful. Such theories are especially valuable or communicating accumulated knowledge about, say, management decision making to persons who are inexperienced in the area of practice covered by the theory.

A special characteristic of the traditional approach has been the requirement or verification of theory by data. Although much empirical research has been conducted in marketing, few authors have stressed the generalizations that can be made about the phenomena studied. This condition has led to the conclusion by some observers that we appear to have very little real knowledge of marketing. Also, the meaning of concepts within a social context varies according to the degree of consensual validity attached to them, dictated in part by the norms and values dominant at the time. Although hypothesis testing has a central role in scientific inquiry, use of it for verification of a theory that already makes sense

---

Intuitively has often come at the expense of substantive and imaginative theory creation.

The traditional positivist view also assumes a kind of temporal irrelevance, independent of contemporary life patterns. The generative theorist, on the other hand, recognizes that observed behavioral patterns are limited historically and can thus be changed. As marketing managers and government policy makers facilitate change in behavioral patterns among consumers, they are also creating the need to alter existing explanations or theories of behavior to correspond to the newer patterns of behavior. Thus the notion of generative theory makes special sense for marketers and government policy makers.

Breaking Down the Barriers

The question now comes: how do you generate or discover theories? The focus of this book is to help develop strategies to generate and refine theories. To do so requires that current ways of thinking be examined and new ways of thinking explored. One way of approaching this is to isolate the blocks that hinder us from generating or rediscovering a theory or a new idea in the first place. These can include both perceptual and intellectual blocks.

Perceptual Blocks

Perceptual blocks are "obstacles which prevent a problem solver from clearly perceiving either the problem itself or the information that is necessary to solve the problem." In terms of generating theory, these are obstacles that prevent the development or discovery of a theory or a new idea to help solve a problem.

Tendencies to Limit Problem Area Too Closely

Limiting the problem area arises out of prematurely narrowing the focus of a problem or by not realizing its multidimensionality. This block frequently occurs because we view a problem from only one point of view. For example, take the situation of a MacDougall's food outlet manager who is trying to increase sales. If he were generating a theory on how sales increase come about, he might base it on only his point of view. This might be represented as in Figure 1.1.

He sees himself and the customer as the only participants. Further, he takes the rather utilitarian view that what is being exchanged is money for hamburgers. It

---

13 James L. Adams, Conceptual Blockbusting (San Francisco: Freeman, 1974).
14 Ibid., p. 13.
becomes evident, however, that the problem can be changed if he takes a broader point of view, realizing that both his actions and the consumers' are being influenced by other factors (ads from competing food outlets, agencies putting out a "good" ad, quality of media programs, and others). This broader viewpoint might be represented by Figure 1.1b.

Thus, the two parties are linked both directly and indirectly. Explaining potential increases in sales could take into account not only customer-store relations but also customer-media, media-ad agency, and ad agency-store relations. Problems could arise at any or all of these points. Further, Figure 1.1b shows that you can limit yourself by considering only one type of motive for purchases—for example, utilitarian ($ — hamburger). If the symbolic nature of purchases is ignored, the importance of developing a strong outlet image would be missed.

It is the failure to recognize these indirect links as well as both the utilitarian and symbolic nature of purchases that results in a kind of "theoretical myopia." Thus, the hamburger outlet manager may locate the problem too narrowly and, in fact, develop theories and solutions to the wrong problem! De Bono develops a metaphor that illuminates this situation.21

Stereotypes

A stereotype denotes beliefs about classes of individuals or objects which are preconceived; that is, they result not from fresh appraisals of each observation but from routinized habits or judgment and expectation.22

Market segmentation, a concept that has provided stereotypes of consumers, has proven useful in predicting market potential and developing a unique marketing mix for various segments. As mentioned earlier, a generative theory recognizes that as people change, so must the range of situations in which theory is tested. A large advertiser developed eight segments representing the market for certain beauty products. By tracing these segments over time, the agency found some segments merged, others disappeared, and still others grew in size. If they had not made fresh appraisals, their stereotypes would have become outdated. These appraisals also resulted in new conceptualizations of segmentation.

The concept of product life cycle (PLC) has been adopted by many marketers and has been a useful stereotype of market behavior over time. It alerts marketers to relatively stable patterns that summarized the nature of exchange relationships for a product over time. The development of this concept illustrates two important points not observed in the segmentation example. First, the fact that patterns of market behavior (stereotypes) are predictable does not mean they are deterministic. Leviit brings this out clearly by pointing out that if you identify what point in the life cycle your market has reached, then you can extend it; instead of abandoning a product or market, use your creativity to extend the life cycle.23 Second, it's important to criticize the concept (stereotype) itself. The PLC concept became so popular that it was integrated into standard operating procedures of many firms. Its use had become automatic. In many ways, it became a self-defeating prediction.24

Fixation

Fixation refers to an obsessive or unhealthy preoccupation or attachment to particular objects, ideas, theories, or people. Two examples will be given to show how fixation on one particular theory or problem can result in undesirable consequences. Using his many years in business as a background, Ford concludes that most companies can be distinguished as either problem oriented (PO) or objective oriented (OO). PO's see objectives/goals in terms of the problems involved in getting to these objectives and their consequences; OO's interpret problems as merely challenges that have to be recognized and overcome. PO's are more likely to miss opportunities and lag behind industry in growth and potential. Ford typifies the problems of PO's as timidity, conservatism, having long time lags between setting objectives and target completion dates, improper delegation, and lack of problem-solving skills. Thus, fixation on one particular problem or theory leaves less time and inclination to pursue alternative theories and problems.

Hanan related the problems of fixation in an exchange setting. A company had a PR program that had its sales force billed as “Problem Solvers.” The result was that the sales force received thousands of problems from potential customers—most of which they couldn’t solve. Of those they could solve, a vast majority of them weren’t profitable to solve. His analysis suggests that people can become fixated with solving problems because they are problems rather than because the solutions are profitable.

Saturation

Related to the problem of fixation is that of saturation. Fixation carried to its ultimate end would result in a mass of deductions from a theory that has been tested and retested (e.g., the eighty-fifth study of the price-quality relationship). With all this information there is a good chance we will have a case of information overload. Take the case of a company that has devised a marketing research system for collecting and disseminating information on its current markets. It finds that although it has distributed lots of “good” information, there seem to be actual declines in performance. People were spending more time trying to read and understand information and had less time actually to use it to pursue opportunities. Also some people skimmed it and partially understood it, then proceeded confidently onward, secure that they had learned a new idea, proceeded confidently onward, secure that they had learned a new idea. However, this particular reaction represents an intriguing aspect of saturation. Adams states “that one thinks he has the data, even though he is unable to


“M Hanan, “You Don’t Know What Problems Are Until You Become a Problem Solver,” Sales
Management, 113 (July 1974), 32-38.

Intellectual Blocks

At this point, it will be useful to discuss why a theory developer might think that marketing phenomenon should be viewed a certain way. Doing so pinpoints intellectual blocks. These are blocks that “result in an inefficient choice of mental tactics or a shortage of intellectual ammunition... inadequate or inflexible use of strategies; or a lack of, or incorrect information.”

In generating a theory, a theory developer is basically constructing how he thinks the marketing exchange system works. But how often do we really examine how we generate our view of this exchange system? How often do we challenge our taken-for-granted assumptions concerning this view? Sometimes we question why we behave the way we do, but mostly we just behave. A successful researcher or practitioner often sees no reason to question his or her behavior. In fact, as Bowman suggests, most of us “plod along with prebehavioral assumptions... and plod along quite profitably.” Yet the dynamics of the exchange system usually lead to other problems. Sanderson notes one of the paradoxes of success: “... such is the strength of past success behavior in the direction of future activities that a particular mode of behavior will be extended to inappropriate areas without any qualms.” The same is true of theory development.

If success isn’t a problem, then failure to generate more than one theory cannot be. This represents a type of intellectual block—the inability to develop alternate explanations of behavior. Recognition of this inability is particularly important in the representation of human behavior as being dynamic and adhered to. As time passes, as people change, explanations of behavior are also subject to change. Generative theory recognizes this. A great deal of this inability to develop alternative explanations might be derived from early courses in math and other problem-oriented disciplines. Children are socialized in a 2 + 2 = 4 paradigm. They are rewarded (by grades, peer approval, status, parental admiration) for finding the right answer. In a great many ways this mode of inquiry is transfert directly into studies of marketing problems and theory development.

There emerges a new problem: one-solution mode of thinking. Since

38 Adams, op. cit., p. 63.
premise of this book is that theories are representations of situations and that exchange involves different goals and different points of view, then it becomes important to develop alternative explanations and formulations.

In developing different approaches and formalizing ideas, we must be careful, however. As Toulmin notes, "...too often [this has] introduced us to particular conceptions and models, while failing to do what is essential, namely explaining in detail the function of these models, conceptions and the rest. The whole reason for formulating a problem using theory or conception is that it helps us to explain things we could not explain before." This confusion many times arises because we don't explicitly recognize the fact that we are formalizing our observations. There is no recognition of the language shift that occurs in formalizing. This shift can involve using new words (ideas) in looking at old phenomena, as well as using old words in a new way. Confusion arises because we use new words to say the old phenomenon is something (sales growth of a product is a product life cycle), instead of using the new words to represent the old phenomenon as something (product life cycle only one representation—other representations could have been made!).

Confusion also arises because we don't recognize the difference in meaning when using old words in a new context, that is, if we "borrow" the concept of entropy from physics, does it have the same meaning in the marketing context? Since many people get an initial theory by borrowing from another discipline, it is important to recognize that the terms that are used may not have the same meaning in the marketing area. Are the phenomena they refer to the same?

In summary, intellectual blocks prevent the development of different structural relationships between the concepts that are part of the theory. Furthermore, they prevent recognition that the theory is but one of many that could have been developed to address the problem at hand. Avoiding these problems requires not only flexibility in thinking strategies, but sensitivity to the different meanings that concepts might have in different settings.

### Viewpoints

We have indicated that traditional science has been criticized as being incomplete because it ignores the social dimensions of knowing. It thus tends to produce an inaccurate view of the world—whether it is the world of microbiology or new product testing—and of the way in which knowledge of the world is acquired. In the field of management science the stress on traditional science has tended to produce viewpoints or models that are unnecessarily discrepant with the real world. William Souder, an industrial engineer, has described this discrepancy very well with regard to models used to evaluate research and development projects. His description is contained in Table 1.1.

---


*Churchman, op cit*
The stress on traditional science has also tended to produce an image or viewpoint of research methods that is unrealistic. Shulamit Reinharz provides a comparison of what mainstream sociological research claims to be and what it should acknowledge it really is. Her comparison is provided in Table 1.2 because it is appropriate to research methods in marketing as well as other social sciences.

The ideas in Table 1.1 and especially Table 1.2 are also consistent with recent important ideas in psychology concerning information processing and knowing. Substantial evidence is emerging and in some cases reemerging which suggest that effective judgments—feelings and intuitive responses—are relatively independent of and may often precede and subsequently influence cognitive processes. The role of feelings in such processes as research and theory building would seem to be very central as well as overlooked. Table 1.3 presents a comparison of

| Table 1.2  |
|---|---|
| **Mainstream Sociological Research Claims to Be:** | **An Alternative Method Would Acknowledge That It Is:** |
| 1. Exclusively rational in the conduct of research and the analysis of data. | 1. A mix of rational, serendipitous and intuitive phenomena in research and analysis. |
| 2. Scientific. | 2. Accurate but artistic. |
| 3. Oriented to carefully defined structures. | 3. Oriented to processes. |
| 5. Oriented to the prediction and control of events and things. | 5. Oriented to understanding phenomena. |
| 6. Interested in the validity of research findings for scholars. | 6. Interested in the meaningfulness of research findings to the scholarly and user communities. |
| 7. Objective. | 7. A mix of objective and subjective orientation. |
| 10. Capable of producing completed analysis of a research problem. | 10. Limited to producing partial discoveries of ongoing events. |
| 11. Interested in addressing problems with predefined concepts. | 11. Interested in generating concepts *in vivo*, in the field itself. |


While thinking processes associated with Newtonian physics and quantum mechanics. The most accomplished physicists are those who are able to blend both ways of perceiving subject matter. However, it would appear that issues in marketing are more akin to issues in quantum mechanics than they are to Newtonian physics. Hence it is especially important to acquire as well the kind of perspectives represented by physicists working in quantum mechanics.

In both Table 1.1 and Table 1.2 a traditional viewpoint, which corresponds closely to traditional science, is contrasted with what is claimed to be a more realistic viewpoint. If the more realistic viewpoints are in fact more accurate with respect to the way decisions are actually made and how research is actually conducted, it is because they acknowledge more explicitly that decision makers and researchers are people working on problems that are often caused by people and in any event being solved by people and whose solutions are applied to people. If decision making and research in marketing are challenging and fun, it is largely because of this "peopleness." Thus our methods for exploring marketing should reflect the fact that market researchers and decision makers are people addressing people-related issues. Such a reflection greatly adds to traditional science. It produces more veridical insight, which is what good science is all about.

---

We urge the reader to read G. Zukav, *The Dancing Wu Li Masters: An Overview of the New Physics.*

---


The Practical Importance of Theoretical Building

Theoretical building is fundamental to the development of any academic community. It involves the creation and refinement of theories that guide research, inform practice, and advance knowledge. Theorists engage in a process of constant inquiry and analysis, seeking to understand complex phenomena and develop new insights. This process is not only intellectual but also practical, as it influences real-world applications and decision-making.

Theoretical building is crucial for several reasons:

1. **Foundation for Research**: Theoretical frameworks provide a solid foundation for empirical research. They help researchers identify key variables, formulate hypotheses, and design studies.

2. **Guidance for Practice**: Theories guide professional practice in various fields, ensuring that practices are evidence-based and effective.

3. **Educational Tools**: Theories are essential for educational purposes, helping students understand complex concepts and develop critical thinking skills.

4. **Innovation and Progress**: Theoretical building fosters innovation and progress by encouraging the development of new ideas and methodologies.

5. **Interdisciplinary Connections**: Theoretical building often involves interdisciplinary collaboration, leading to the synthesis of knowledge across different fields.

In summary, theoretical building is a vital component of academic and professional development, driving progress and innovation in a wide range of disciplines.
As part of the socialization process, various norms reinforce the inclination for academic researchers to do research that (1) might be generalizable to multiple settings, or (2) aids the process of making other existing research relevant to multiple settings. Doing very applied, highly context-specific research without regard to a possible broader relevance of that research is often (traditionally) not considered "nice" for an academic. It is like peeling bananas and wasting the fruit or, worse, peeling the banana and not bothering even to look at the fruit.

In the remainder of this section we shall discuss three reasons why practitioners should be concerned with building theory. The reasons selected here are very practical, job-related reasons. They have nothing to do with the ability to find an academic position if things go bad at work or the intrinsic gratification of being creative or of sounding impressive in the midst of banana peel research.

**Metalinguage**

Language (in all its many forms) serves to convey meaning from one person to another. A related purpose of language is to provide a mechanism for individuals to interpret the meaning of events. By having labeled categories of thought, such as words, we can more readily think about as well as communicate about events related to those categories. The term "market segmentation" provides an example. Market segmentation is an instance of metalinguage categorizing a set of questions or activities. Having the general concept and term "market segmentation" makes it easier to discuss and implement marketing strategy. The concept also encourages managers to think more strategically about consumers: What is unique about different clusters of consumers? Can existing clusters be segmented further? Can certain clusters be grouped together? What is the optimal level of product and promotional differentiation given key market segments? These are questions some managers have always asked in one way or another. Most important, however, when the concept of market segmentation was crystallized or developed more formally and given a label which found common usage, the kinds of questions just listed began getting asked more explicitly and by more managers. Thus the language of marketing practice was improved upon by provision of a metalinguage ("market segmentation") which consists of a formally stated concept and commonly used term.

Metalinguage creates a clarifying effect. It pulls together and highlights what already known or already being done on a more trial-and-error and perhaps less fully aware basis. The concepts of social marketing and marketing by nonprofit agencies are also metalinguage concepts. The terms did not create noise activities: they merely stated more formally what some agencies were already doing with varying success. However, once the metaconcepts appeared, they did greatly enhance the quality of marketing thought in a larger number of nonprofit agencies. The development of these concepts made it easier for practitioners to understand and improve their behavior.

Being familiar with the concepts, processes, and terminology involved in theory building provides the practicing manager with a metalinguage. This metalinguage serves a similar clarifying effect with regard to a manager's own set of ideas, assumptions, and rules of thumb. It enables managers to think more easily and more creatively about their own thinking and the thinking of others. Metalinguage about theory construction represents a set of tools. These tools facilitate the diagnosis of marketing problems and the development and evaluation of their solutions much as X-ray and hemotologic technology assist similar diagnostic and curative functions in medicine.

**Learning in New Situations**

Let's start with the case of a brand manager who is responsible for a single product. He or she is concerned with knowing as much as possible about various contingencies affecting that product. These contingencies may range from fluctuations in the price of product components or ingredients, to changes in competitor behavior, to changes in consumer preferences. There may be a great many such contingencies. Moreover, a change in one area may require changes in several other areas. A successful brand manager will have an understanding of what the key factors are and how they are related for the specific product for which he or she has responsibility. This manager will be able to make certain predictions on the basis of this understanding. Depending on the predictions made, the manager may decide to alter one or more elements of the marketing mix over which he or she has control. The better the manager understands the intricacies of the various contingencies that must be dealt with, the more effective he or she will be in planning and implementing control activities.

Substantial success as a brand manager may result in a promotion to a product group or product line management position. The number of contexts the manager in our example is concerned with now grows from only one to several. However, there is another more significant change. Previously, say as manager of a specific food product, it was necessary to monitor the cost of milk, raisins, chocolate, various kinds of packaging materials, the reactions of distributors and consumers to changes in package size, color, and texture, the effects of cents-off coupons offered by competitors, one's own firm, shifts in sales relating to new product offerings by competitors, unusually prolonged seasonal weather conditions, and so forth. How useful is this kind of information in the newer position? How comparable are the kinds of understandings, predictions, and interventions obtained when one is managing a single product to those required when one is managing a group of products each having its own manager? The answer to both questions is, "Not a whole lot." The product line manager is now more concerned with (1) managing people, that is, brand managers, and (2) evaluating and integrating or coordinating actions being proposed by various brand managers for their particular products. The product line manager is not worried so much about the necessity of increasing the promotion of brand A to
Points of View

The manager will be more concerned now with the impact of such an action on the available promotional budget for other products or brands in his or her group.

Thus there are different questions to be answered and different systems of explanation to be developed as one moves from one type of marketing function or position to another. The level of abstraction may change as well. In this case we mean that the scope of events becomes broader and the view of those events different. The manager of an entire product line must think more about factors affecting the entire line of products and less about factors unique to just a small subset. At a minimum it is the costs of component parts generally that is of concern rather than the cost of a major ingredient of just one product. The product line manager must now assess the impact of a potential new product on the entire line as opposed to its unique impact on brand A or on brand B. The unit of analysis is more often a set of products rather than the individual items within that set (see Figure 1.2). The brand managers of those individual items will, of course, keep those as their primary unit of analysis.

The person who understands and employs the metalanguage of theory construction will develop valuable understandings more quickly, make better predictions, and exercise more effective control as he or she encounters new responsibilities in higher level positions. Frequently, the higher the level of responsibility—for example, vice-president for marketing operations versus product line manager versus brand manager—the more general the level of explanations or understandings developed and the wider the array of different events or activities those explanations try to encompass. Often, too, theories found at higher levels of management may be more streamlined even though they are inclusive of a broader array of events. Thus, senior management is more prone to develop theories of action that are generalizable to many areas of the firm and yet are parsimonious. These two criteria are important to academic researchers as well.

The manager who is lacking skills in the metalanguage of theory construction will find it difficult to adjust to different tasks, especially those associated with higher levels of responsibility. The metalanguage of theory construction is common to all contexts since it is a way of thinking about thinking.

Frames of Reference

A frame of reference is the set of ideas and outlooks we generally use in viewing things. It is our set of unspoken assumptions, expectations, and decision rules. We often invoke different frames of reference for viewing the same event, depending on a variety of factors. When evaluating consumer response to a new product after its first six months on the market, we might focus especially on the ability of the product to enhance sales of other related products offered by the company as well as the absolute sales of the new product. In other circumstances the absolute level of sales may be relatively more important in our frame of reference. The frame of reference used to evaluate a particular product may vary from consumer to consumer. It may also vary for the same consumer over time depending upon past experience, severity of the need for the product, whether it is used privately or publicly, and so forth.

Thus frames of reference serve as a lens or filter and evaluating device between events and our interpretation of those events. This is illustrated in Figure 1.3. The reader may be familiar with the story of two shoe salesmen who were dispatched to assess opportunities in an underdeveloped country. One salesman returned to report that opportunities were very poor: "Only half of the people wear shoes." The other salesman returned to report that opportunities were very great: "Half the people don't have shoes yet." Clearly very different frames of reference were leading to very different interpretations of the same event.

There is general agreement among persons who study information use that information is more likely to affect our frame of reference than our actions if any direct sense. That is, if information has a direct effect on us, it is more often through its effect on our frames of reference than it is on our specific actions. Our actions may be affected, of course, but this effect is likely to be via our frames of reference. Information may change our frame of reference. The resulting change in frame of reference may alter an action because it alters the way we perceive events. For example, one study of the use of market research by managers found that formal market research studies influenced managers' ways of thinking about problems more than it influenced directly any specific

---

**Figure 1.2.** Different levels of concern and levels of abstraction.

**Figure 1.3.** Frame of reference as a lens between event and interpretation.
action on the problems the research addressed. Many other empirical studies
have found the same tendency.

Now, what has all this to do with the practical value of theory-building skills
for managers? If our frames of reference are so critical to our interpretation of
events and if the information we process generally influences decisions through
its impact on our frames of reference, it becomes essential that we be able to
evaluate and alter our frames of reference or ways of thinking about thinking.
Skills in evaluating and building theory will enable managers to understand their
frames of reference and improve them. The manager with an improved frame of
reference is also an improved manager.

Management scientists devote substantial energy to developing frames of
reference to be used by practitioners. These frames of reference are called
models or, frequently, decision-making models. There are models for product
portfolio selection, models for selecting and introducing new products, models
for allocating promotional resources, models for selecting retail locations, and so
on. These models are often quite good, that is, they do well what they are
intended to do. They are also little used by practicing managers. Managers still
prefer to use frames of reference that they develop. There are many reasons for
his, which cannot be treated here. There are, however, two important
observations about this state of affairs which are relevant here. The first is that
practicing managers are unlikely to change their posture toward the use of formal
management science models. This makes it all the more important that they
equip the metaperspective of theory building and apply it to their own frames of
reference. As this metaperspective is acquired and used, the reader will also find
normal management science models more interesting and useful. This is
specially helpful when entering a new position of responsibility. Reviewing
existing management science models pertinent to the new position will enable
managers to develop effective models or frames of reference of their own for that
ask much more quickly.

Frames of reference change with changing areas and levels of responsibility.
Table 1.4 illustrates differences between corporate-level planning (top-down)
and planning of managers who operate at a more specific business level (bottom-
p) within the corporation. The same issue (or “event”) is looked at rather
differently. Each perspective or frame of reference has its advantages and
weaknesses. The manager or planner who has the capacity to analyze (seek out
and understand) frames of reference used in planning will develop more effective
plans. With reference to Table 1.4, George Day suggests the same point: “Finally,
the planning process itself should have the capacity to seek out, understand, and
exploit the differences in market definition between top-down and bottom-up
approaches. The payoff will be clearer strategic thinking and faster response to
emerging threats and opportunities.” This kind of payoff is a pretty good
reason for a manager to be concerned with theory building.

Summary

This chapter has discussed two views about the conduct of science. One view has
been referred to as the traditional view of science. The second has been referred to
as the contemporary view of science. In actuality there are many variations
within each view. Moreover, these variations are sometimes substantial even

---

16George S. Day, Strategic Market Analysis: Top-Down and Bottom-Up Approaches (Cambridge
though they could not be treated here. If the so-called contemporary view receives greater stress in this chapter (and possibly others), it is because it is not very conspicuous in the field of marketing. Many readers may not yet have had significant exposure to current ideas in the sociology, psychology, and philosophy of science. Inquiry into and the practice of marketing should improve if both views are equally understood and appreciated by researchers, managers, and teachers. This chapter also identified a number of barriers which often block exposure to different viewpoints and limit our ability to develop a special kind of theory called generative theory. The concluding section of this chapter addressed the practical relevance of learning about theory. A basic idea in that section is simply that learning about theory will help a manager think about his or her frame of reference for handling responsibilities. This knowledge, in turn, should improve the exercise of those responsibilities.

TWO

BEING INTERESTING

In this chapter we introduce the special idea of being "interesting" and guidance for those readers who dare to be noticeably different. Being and different is essential although not sufficient for constructing good Readers may also use the conditions for being interesting as criteria of the interestingness (or dullness) of the marketing literature they countered. For example, how much of what you have read in the last year is interesting according to these criteria? Do you think there is an upper number or proportion of interesting ideas a field can accommodate within a specified period of time?