The Commodity Approach in Marketing Research: Is It Really Obsolete?

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The purpose of this paper is to examine a paradox in the marketing literature. This paradox concerns the commodity approach to marketing research. On the one hand, the commodity approach is perceived as obsolete. Few marketing journals or textbooks refer to it as a marketing research method. On the other hand, commodity-based papers are still prominent in the marketing literature. Industrial products and the marketing of services are still the focus of a substantial amount of research. In order to empirically investigate the actual status of the commodity approach in scholarly marketing research, this paper presents a content analysis of articles appearing in the Journal of Marketing (1936–1989) and the AMA Proceedings (1957–1989). The goal of the content analysis is to measure how the adoption rate of the commodity approach has evolved over the past 54 years. Is the commodity approach as obsolete as it is perceived to be? Results show that (1) the adoption rate of the commodity approach is cyclical, (2) different commodities are studied more frequently in each of these cycles, and (3) current papers are more theoretical and less descriptive than earlier papers adopting the commodity approach.

INTRODUCTION

One of the traditional approaches to scholarly marketing research, the commodity approach focuses on the study of the distinctive characteristics of products. Its proponents believe that the features distinguishing a product from any other are sufficiently important to justify the establishment of a separate specialty in the study of marketing. For example, in the years before the Second World War marketing scholars would often specialize in the marketing of products such as cotton, corn, or steel.

While the commodity approach was predominant among early marketing scholars (Duddy and Revzan 1953), it is currently perceived as obsolete. In the 1970s, its decline was recorded by several authors. Bartels (1976) linked the decline of the commodity approach to an increased interest in a more theoretical approach to marketing phenomena in the 1950s. In a content analysis, Grether (1976) documented a long decline for the commodity approach until its "disappearance" in the mid-1970s. This disappearance was linked to a shift in the focus of marketing thought from commodities to the individual enterprise. Kotler (1972) views the commodity approach as an earlier stage in the development of marketing thought. Further support for the view that the commodity approach has been declining since the early years of this century is provided in Walters and Robin (1978).

But perhaps the strongest evidence for the perceived obsolescence of the commodity approach is that few, if any, marketing texts or journal articles published in the last fifteen years make direct reference to the commodity approach as a method of investigating marketing phenomena. Yet, paradoxically, commodity-based articles are presently being published in the marketing literature. Services marketing and industrial products are the research specialty of a substantial number of marketing scholars. Today, most marketing textbooks contain chapters in industrial and in services marketing.

The study of services and of industrial products as commodities is not new. Ralph Breyer (1931), for instance, included chapters on the marketing of industrial machinery and on the marketing of telephone services in his famous Commodity Marketing textbook.
An important example of a current commodity based article in marketing is Lovelock's (1983) classification scheme for services. Classification schemes have always been at the heart of the commodity approach because they are of critical importance in establishing the differences among various types of commodities. See, for instance, Copeland's (1923) classic analysis of convenience, shopping, and specialty goods.

While in most cases industrial marketing research focuses on markets rather than on products, some papers in this area focus on the distinctive characteristics of industrial products. Researchers in industrial marketing believe that the total marketing "package" for products sold to industrial and consumer markets are substantially different (Haas 1985). Bell (1986) and Murphy and Enis (1986) have proposed classification schemes that integrate existing classifications for tangible consumer goods, industrial products, and services.

Thus, on the one hand, the commodity approach is no longer perceived as an acceptable approach to marketing research. On the other hand, articles in services marketing and in industrial products frequently appear in marketing journals and textbooks without making a direct reference to the commodity approach. This paradox in the marketing literature suggests that the perceived obsolescence in the commodity approach may be a fallacy. To research this issue, this paper presents a content analysis of all articles appearing in the Journal of Marketing (1936–1989) and the AMA Proceedings (1957–1989). The adoption rate of the commodity approach is measured and the most frequently studied commodities in different periods is recorded.

The research findings are three. First, the commodity approach in marketing research is not obsolete. The data shows that the adoption rate of commodity based articles in the Journal of Marketing and in the AMA Proceedings actually follows a cyclical pattern. Second, the most frequently studied commodities have changed over time. Finally, the third result shows how current commodity based papers differ from earlier ones. In the time span covered by this research, the commodity approach has evolved from descriptive studies and product classification schemes, to a more theoretical approach where distinctive theories are built for products believed to be different from other products.

Earlier views on the commodity approach are reviewed in the first section. The research methodology is presented in the second section. This section is divided into three segments. In each of these segments, the following is described: (1) the criteria for labeling articles as commodity based, (2) the criteria used to select the Journal of Marketing and the AMA Proceedings as sources of data for this research, and (3) the data validation procedures. Findings are discussed in the third section. The last section speculates on possible reasons for the continued adoption of the commodity approach in marketing.

EARLIER VIEWS ON THE COMMODITY APPROACH

Nineteenth century liberal economists such as Atkinson, Wells, and the Farquhar brothers researched marketing problems from a commodity viewpoint (Coolsen 1960). Duncan (1921) described "commodity analysis" or "commodity method" as a research method invaluable for obtaining knowledge about specific commodities, although acknowledging that duplication may occur. This duplication results as similarities in the marketing of different commodities become salient when multiple commodities are studied. Interestingly, Duncan pointed out that commodity analysis "can be applied to any kind of commodity, whether a material thing or a service."

In his pioneering book, Commodity Marketing, Bryer (1931) argued that the commodity approach studies the marketing systems for various products. This approach adds concreteness to the study of marketing and is the "only feasible method of presenting effectively a number of important aspects of marketing, e.g., the distribution channels."

In Essentials of Distribution (1936), Converse explained the commodity approach as a way to study individual goods by "describing the ways in which they reach the consumers." He believed that simplicity of application is the major advantage of the commodity approach, while the disadvantages were that it requires long descriptions and has an effect of producing a high degree of repetition when many commodities are studied.

Mainard, Weidler, and Beckman (1939), described the commodity approach as one where the "marketing system is examined for each of a number of specific commodities." They furthered the analysis by stressing its importance in providing a very concrete and factual approach to the study of the marketing of a particular commodity. On the other hand, Mainard, Weidler, and Beckman also stressed that the approach results in "excessive repetition, it is time consuming and tends to overemphasize the effect of differences in commodity characteristics upon the marketing system." Moreover, proponents of this approach believe that "similarities in the marketing of most commodities are by far greater than the differences."

Duddy and Revzan (1953) considered the commodity approach as a "descriptive technique in which the commodity serves as a focus around which to organize the details of the institutional and management aspects of marketing." It has the advantage of providing a realistic and detailed analysis of marketing problems. Yet, the approach involves much repetition of facts that could be best described with an underlying principle that is common to separate commodities. In its extreme form, proponents of the commodity approach believe that "differences in commodities alone explain the different kinds of organization and operation present in the market, attributing to these characteristics a determinative effect."

Similarly to previous writers on the subject, Alderson (1957) regarded the commodity approach as fundamentally descriptive. Its proponents believe that the study of the particularities of each commodity is the relevant approach to the discipline, because approaches based on generalization become excessively abstract. Cox, Goodman, and Fichandler (1965) referred to the commodity approach as one where the marketing analyst "looks at classes of goods to see how they differ among themselves in the marketing services that they require." The approach is regarded as easy to understand.
and useful in the examination of marketing questions that are specific to a particular commodity. Finally, Bartels (1976) defined the commodity approach as "a study of the processes involved in the marketing of a product or group of products." He viewed it as method to illustrate the interrelations of "commodity characteristics, functions, and institutions."

In sum, a number of commonalities emerge from these earlier views. The commodity approach was regarded as excessively descriptive and repetitive. It was also regarded as a simple and concrete method in which to emphasize the distinctive characteristics of the commodity being researched.

**RESEARCH METHODOLOGY**

Three major issues must be addressed in the research methodology. First, how to determine which articles should be considered commodity based? Second, how should marketing publications be selected as sources of data for the research? In the final issue, the procedures used to validate the data collected are addressed.

**Commodity Based Articles**

The commodity approach is defined below. This definition is important to guide the determination of which articles should be considered commodity based. It is based on a number of common points revealed in the previous section. The definition is followed by a discussion on the operationalization of its key points.

The commodity approach is a method of investigating marketing phenomena where a product or class of products is a major focus of the analysis.

Thus, for an article to be considered in the research, a commodity must be a major—not the only—focus of the article. Regardless of how specific the definition is, there are always borderline cases in content analysis. Therefore it is necessary to clarify the operationalization of the article selection criteria by defining "major focus of the analysis" and "class of products." A product is a major focus of the analysis when it is the central object of the findings or conclusions of an article, as opposed to an article where the product is used as a sample or example for a larger issue.

The idea of a "class of products" can range from very narrow, such as models of automobiles, to very wide, such as goods or services. Accordingly, some commodity based articles focused on a well-defined item (e.g., attorney advertising), while others focused on a general class of commodities (e.g., pricing of services). To separate these two types of articles, we developed a classification scheme where articles are grouped into two different levels, namely Level 1 and Level 2. In Level 1, articles address products at an aggregate level. They have to be in one of the following categories: packaged goods, consumer goods, agricultural products, services, industrial products, convenience/shopping/specialty products, consumer durable/non-durable goods, and articles presenting product classification schemes.

In Level 2, the article has to identify the specific product being studied. The following examples are provided to further clarify the distinction between Level 1 and Level 2 in classifying commodity articles:

**Level 1:**
- "Which Automobiles Will Be Here Tomorrow?" (Holloway 1961).

Despite the criteria outlined for the inclusion of articles, some special cases require further clarification. These cases are combined articles, single industry studies, industrial markets, and marketing education articles. Combined articles are based on more than one approach to the study of marketing. A hypothetical example is "the retailing of fruit." Is this commodity approach, or is it institutional approach? Should this article be included? The decision criterion used in this research is to include it if the author positions the retailing of fruit as different from the retailing of other products. If the product fruit is being used to make a general point about retailing, the article is not included. The same is valid for articles that combine the commodity and the functional approaches, such as "the advertising of fruit," for instance.

A related issue is single industry studies. A very broad definition of the commodity approach could include every article where the data refer to a single industry. The same criterion applied for combined articles is applied in this case. The article is included if its findings are positioned as different for the product in the industry analyzed when compared to any other products.

Industrial marketing articles also warrant clarification. Industrial marketing does not necessarily refer to a class of commodities, but to a type of market. Thus, one could certainly make the case that the research should not include articles on industrial marketing. However, these articles were included when their authors used the terms industrial marketing and industrial products interchangeably. Articles positioning industrial marketing as markets rather than products were excluded. An article on buying centers, for instance, would be excluded because it focuses on a special type of client, as opposed to a special type of product.

A considerable number of articles on marketing education were published in earlier years. Marketing education is a commodity just as any other service is. Should these articles be included in the research? A decision was made to exclude them, because these articles were not published as an approach to the study of marketing, but rather as the performance of one of the major functions of marketing scholars, namely teaching. Marketing education articles, in sum, were not judged good indicators of the status of the commodity approach in marketing research.
Choice of Publications

There are a number of options available to measure the importance of the commodity approach to marketing research. First, one could examine a series of marketing books and measure the amount of space dedicated to the commodity approach, as opposed to other approaches to the study of marketing. There are severe problems related to this option. How to operationalize the "amount of space" dedicated to the commodity approach? Which books should be included? Should all selected books be given equal weights? The relative importance of books changes over time, some are very influential when published but decline later on, while others maintain a significant impact over the years. Others still were never influential but continue to be available in libraries.

A second option is to select one journal of primary importance in the field. The Journal of Marketing has been recognized as the leading publication in marketing and as representative of the mainstream of the discipline ever since its inception (Lazer 1976). Alderson (1957), for instance, referred to the increased number of theoretical articles in the Journal of Marketing as an indicator of the increased role of theory in the field of marketing. Moreover, since space in JM is limited, published articles represent the choice of the discipline in allocating its research output. Relatedly, limiting a content analysis study to one journal helps to control for between-journal variation (Gross and Sheth 1989).

This second option also has its limitations. Although JM remains as the primary output for scholars in the field, it now holds a smaller proportion of that output, due to the increase in the number of academic publications available. Furthermore, the Journal of Marketing was never the only publication available and, therefore, some important articles published elsewhere would not be considered in the research. If one assumes that the proportion of articles utilizing the commodity approach is the same in the Journal of Marketing as in other scholarly journals in the field, these limitations would not be a relevant factor in the findings. An additional limitation with this option is the possibility that the variance found in the number of commodity approach articles is actually indicative of the editor's priorities, as opposed to marketing thought.

A third option is to examine several marketing and business journals adopted by marketing scholars as output for their work. While this overcomes some of the problems of the second option, this alternative also poses methodological difficulties. First, few journals are available before 1936. Second, in the particular case of business journals, the number of marketing, and especially commodity approach, articles per year is rather low, which leads to small numbers distortion in the data. Third, the relative importance of the different journals changes over time, which imposes difficulties in comparing the output for several journals.

A way to overcome the limitation of possible editor bias in the second option and avoid the problems with the third option is to examine the Journal of Marketing, and also independently examine the AMA Proceedings, which has different editors every year. Thus, the approach selected for this research is to analyze JM and use the AMA Proceedings.

FIGURE 1
Adoption Rate of the Commodity Approach—Journal of Marketing
for comparison and validation purposes. Research results should be valid if the data in JM and the AMA Proceedings show the same trend in the adoption rate of the commodity approach.

The AMA conferences selected for the research include the now established "Combined Proceedings" dating back to 1971, as well as the earlier "National Conferences" and "Teacher Conferences." All Proceedings were national in scope. Not all Proceedings, however, were included, due to their physical unavailability. In 1960, for example, 2 conferences were analyzed, as opposed to only one in 1959. Years prior to 1957 were not available and thus not included.

**Data Collection and Validation**

The data collected are presented in Figures 1 and 2. The vertical axes represent the ratio of commodity articles to total articles appearing in JM (Figure 1) and the Proceedings (Figure 2). An article is defined as a paper if it is signed by an author and is not a book review. The horizontal axes represent three-year averages, which were adopted to facilitate the visualization of long term trends. Both figures contain data relative to the ratios of Level 1 and Level 2 articles.

Two procedures were adopted to validate the data collected. First, JM data was compared with the AMA Proceedings to see if the adoption rate of the commodity approach followed the same pattern in both sources. This comparison is presented in Figure 3. Visual inspection shows reasonably similar trends. An F-test showed no significant difference in the variance for the two sets of data at an alpha level of 1%. The correlation coefficient is +.597.

A second procedure adopted to validate the data compared JM data to results in Grether's (1976) paper commemorating the first forty years of JM. Grether classified 40 years (1936–1976) of JM articles into 12 categories. One such category, entitled "Industry and Commodity Type Studies," was selected for validation. While Grether's paper did not specify the criteria used to classify articles, his data is useful to see if trends observed in his study match those found in the present study. This comparison is presented in Figure 4. Four year averages are used in order to make the two sets of data compatible. Visual inspection suggests that the two data sets follow the same general pattern. An F-test showed no significant difference between the two variances at an alpha level of 1%. The correlation coefficient between the two sets of data is +.762.

**DISCUSSION OF FINDINGS**

The first finding reveals a cyclical pattern in the adoption rate of the commodity approach. These cycles are equally present whether the data is smoothed in two or four year periods, instead of the three years in Figures 1 and 2. The second finding concerns the most frequently studied commodities (Level 1 and Level 2) within each cycle. Figure 5 presents the evolution of three main product categories in JM during each cycle since 1942. It clearly shows the decline

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**FIGURE 2**

Adoption Rate of the Commodity Approach—Proceedings

![Graph showing adoption rate of commodity approach in Proceedings](image-url)
FIGURE 3
Validity Test: Comparing Data from Two Sources
(Journal of Marketing and Proceedings)

FIGURE 4
Validity Test: Comparing Data from Two Studies
(Author 1990 and Grether 1976)
of food/agricultural products and the growth of services and industrial products. Such findings are corroborated in the *Proceedings*.

The most frequently studied commodities in different periods were agricultural products until the early 1950s; automobiles, tourism, and pharmaceuticals in the mid to late 1950s; banking and defense/aerospace industries in the early 1960s; social causes and banking in the 1970s; health care and services in the 1980s.

The data suggest further that Level 1 articles are much less prevalent than Level 2. In addition, Figure 1 shows that Level 1 articles are becoming more prevalent relative to Level 2 articles, but this is not confirmed in the *Proceedings*. Table 1 lists the commodity based articles appearing in the *Journal of Marketing* in the last 5 years.

The third finding concerns the growing emphasis on theory in the commodity approach. Current commodity based papers tend to explore the distinctive characteristics

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**TABLE 1**

<table>
<thead>
<tr>
<th>Year</th>
<th>Author(s)</th>
<th>Title</th>
<th>Commodity</th>
<th>Level</th>
<th>Issue</th>
</tr>
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<tbody>
<tr>
<td>1989</td>
<td>Brown &amp; Swartz</td>
<td>A Gap Analysis of Professional Service Quality</td>
<td>Services</td>
<td>1</td>
<td>Spring</td>
</tr>
<tr>
<td>1989</td>
<td>Karakaya &amp; Stahl</td>
<td>Barriers to Entry and Market Entry Decisions in Consumer and Industrial Goods Markets</td>
<td>Industrial and consumer goods</td>
<td>1</td>
<td>Spring</td>
</tr>
<tr>
<td>1988</td>
<td>Varadarajan &amp; Menon</td>
<td>Cause-Related Marketing: A Coalignment of Marketing Strategy and Corporate Philanthropy</td>
<td>Cause-related marketing</td>
<td>2</td>
<td>Summer</td>
</tr>
<tr>
<td>1988</td>
<td>Zeithaml, Berry &amp; Parasuraman</td>
<td>Communication and Control Processes in the Delivery of Service Quality</td>
<td>Services</td>
<td>1</td>
<td>Spring</td>
</tr>
<tr>
<td>1987</td>
<td>Guiltinan</td>
<td>The Price Bundling of Services: A Normative Framework</td>
<td>Services</td>
<td>1</td>
<td>Spring</td>
</tr>
<tr>
<td>1987</td>
<td>Surprentant &amp; Solomon</td>
<td>Predictability and Personalization in the Service Encounter</td>
<td>Services</td>
<td>1</td>
<td>Spring</td>
</tr>
<tr>
<td>1987</td>
<td>Shostack</td>
<td>Service Positioning Through Structural Change</td>
<td>Services</td>
<td>1</td>
<td>Winter</td>
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THE COMMODITY APPROACH IN MARKETING RESEARCH: IS IT REALLY OBSOLETE?

TABLE 1 (continued)

<table>
<thead>
<tr>
<th>Year</th>
<th>Author(s)</th>
<th>Title</th>
<th>Commodity</th>
<th>Level</th>
<th>Issue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987</td>
<td>Hirschman</td>
<td>People as Products: Analysis of a Complex Marketing Exchange</td>
<td>People</td>
<td>2</td>
<td>Winter</td>
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<tr>
<td>1986</td>
<td>Murphy &amp; Enis</td>
<td>Classifying Products Strategically</td>
<td>Classification scheme</td>
<td>1</td>
<td>Summer</td>
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<tr>
<td>1985</td>
<td>Parasuraman, Zeithaml, &amp; Berry</td>
<td>A Conceptual Model for Service Quality and its Implication for Further Research</td>
<td>Services</td>
<td>1</td>
<td>Fall</td>
</tr>
<tr>
<td>1985</td>
<td>Harris &amp; Strang</td>
<td>Marketing Strategies in the Age of Genries</td>
<td>Generics</td>
<td>2</td>
<td>Fall</td>
</tr>
<tr>
<td>1985</td>
<td>Zeithaml, Parasuraman, Berry</td>
<td>Problems and Strategies in Services Marketing</td>
<td>Services</td>
<td>1</td>
<td>Spring</td>
</tr>
<tr>
<td>1985</td>
<td>Doyle &amp; Saunders</td>
<td>Market Segmentation and Positioning in Specialized Industrial Markets</td>
<td>Industrial products</td>
<td>1</td>
<td>Spring</td>
</tr>
<tr>
<td>1985</td>
<td>Solomon, Suprenant, Crepil &amp; Gutman</td>
<td>A Role Theory Perspective on Dyadic Interactions: The Service Encounter</td>
<td>Services</td>
<td>1</td>
<td>Winter</td>
</tr>
<tr>
<td>1984</td>
<td>Bishop, Graham &amp; Jones</td>
<td>Volatility of Derived Demand in Industrial Markets and its Managerial Implications</td>
<td>Industrial products</td>
<td>1</td>
<td>Fall</td>
</tr>
</tbody>
</table>

of a product to build special theories explaining marketing phenomena for that product. [See, for example, Zeithaml, Berry, and Parasuraman's (1988) conceptual model of service quality.] This emphasis on theory contrasts sharply with earlier views on the commodity approach. Recall how the commodity approach was regarded as descriptive by earlier marketing authors, and that Bartels (1976) attempted to explain a perceived decline in the adoption rate of the commodity approach by a greater concern with theory among marketing scholars.

THE COMMODITY APPROACH AND MARKETING RESEARCH

We have demonstrated in previous sections that (1) the commodity approach is perceived to be obsolete, and (2) it has nevertheless maintained a presence in the current marketing literature. In this section we speculate on possible explanations for the continued presence of the commodity approach in marketing research.

First, the commodity approach often facilitates theory building because commodity based classifications are an important first step for the systematic investigation of phenomena (Hunt 1983; Hollander 1956). Second, the commodity approach is a good source of data for comparative studies. Examples of how comparative studies are useful in the investigation of marketing phenomena include the study of similar commodities marketed in different countries (international marketing), cultures (cross cultural marketing), or time periods (comparative marketing history).

Third, the commodity approach recognizes that there is an element of uniqueness in the marketing of most products. One important source of uniqueness is legislation, which is often directed at critical aspects of the design, production, and marketing of individual products. Deregulation, for instance, has had a major impact on the marketing of transportation and of health care services.

Finally, the commodity approach provides insight on products seen as important by practitioners and by society at large. The study of food products in the early part of the century was important because society was interested in the cost of food distribution (U.S. Industrial Commission 1901; Stewart and Dewhurst 1939). A close observation of Figure 5 shows that the evolution in the choice of commodities followed the general pattern in the U.S. economy from emphasis on agriculture to industry, and then to services. By the same token, social causes were a major concern of the late sixties and early seventies. The cost of health care is currently a major social concern. This concern may be one reason for the American Marketing Association's recent decision to buy the Journal of Health Care Marketing. Thus, the study of commodities is one way by which marketing reacts to a social concern about a commodity.

REFERENCES


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