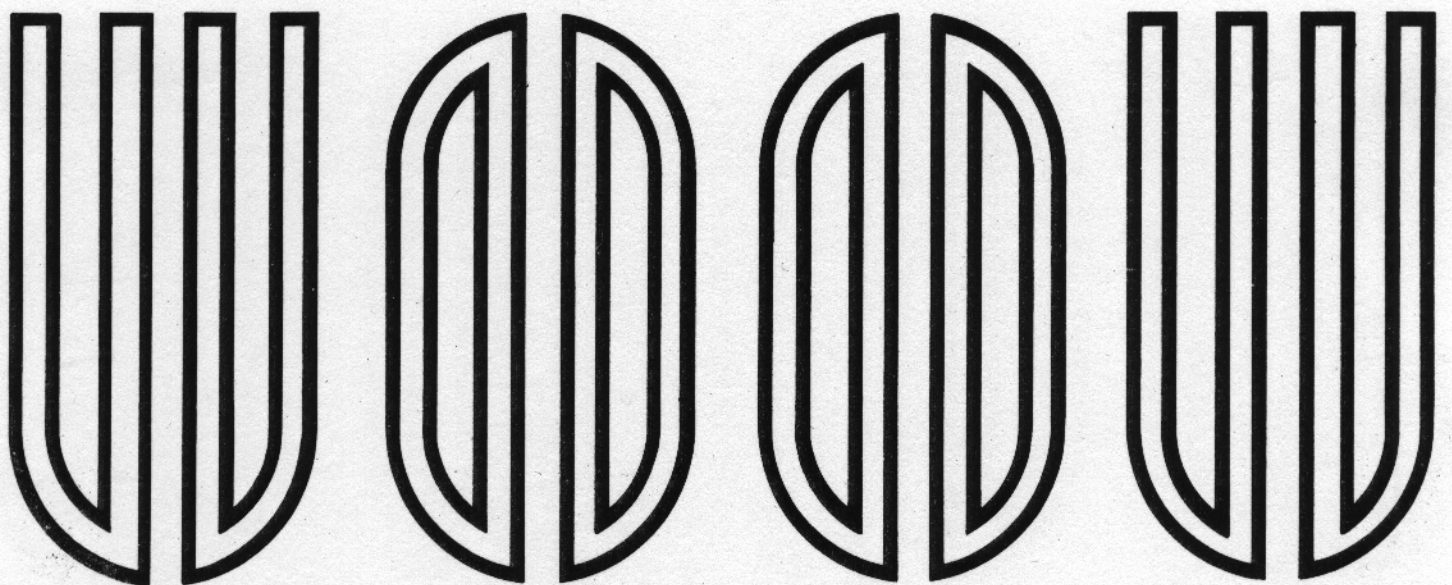


Developments in Marketing Science

Volume II 1979



Edited by
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MARKETING THEORY:
THE PRESENT STAGE OF DEVELOPMENT

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Abstract

Amidst controversies surrounding recent concepts and theory in the discipline, how does marketing theory measure up in terms of maturity? Such an assessment is long overdue. A periodic appraisal of the state-of-the-art in marketing theory is an essential, if not indispensable condition for the maturing of the discipline. Evaluated against four major stages of theory development, marketing theory appears to have accomplished no more or less than its sister disciplines in social sciences. A cramp in the progress of maturity has been contributed by some methodological and attitudinal problems which may be overcome by adopting some objective perspectives toward marketing theory in general, thus expediting its further development.

Introduction

One needs but a brief glimpse into the history of science to see how every discipline had to experience growing pains as it went through different stages toward maturity (Taton 1958; Woodbridge 1929; Kuhn 1952). As a younger member of social sciences, marketing is no exception.

Presently, the marketing discipline is undergoing vast changes; its growing pains are in the form of pressures from conflicting opinions concerning its nature and scope. We have controversy in marketing concepts, which are the building blocks of theories (Zaltman et al., 1973, p. 19); also, we have controversy in marketing theory, which is the backbone of a discipline.

In the face of recent developments in marketing thought and theory, a periodic inventory of the intellectual progress in marketing is desirable for two main factors: one is to assess where we stand in terms of achievements to serve as a guide for future directions; the other factor is to find out what errors have been committed in the advancement of the discipline, in order to avoid them in the future.

After having briefly stated two major controversies in marketing concepts and theory, the purpose of this paper is first to assess the present stage of development in marketing theory; then to discuss several of the obstacles which have deterred some rapid progress in it; and, finally, to present some perspectives which are deemed amenable to furthering theory in this field of study.

Controversies in Marketing
Concepts and Theory

Current literature manifests the existence and continuance of two major controversies surrounding "the broadening concept" of marketing and the "general theory" of marketing. Each of these controversies is briefly stated in the following sections.

The Broadening Controversy

Since Kotler and Levy's seminal 1969 article, new wine has been fermenting, straining the discipline's old containers (boundaries) (Kotler and Levy, 1969, pp. 10-15). Marketing theory has been subjected to "broadening" and "deepening" processes (Enis, 1973, pp. 57-62).

As a consequence of the broadening controversy, two schools of thought have emerged about marketing theory since the late sixties: the expansion and the traditional schools. The subscribers to the former can be labeled the "expansionists." These advocate the enlargement of the scope of marketing to apply the discipline's technology to non-business organizations, as well, such as to hospitals, charitable organizations, religious institutions, etc.; and they consider marketing to be a social process (Kotler and Levy, 1969, pp. 10-15; Sweeny 1972).

The adherents of the second school of thought can be called the "traditionalists" for they argue in terms of keeping the "traditional" or "normal" boundaries of the discipline (Luck 1969, pp. 53-54; Tucker 1974, pp. 30-35). They argue that while marketing technology may be applied to non-economic fields, the substance of marketing should be its economic mission, and thus they consider marketing to be primarily a business activity. While the broadening controversy deals with the "marketing concept," the second controversy centers on the "general theory" of marketing.

The General Theory Controversy

The most recent controversy in marketing theory centered on Bartels' general theory. Bartels proposed a unified theoretical structure for marketing and labeled it "The General Theory of Marketing" (Bartels, 1968, pp. 29-33). The general theory was built on seven sub-theories. Hunt discounted Bartels' general theory as being a nontheoretical structure by contending that "... the seven component subtheories are not theories, and thus the collection of seven components cannot be referred to as a 'general' theory of marketing" (Hunt, 1971, pp. 65-68).

Hunt's criticism of the "general theory" invited Pinson, Angelmar, and Roberto to respond to Hunt (Pinson et al., 1972, pp. 66-69). The three authors presented a note in an attempt to show that Hunt's criticism of Bartels was based upon inadequate evaluation criteria. The main issue revolved on Hunt's "lawlike generalization" criterion which "... always specifies a relationship between variables" (Hunt, op. cit., p. 65). They contended that Hunt did not clarify how to recognize a lawlike generalization, and they demonstrated that his criticism was not valid (Pinson et al., p. 67).

More recently, Pinson, Angelmar, and Roberto's comment brought Hunt to his defense in his note "Lawlike Generalization and Marketing Theory" (Hunt 1973, pp. 69-70). He argued that Bartels' general theory did not contain lawlike generalization and therefore "it is neither a theory of marketing nor a 'general' theory

of marketing" (Hunt, p. 70).

While a large part of the intellectual energy is being directed toward the controversy of expanding or keeping the boundaries of the discipline, and whether or not the "general theory" is valid, it is worthwhile to appraise the present stage of development of marketing theory in general.

The Current Stage of Development in Marketing Theory

To assess the present stage of marketing theory, a framework is adopted. This framework was developed by A. Cornelius Benjamin in his book, An Introduction to the Philosophy of Science (Benjamin 1937). A theory may develop through four stages:

The first stage is called the preparatory stage. At this stage, theory is still embryonic, and the science from which the theory is to emerge is still at the descriptive level. The main thrust at this stage is directed at gathering data and classifying them. At this level, there are no theories or even hypotheses, but a foundation is being laid to build upon a theoretical structure.

The second stage is characterized by the recognition of the insufficiency of mere description. The realization that although a certain phenomenon is adequately described, there is still a great need to explain it. The main effort is to derive explanatory conceptions from the data through two most important techniques of abstraction and concretion.

The third stage is marked by attempts to increase the content of the explanatory entity in such a way as to permit the deduction of the propositions already known to be verified. These propositions are deliberately put to use in a different explanatory entity. In doing so, the scientist has the opportunity to extend the applicability of these known propositions in the context of new conceptualizations.

The fourth stage, into which the third merges imperceptibly, is earmarked by attempts to increase the content of the explanatory entity in a manner to permit the deduction of propositions not yet known to be true. That is to say, the propositions descriptive of data are still to be discovered. At this stage the development of theory matures; only in this stage theory has become a genuine theory in fulfilling its predictive function (Benjamin, pp. 214-217).

There is no denying the fact that a theory which has undergone some verification is preferable to a purely speculative one because ". . . inadequacies in the theory can be detected only by examining the predictions in the light of the facts" (Lachman, 1956, p. 60). However, a theory does not cease to be scientific if it has not been verified. In this paper ". . . by theory is meant an explicit and coherent system of variables and relationships with potential or actual empirical foundations, addressed to gaining understanding, prediction, and control of an area of phenomena" (Kotler 1971, p. 7).

Now that the framework has been laid down, how does

marketing theory measure up against the four stages of theory development? For half a century now, marketing scholars have been gathering and classifying data on marketing phenomena by following specific approaches known as functional, commodity, institutional and decision-making or managerial.

The functionalists have attempted to formulate marketing theory through analyzing, describing, and classifying the major functions of marketing (buying, selling, transportation, etc.). The "commoditists" viewed marketing in terms of the distribution of a specific commodity or product group (the "product flow approach"); by describing what is being done to a commodity in the "flow," they attempted to establish the foundations of marketing theory.

Complementary to the functionalist approach, the institutionalists have tried to build marketing theory through describing the nature and activities of various facilitating agencies and middlemen involved in distributing the products. More specifically, the institutionalists attempted to describe how each intermediary performed the functions listed in the functional approach. Finally, the managerialists have emphasized management functions applied to marketing (planning, organizing, controlling, etc.). Attempts have been made to found and advance marketing theory by analyzing and describing the role of the manager as a problem-solver and decision-maker.

Thus, marketing theory has gone through the first stage, for it now has a wealth of data gathered and classified by scholars subscribing to different approaches.

It is also safe to say that marketing theory has gone through the second stage. Marketing scientists are aware of the insufficiency of mere description of the data gathered. Paul D. Converse's article of 1945 set the ball rolling on the development of the science of marketing (Converse, 1945, pp. 14-23). A development reflecting such an awareness is the formation of the Marketing Science Institute in June, 1962, with the dedication to the development of Marketing Science. Increasing numbers of companies are making huge contributions (earmarked for basic research in marketing) to universities and other research institutions. One of the reasons for the formation of the American Marketing Association was to advance science in marketing.

An example of the endeavor to extend from mere descriptive data which is obviously given, into the explanation of something which is less obviously given is Howard and Sheth's theory of buyer behavior (Howard and Sheth 1968, p. 471). In this theory they not only describe the variables, but also attempt to explain their interactions and interrelationships. Thus, behavior is described and explained.

There is enough evidence to support the contention that marketing theory may have entered the third stage, in which propositions already known to be verified permit deductions to increase the explanatory power of a theory. For instance, the proposition of "automatic response" based on learning theory has already been verified in the field of psychology. However, it is also used for verification within the context of other theories of consumer behavior in order to enhance their explanatory power.

Finally, marketing theory is on the threshold of the fourth stage. In this stage, theory permits deductions of propositions not yet known to be true. Stage four is hard to attain for marketing processes are ". . . dynamic, non-linear, lagged, stochastic, inter-

active, and downright difficult" (Kotler 1967, p. 1). For that matter, the other disciplines of social sciences face the same problems.

Despite the difficulties presented by the nature of marketing phenomena, the value of marketing theory far outweighs its shortcomings. Theory provides the practitioner as well as the scientist with many valuable functions. Among other things, theory helps the marketing scientist systemize and organize data; it serves as a framework or schematization and thus it permits research to be cumulative; it indicates and suggests directions for further investigation (Lachman, p. 50-51). Ernest Nagel maintains that "the raison d'être of the theory is to serve as a rule or guide for logical transitions from one set of experimental data to another set" (Nagel, 1961, p. 129).

The maturity of marketing science depends largely upon theory, for invariably a science develops from theory. Theory also helps the practitioner (e.g., marketing executive) make better decisions. Through theory, he is enabled to see the interactions and interrelationships of variables of certain aspects of marketing phenomena. "The advantages of having a theoretical basis for marketing are that decisions can be made more quickly, more correctly, and at less cost" (Halbert 1968, p. 63).

In sum, the journey of the development of marketing theory through the first three stages has been slow in spite of the valuable functions (of theory) for the practitioners as well as the scientist. Some of the obstacles that have stood in the way of progress were real; some imagined.

Obstacles to Progress in Marketing Theory

Several of the factors contributing to the slow progress in marketing theory emerge from methodological errors and attitudinal problems.

Marketing scientists have fallen victim of "Naturalistic Fallacy" (Hicks and Goronzy, 1967, pp. 371-384). By observing and describing how a marketing activity is being carried out at the marketplace, they turn around and suggest other "better" ways to do the same activity without basing their prescriptions on empirical evidence. An example of this fallacy would be the transfer of marketing technology from one culture to another. From "what is" to "what ought to be" a bag of tools and tricks, but not a science, is built.

The neglect of the "Doctrine of Emergence" has impeded faster progress in marketing theory. The doctrine maintains that "the consequent occurrence is of properties at 'higher' levels of organization... not predictable from properties found at 'lower' levels" (Nagel, p. 366-67). Early marketing theorists did not observe this doctrine, and thus, marketing science suffered from not treating a phenomenon as a total system. An example of the application of such a mechanistic method is the commodity approach. In trying to build a marketing theory through studying the nature and different characteristics of products, the commodists have attempted to define the whole of marketing by studying some of the parts.

Proponents of the "General Theory" quest have impaired progress in marketing theory, along with the theorists who neglected the doctrine of emergence. To seek a "general theory of marketing" is rather Quixotic because theoretical power precludes generality (Sparschott, 1967, pp. 2-4). The function of any theory

is to explain something about something. Thus, a theory of something can never be the whole truth about every facet of that subject matter. After having generated verified theories with predictive capacities such as in distribution channels, consumer behavior, etc., then the quest for general theory could be warranted.

Besides the foregoing methodological obstacles, there are some attitudinal blocks. One such attitude revolves around the "Power Paradox." The perplexing question is raised, "Why is it that we can create models of social behavior that are powerful contributing to understanding, without providing, at the same time, precision in prediction?" (Dubin, 1969, p. 26) Precision in prediction is not fully attainable, for there are more variables included in the real world than a theory can possibly represent. However, inability in the precision of prediction has discouraged marketing scientists from hoping for a scientific theory, and has given critics a stick. Of the two goals of science, understanding and prediction, the social sciences are able to achieve the first goal, but only partially the second.

New paradigms in marketing theory have been viewed suspiciously for fear that the field would suffer "loss of identity." For example, broadening the concept of marketing in order to apply marketing technology to non-business organizations has caused alarm to some marketing scholars that the true nature of marketing will be lost and the whole discipline become amorphous. The alarmists should realize that when there are various viewpoints in a growing science such as marketing, it is a healthy sign, rather than a threat, to the identity of the discipline.

Provincialism toward accepting unorthodox viewpoints has rendered the marketing scientist dependent upon other related fields for new sources of concepts. Such a dependence has given the marketing scientist a "feeling of inferiority." Marketing is sometimes described as a "bastard discipline" for borrowing knowledge from other sciences, instead of generating its own. Even though it is commendable for a discipline to generate its own scientific concepts, duplication of effort to avoid borrowing findings from other disciplines just for the sake of scientific chauvinism is wasteful. As Lachman contends, "there are no sharp boundary lines between the fields of science. Rather, there is overlapping among the many arbitrarily named and delineated fields" (Lachman, p. 26).

The preceding obstacles cripple a science from moving forward. Once these obstacles are cleared up and some healthy perspectives adopted, the prospects would be better for marketing theory's early maturity.

Some Perspectives for Marketing Theory

Marketing theory would stand a better chance of materializing if the marketing student and scientist adopted certain perspectives in order to facilitate progress in science.

One perspective is that the absence of a genuine, verified marketing theory that has the power to predict phenomena should not alarm us. The lack of good theory does not mean chaos in marketing; in fact, it is better to have no theory than to waste time and effort on a bad one. "It is quite possible to be scientific without using theory . . . simple hypotheses which spring from casual observation, can be tested scientifically, and, if proven accurate, will lead to valuable insights

and predictions" without having to base the hypotheses on theory (Rose, 1954, pp. 3-4).

Another perspective deals with the fallacy of the functions of theory. One is led to believe that the role of theory is only functional; but upon closer examination, one finds that theory also has dysfunctional aspects. Although it is true that "nothing is so practical as a good theory," we would bear in mind that "there are also certain dangers to the use of theory in science" (Rose, p. 4). Some of the undesirable consequences follow (Rose, pp. 4-5):

1. Theory channelizes research along certain lines; it does not encourage equally all lines of investigation.
2. Theory tends to bias observation; there are certain assumptions and definitions inevitable in theory, and these limit observation sometimes more than is desirable in a young science.
3. The concepts that are necessary in theory tend to get reified. The tendency to reify concepts may be a general characteristic of human behavior, but the use of theoretical definitions seems to stimulate this human weakness.

From another standpoint, basic research should be encouraged to render marketing a predictive science. University professors should encourage basic research for the sake of knowledge. Presently, most doctoral dissertations deal with topics which directly contribute to the technology of marketing rather than to pure science. Thus, marketing fails to gain substance.

Lastly, marketing has been developing knowledge through diverse approaches such as institutionalism, etc. Each approach has contributed bits of understanding about the field. After the gathering of bits of knowledge, the next state presents a period of synthesis and integration of the isolated facts. Marketing scientists should turn their efforts to embrace and reify the isolated facts into a broader theoretical structure. Eddington said to this effect, ". . . when we have completed our study of one . . . (we assume that) . . . we know all about two, because 'two is 'one and one'. We forget that we have still to make a study of 'and' (Eddington, 1958, pp. 103-104)."

Some decades ago, systems theory provided scientists in such fields as physical, biological, and social sciences with a framework to synthesize and integrate their harvested crops of knowledge. The general systems theory was applied at a lower level of abstraction where the emphasis was more on the relationships among the subparts of a system. This approach is called by some scholars the "contingency view," or a search for "configurations among subsystems" (Lorsch and Lawrence, 1970).

Since there is a close relationship between systems theory and the concept of Aldersonian functionalism, marketing theory has bright prospects to reach the fourth stage of theory development; thereby marketing theory would be able to predict with qualified precision realms of phenomena from known to unknown spheres.

Summary and Conclusion

Periodic stocktaking of the stage of development of marketing theory is useful and natural. Taking stock of where marketing theory has been, how far it has come, and where it currently is thus represents a "new beginning" from which to continue striving toward the discipline's maturity.

In this article an attempt was made to take an inventory of the theoretical progress in the discipline of marketing. Marketing theory has evolved through the first preparatory stage where attempts have been made to describe and classify pertinent data.

Marketing theory has also attained the second stage of theory development where an intellectual awareness of the insufficiency of mere description of data gathered and classified existed.

Marketing theory was shown to have partially achieved the third stage of development, of deducing known, verified propositions put to test in different theories. Individual or subtheories of marketing may have reached this third stage. However, it is questionable whether marketing theory as a whole has attained this third stage of maturity. By avoiding some methodological and attitudinal problems and by adopting certain perspectives, marketing theory can reach the third stage.

As for the fourth stage of development, where unknown, unverified propositions are deduced and the theory possesses the power to predict phenomenon, it has not yet been accomplished. For that matter, this is also the case with every social science discipline; therefore, marketing should not be looked upon as a retarded child among its peers.

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