

Robert Bartels and Roger L. Jenkins

Macromarketing

What is it? What should it be? How should it be managed and taught?

INCREASING use of the term "macromarketing" presents marketing scholars a challenge that is both semantic and conceptual, namely, to define the term. If meaning can be given to it, a useful word will have been added to the marketing vocabulary and a rich field of study and management brought into view.

The semantic problem is the ambiguous use of the term. It is used synonymously with other terms, while at the same time a variety of meanings is given it. Unfortunately, this is true of other marketing terms, currently popular ones being "social marketing," "generic marketing," "demarketing," and "metamarketing." These terms, along with "macromarketing," are sometimes taken to mean the same thing. The coining of terms is license of authorship, but it is expected that adoption and consistency of use will ultimately prevail. As there is no formal ultimate authority for the marketing lexicon, usage generally establishes definition, however precise or imprecise it may be. The use of "macromarketing" to date has neither been challenged nor been authenticated.

Macro vs. Micro

Consistent with its root, "macro," which means an enlargement or a unit of greater size, "macromarketing" should connote an aspect of marketing which is "larger" than what is otherwise considered. In economics, macroeconomics has reference to the economy as a whole, in contrast to microeconomics, or the economics of the firm. Efforts to

express this "larger" aspect of marketing have yielded a variety of meanings. Perhaps most widely, macromarketing has meant marketing in general and the data which depict marketing in general. It has meant the marketing process in its entirety, and the aggregate mechanism of institutions performing it. It has meant systems and groups of micro institutions, such as channels, conglomerates, industries, and associations, in contrast to their individual component units. More recently, it has meant the social context of micromarketing, its role in the national economy, and its application to the marketing of noneconomic goods. It has also meant the uncontrollable environment of micro firms.

The conceptual problem of defining a term is the need to identify an idea seeking expression and to find a term which suitably expresses it. In defining macromarketing, one must look first to the circumstances which have impelled conceptualization of a "larger" dimension of marketing.

In current usage, micromarketing and macromarketing are differentiated on two bases:

1. The organizational unit involved.
2. The function of management.

Single entrepreneurial units and the management thereof have been unquestionably the essence of micromarketing. The presumably "unmanaged" entrepreneurial systems of multiple units, such as distribution channels, and the processes of marketing performed by other than entrepreneurial organizations, such as governmental and other public agencies, have been identified as macromarketing.

This classification, however, no longer expresses development which make those definitions of micro and macro untenable. Increasingly, multiple units are coming under the same types of management as single units or firms, and their common characteristic is that management is motivated by the incentive of personal gain.

About the Authors

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EXHIBIT 1 Components of Marketing Thought

Types of Marketing	Data or Information	Theory	Normative Models	Implementation or Management
Micromarketing	Data of the firm	Theory of the firm	Plans for the firm, e.g., pro forma budgets	Firm management decision making, administration, and control
Macromarketing	Overall data of the marketing system	"General" marketing theory	Social values, goals, programs	Public regulation, assistance, programs

At the same time, public involvement in marketing processes is increasingly "managed," but with a motivation not to secure personal gain but to assure general welfare. Thus has emerged a concept of marketing processes in both single and multiple entrepreneurial units managed for private gain, contrasted with marketing processes managed in public agencies for the benefit of society in general.

This is the concept which suggests a reclassification of marketing and redefinition of the terms micromarketing and macromarketing. This is the concept which seems to warrant at this time re-identification of a "larger" aspect of marketing worthy to be called "macro."

Merely to dichotomize marketing, however, does not completely clarify usage of the terms, micromarketing and macromarketing, for while *as nouns* they identify two aspects of the marketing process, *as adjectives* they also characterize four components of marketing thought: (1) data or information, (2) theory, (3) normative models, and (4) forms of management. The relation and contrast of marketing thought in the two aspects of marketing are shown in Exhibit 1.

Marketing Data or Information

From the beginning of the study of marketing, data have been sought as a basis for understanding and action. Some studies have furnished internal statistics—evidence of how management processes are carried on, how decisions are made and implemented. Although often aggregate in character, relating to individual firm activities they support the definition:

Micromarketing information: that which pertains to the characteristics and activities of individual firms.

Other studies furnished information concerning the overall marketing process. Census and survey data, as well as observational research, furnished de-

scriptions of markets, institutional structure, processes, behavior patterns, and the like, illustrating the definition:

Macromarketing information: that which relates to marketing processes and institutions as a whole.

Marketing Theory

Although data are fundamental to knowledge, being descriptive they are not self-explanatory, and the study of marketing has been devoted to explaining. This has been achieved through the development of theory, whereby dependence and independence are attributed to variables in a quest for causality or correlation. Theory which explains existing conditions is termed "positive theory." In terms of the two types of marketing—

Micromarketing theory undertakes to explain how and why marketing processes are managed as they are within firms.

Macromarketing theory undertakes to explain the functioning of the composite marketing mechanism, both as a result of and as a determinant of the economic and social environments.

The marketing literature contains both types of theory. Micro theory is found mainly in writings dealing with functional and institutional management, as in writings concerning advertising, retailing, selling, etc. Macro theory is found in the "general" marketing literature, and in social evaluations of marketing. Although both types have evolved since the early years of marketing study, micro theory gained popularity during the 1950's as attention turned to managerial marketing, and macro theory has been given increasing emphasis in recent years with growing concern for the social orientation and responsibility of marketing.

Normative Models in Marketing

Although positive theory explains the practices of management and the functioning of the marketing system as a whole, theory is but a guide, not a pattern of action. Application of theory requires selection of a goal as an independent variable in terms of which dependent means may be proposed in consonance with theory.

The setting of such ends and means is the establishment of normative models for action. It is the construction of patterns of cause and effect which are desired, which "ought to be," to use a phrase commonly differentiating normative and positive theory. Management is the implementation of normative models, and in both micro and macro management, normative models are indispensable to the process of management.

Micromarketing models are constructs of how marketing should be conducted for best achievement of the objectives of the firm.

From the entrepreneurial viewpoint, the goal of marketing is distribution of products to the satisfaction of customers and the profitability of marketers. Micro models take the form of plans, programs, campaigns, budgets, schedules, charts, and the like. They may be qualitative or quantitative.

Macromarketing models are constructs of how the general marketing process should be conducted in the best interests of society.

From the social standpoint, the goal of marketing is the achievement of entrepreneurial goals in a manner consistent with the best overall interests of society in general. Macro models represent value judgments made by society for society: by governments in the form of laws, administrative orders, and judicial decisions; by social groups and spokesmen; and by others who assume the role of advocating what is best for the general welfare.

In free economies, macro models have tended to be mainly restrictive, curtailing the tendencies of free enterprise. In more centrally controlled economies, particularly in undeveloped countries, macro models of what "ought to be" have been more formative in character, outlining plans whereby micromarketing might contribute to economic development and improvement of social conditions.

Management in Marketing

Management is the implementation of normative models—both micro and macro. The term "management" is virtually synonymous with micromarketing, but macromarketing has not generally been

thought of as "managed." Although administration of macro normative models is often uncoordinated, reflecting divergent viewpoints, the administration of public policy, enforcement of laws, government of the marketing environment, and regulation of micromarketing behavior constitute "management" on the macro level as surely as it occurs on the micro level.

Micromarketing management is management, at the level of individual firms, of the operational marketing activities. It consists of implementation of strategies relating to the optimal combination of price, promotion, product, and distribution policies.

Micromarketing management is never the prerogative of managers of macromarketing. Even if the marketing mechanism should be state-owned, its operational units continue to be micro units. Likewise, management of the marketing of noneconomic services and programs is also a micro management function.

Macromarketing management is management, outside the micro system, of means of optimizing overall social benefit from the entire marketing process.

It is the implementation of macromarketing models, by authorities which society formally or informally sanctions for this task, and it is not the province of micromarketing managers. Neither is it the duty of macromarketing managers to perform the functions of micro managers, although it is useful for them to be familiar with micro theory and marketing conditions in order to be aware of the practical limitations of firms in meeting macro objectives.

Educational Implications

The current attention given to marketing in its macro context is due to two deficiencies of micromarketing which have compelling implications for marketing educators:

- ▶ Micro managers have provided marketing service which is profitable to themselves but which is sometimes inconsistent with social objectives.
- ▶ They have also *not* provided marketing services which would at times have been for the betterment of society.

Concurrently, macro managers also have done less for the social welfare than they might, because macro theory and models are yet poorly conceived,

and because their understanding of micromarketing is often impractical and misguided. Both of these conditions suggest need for understanding better the entire realm of macromarketing and its interface with micromarketing.

Notwithstanding this need, few institutions offer programs in macromarketing management; few even offer courses in macromarketing theory. Nevertheless, students from other countries, as well as many here, aspire to the utilization of marketing for general as well as personal satisfaction. If opportunity could be provided, what education would contribute to their effectiveness as macromarketing managers?

First, macromarketing managers should be familiar with micromarketing practice—with the economics of the marketing firm, its cost/profit variables, the bases of plans, the strategies for survival, the means of controlling operations, and the relative merits of specialization and integration. Education along these lines may be obtained from courses dealing with such subjects as the following:

- Organization & Management of Marketing firms
- Marketing Research and Analysis
- Merchandising Accounting
- Product, Pricing, and Promotion Strategies
- Logistics, or Physical Distribution

Second, they should be versed in the relationship of marketing to its social environment in dif-

ferent types of countries, the nature of social problems involving marketing, social goals for consumption and the resources for attaining them, and the relation of marketing to other business functions. Education along these lines may be obtained from courses dealing with such subjects as the following:

- The role of marketing in society
- The current state of the market
- Marketing tasks and functions
- Marketing structure and systems
- Comparative marketing
- Creative forces in marketing
- Capitalism, competition, & command systems
- National infrastructures and marketing
- Socio-political philosophies and marketing
- Social problems and marketing
- Marketing in economic development

Today's challenge to marketing theoreticians and educators is the need to elevate the conception and practice of marketing to a higher—"larger"—level of management, from which greater benefits to society as a whole from marketing may be gained. This is the challenge encouraging definition of macromarketing and improvement of macromarketing management and education.

Our printer and our art department combined to create some very misleading effects in the July 1977 issue. You may want to correct your copy as follows:

On page 25, in the legend at the bottom of Exhibit 1, raise the blue bar to be level with "Index of Occupational Divergence," and the black bar to be level with the ratio, "% of Women Economically Active/% of Men Economically Active." Not a big change, but it makes the Exhibit much easier to interpret.

On pages 96 and 97, just reverse the two profiles. The one on page 96 is for 1975, and the one on page 97 is for 1967. A big change in this case, and it completely changes the meaning of the Exhibit.

We apologize both to JM readers and the authors.

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