The General Theory of Marketing

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SINCE the end of World War II, marketing thought has developed along a number of different lines, with the result that it has been increasingly difficult to know, teach, or practice the "whole" of marketing. Traditionalists in marketing have not thought in the terminology of behaviorists who do not think as do quantifiers who do not always think as managerialists or comparativists. One is compelled to ask whether or not this is a breakdown in our knowledge of marketing, in the cohesiveness of this field of scientific endeavor.

An answer to this question is suggested by what is occurring in other areas of science and education: the proliferation of facts is forcing the integration of knowledge on higher planes of unification and abstraction. Everywhere the enlargement of human experience through access to extended mental and physical realms is altering both the content and the forms of knowledge. Research is yielding new facts, and the overlapping of fields of study has produced new relationships, laws, and theories. The effort to state a unified field theory in physics is indicative of attempts to break barriers and to produce theory which embraces new discoveries and heretofore unrelated areas of thought.

Developments in marketing thought have been similar to those in other fields. Marketing practice, viewpoints, concepts, and approaches to the study have all been changing. Products and services have increased in number. The practice of marketing has become more people-oriented. Public constraints have tempered private objectives. And the influences of environment have become more apparent. These changes, too, have altered both the content and the form of marketing thought, producing greater diversity of theories and a corresponding need for the unification of them.

Considerable attention has been given by marketing scholars to theory, and the nature of theory in marketing has been much discussed. There is agreement that marketing is susceptible to theoretical statement, and evidence of theorization is increasingly apparent. Yet little is said about a general theory of marketing, although, as in other fields, the time appears to be ripe for consideration of this point.

It is helpful to recognize that theory grows somewhat like a sandpile: the higher its pinnacle, the broader must be its base; the broader its base, the higher it must rise before a sharp vertex or focus is attained. A given base of facts or experience supports its own structure of generalization and abstraction, as illustrated by Figure 1(a). While extended study may reinforce theory already derived, broadening the base of inquiry has two other principal effects upon the structure of thought: it raises the level of
generalization based upon it [Figure 1(b)]; or it provides separate theories which require unification in a more general theory [Figure 1(c)].

If marketing thought has a general theory, it will fit into one of these situations. It must either be monolithic, presenting an integration from a given base (b), or it must be multipartite, representing an integration of several subtheories (c).

Stages of Marketing Theory

It is the thesis of this analysis that marketing theory began as a single, rather general theory, is currently in a stage of developing a number of related theories, and must be further integrated if a true general theory is to be produced. This thesis is developed along the lines of the three following propositions.

Proposition No. 1. The broadest statement of marketing thought in any period is the "general theory" of that day

The validity of this proposition rests upon two assumptions: that theory, to be accepted theory, must be explicit—written or otherwise well articulated; and that the explicit statement must be accepted as a complete theory. This is to say that the completeness of a general theory is a function of the time and place when it is stated; it is neither a general theory because it is broader than some former statement, nor less than a general theory because it is not so broad as a later statement. The best articulated explanations of marketing have been published.

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Proposition No. 2. Following an early general statement of marketing, thought has been developed mainly in separate theoretical areas

Notwithstanding the popularity of the traditional theory as postulated in the 1920s, that theory did not assimilate changes in marketing experience and research which had to be incorporated into marketing thought. Consequently, alternative explanations of marketing began to appear, as illustrated in Figure 1 (c). New theories developed pertaining to the holism of the marketing process, to behaviorism relevant to participants in the process, to managerialism, and to comparativism.

In the 1930s, Ralph Breyer developed theory of a holistic nature, conceiving marketing as a whole and dealing with marketing systems rather than with only their component units. He conceived the marketing structure as circuits, or channels, through which flows occur, flows not only of products but of orders, information, payments, and the like. Thus the institutional unit of performance was elongated, and the marketing process was divided into its component parts. He also theorized concerning the relationship between the marketing task and the machinery by which the task was accomplished.

Along another line, theory of marketing was developed as a type of behaviorism. Marketers were traditionally regarded as economic men; but as non-economic motivations became recognized and corresponding patterns of behavior were observed, new areas of study were opened. As these views were not easily integrated with the assumptions and observations upon which earlier theory was based, marketing behaviorism evolved as a separate theory. A new generation of marketing scholars and practitioners, trained not only in economics but in a variety of the social sciences, contributed to this area of marketing theory.

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Other theory emphasized decision making of marketing managers, interpreting it in terms of decision models. These explanations ranged from the simple to the complex. E. J. McCarthy, in 1960, interpreted decisions made in consideration of four variables: products, place, promotion, and price—the four “p’s.” Others conceived decision making as problem solving, as risk management, as the utilization of scarce resources, and as adaptive behavior. Such theories are not the whole of marketing; they are emphases which must be incorporated into general theory.

Still another area of theory development is that of comparativism, or the relating of marketing practice to ecological factors in the cultural environment. Primitivism took environment as given. Environmentalism abstracts its essential characteristics and shows its causal relationship to marketing processes, systems, and practices.

Thus the base of marketing experience has been broadened significantly in at least four ways. The areas of thought which they present have not been readily assimilated into the structure of traditional marketing thought. Rather they have evolved as areas of thought, which are considered separately in articles, in books, and in educational programs. Integration of them has been left to individual effort and to oral means to bring all to a focus. Some efforts have been made to achieve an integration in writing, but a comprehensive general theory yet remains to be written.

Basic Assumptions

From the foregoing analysis of the broadening nature of marketing experience, several generalizations may be made that need to be taken into consideration in formulating a more general theory today. They are as follows:

1. That marketing is a universal phenomenon, carried on with varying degrees of technical sophistication but in a manner indigenous to the environment of the culture in which it occurs.

2. That the ways in which consumers are separated from producers, as a result of physiological, geographic, economic, temporal, informational and other circumstances, describe the market, determine the marketing task, and predetermine the requisite marketing functions and structure.

3. That participants in marketing act in systems (relationships, sets, or channels) in which they process the needed flows, and in these roles they act as social entities, not merely as economic men or mechanisms.

4. That the institutional structure for marketing represents an economic division of the marketing process and consists of units technically differentiated for economic purposes.

5. That both marketing technology and social ethics guide interpersonal behavior in the marketing relationships.

6. That as a culturally-oriented process of social interaction, marketing is subordinate to social objective. It is subject to control by society’s primary institutions, even to the alteration of conditions of the market and of behavior patterns within it.
**Proposition No. 3. A contemporary general theory of marketing is implicit in a sufficiently broad concept of marketing**

The scope of every theory of marketing is determined by the concept of marketing upon which it is based. Every concept of marketing contains an implicit structure of thought, and every theory of marketing contains an inherent concept of marketing. Because many writers have dealt with marketing as a perceptual rather than a conceptual phenomenon, structures of thought have not always coincided with the definitions of marketing professed. Views of marketing as a physical process, as human behavior in systems, as a type of management decision, and as economic activity have resulted in the several theories which have been produced. If, therefore, a broader integrating theory is to be achieved, a commensurate concept of marketing is requisite.

The following definition is proposed as consistent with the outline of a general theory which follows:

**Marketing is** —

the process whereby society, to supply its consumption needs, evolves distributive systems composed of participants, who, interacting under constraints — technical (economic) and ethical (social) — creates the transactions or flows which resolve market separations and result in exchange and consumption.

Such a concept of marketing is expandable into a general theory, the outline of which is here proposed as consisting of several theories. It is felt that collectively they constitute an integrated general theory, for they are implicit in the stated concept of marketing, they proceed from general circumstances to detailed managerial applications, and they embrace the several theories of marketing which have been separately developed.

**Outline of General Theory**

It is proposed that a general theory consists of the following seven component subtheories:

**Theory of Social Initiative**

Society, not the business entrepreneur, is the basic undertaker of all activity. Marketing is that activity undertaken by society at large to meet its consumption needs—the producing, distributing, and consuming of products needed for human existence. This is undertaken by a society within the value structure and social organization of its own culture. Different societies attain similar ends (in relative measure) by different means. The level of technology, the values of the group or nation, even the relative importance attached to economic, intellectual, religious, or leisure activity are factors which must be considered in interpreting the marketing process and institution of a people. Ecological orientation, in other words, is the starting point in marketing analysis.

**Theory of Economic (Market) Separations**

The reason that the people of a society need some form of marketing is that producers and consumers are separated. Individuals, families, tribes, and nations are rarely if ever economically self-sufficient, although their interdependence varies widely. The purpose of marketing is to resolve or remove these separations and to cause or permit consumption to occur.

The separations of producers and consumers, however, are of many types: spatial (physical distances), temporal (time difference between production and consumption), informational (parties having different knowledge of products and market conditions), and financial (buyers not possessing purchasing power at the time they have willingness or need to buy). Whatever is done in the marketing process must contribute to the removal of these and other separations. What is done in marketing, therefore, depends upon the character of the market separations found in the particular social environment.

**Theory of Market Roles, Expectations, Interactions**

Pursuing its economic objectives in removing market separations, society acts in numerous roles, each of which is responsible for the performance of part of the process of marketing. Some of the roles are included within the structure of the management organization; others are external to it but are included in the entire market mechanism. They may be identified as follows:

- Managers
- Employees
- Owners
- Other financiers
- Consumers
- Intermediate customers
- Resources
- Competitors
- Government
- Community

In traditional marketing theory, participants in the process are viewed as economic entities and assumed to act as such. Behavioral theory identifies them as social entities behaving under the full range of human motivations. In their respective roles, individuals have expectations, technical and human, associated with the role either through personal anticipation or through social sanction. The marketing process is a process of interaction among the participants, during which the respective expectations may or may not be satisfied. Insofar as they are not, new patterns of behavior evolve, typified by the shifting of markets, changes in competitive status, innovation, survival, and adaptive behavior.
Theory of Flows and Systems

Flows are the movements of elements which resolve market separations. Marketing does not occur as a single movement, but rather as a number of movements, in series, parallel, reciprocal, or duplicatory. They occur in the complex relations among the individuals who have found an economic basis for their existence and for their participation in the marketing process.

Theory of Behavior Constraints

Action in the marketing system is not determined wholly by any one individual or set of participants. It is governed by many determinants and occurs within constraints defined by society. Some of these constraints are economic in nature. Only that can be done which can be done within the bounds of economic feasibility. This may be determined through experience in the profitable combining of economic factors of production. However, much feasibility is predetermined and set forth in the form of marketing technology, know-how, or generalizations for behavior. This is reason for having thorough knowledge of marketing mechanics, or the relations of commodities-functions-institutions as set forth in conventional marketing theory.

Constraints are also social, rather than economic or technical, in nature. These may be of an ethical nature, as that term is used broadly, indicating what is "right" to do under certain circumstances. Rightness may be determined by personal, legal, societal, and theistic standards, and each of these may differ from one society to another. As marketing is viewed more as a personal process rather than only a physical one, such constraints play a more prominent role in marketing theory.

Theory of Social Change and Marketing Evolution

No systems of marketing remain static; all are in stages of adaptation to continuing change, both in the external environment and within the marketing organization itself. In a general theory of marketing, provision would be made for accounting for and anticipating change in the processes, systems, and behavior patterns.

Theory of Social Control of Marketing

As society sanctions the emergence of a marketing mechanism, it also evaluates and regulates its appraisal. Standards by which it fulfills individual and collective social objectives are needed.

In Summary

A diagrammatic representation of such a theory might appear as follows:

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                                MANAGEMENT
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                               CONSTRAINTS
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                             FLOWS & SYSTEMS
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                         MARKET SEPARATIONS
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                   SOCIAL STRUCTURE & BEHAVIOR
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          CULTURAL ORIENTATION
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The implications of this diagram are (1) that management behavior, incorporating both economic and social technology, is an ultimate focus of marketing theory; (2) that the roots of marketing theory are in the cultural context of society; and (3) that the structure of a theory includes components which reflect, among other things, the viewpoint of the particular theorist.

MARKETING MEMO

Can We Make a Start in the Measurement of Quality? . . .

. . . the desire to measure quality does not, by any means, imply a dogmatic approach to the "content" of quality. It does not stem from a univalued aesthetic system . . . What the system can do is provide a common language for debate over cultural issues so that proponents of different value systems can, at least, agree on the facts.
