Deepening the Concept of Marketing

BEN M. ENIS

This title may be a bit presumptuous, but it does suggest a pertinent issue—is "broadening the concept of marketing" a useful concept for the discipline? The usefulness of a concept is evaluated in terms of its value in explaining the existence or behavior of phenomena. "Broadening" would be more useful if it were deepened—developed in operational terms and tested in actual marketing situations.

THE "broadening controversy" has attracted the attention of all marketing students. While plausible and intriguing, the broadening concept has raised certain questions and highlighted some rather fundamental issues in the marketing discipline. This article examines these questions and offers suggestions to academicians, researchers, and managers that may be of value in improving the operational usefulness of marketing thought and research, that is, in deepening the concept of marketing.

Specifically, this paper has two purposes: (1) to stimulate thought and critical discussion of marketing by asking questions about the cohesiveness of the discipline, and (2) to offer suggestions about possible approaches to answer these questions.

The Broadening Controversy

Consider such activities as the following:

A financial vice-president seeks a loan from a bank
A merchant bribes a government official
A graduate student seeks a fellowship
A man endeavors to win a woman's heart
Reverend Billy Graham holds a revival
An insurance agent is active in his church or civic club

Kotler and Levy might argue that some, or possibly all, of these activities are within the scope of marketing—or at least that the marketing discipline has something meaningful to say about

them. Luck, on the other hand, would probably maintain that such activities are beyond the proper domain of marketing. Although somewhat exaggerated here for emphasis, the positions attributed to these marketing scholars typify a significant debate in the contemporary literature.

A Broadened Definition

The term marketing has traditionally connoted an exchange relationship between buyers and sellers of economic goods and services. As Kotler and Levy point out, it is the notion of exchange rather than the economic basis for the relationship that is central to the concept of marketing. Exchange is the process of satisfying human wants via trade (barter, swap, purchase, lease, and so on). That is, exchange involves the offering of a product (entity possessing utility—the ability to satisfy wants) in the expectation of receiving another product in return. Thus, exchange is differentiated from other methods of want satisfaction: origination—the creation of form utility (by discovering, harvesting, mining, manufacturing, etc.); force—taking of utility without offering a payment (for example, by burglary, war, extortion, or conquest); or gift—conferring utility without the expectation of payment (most of the wants of children are satisfied in this way).

Arguments Narrow and Broad

Kotler has led the movement to broaden the concept of marketing from business firm/customer exchange relationships to organization/customer exchange relationships to organization/client exchange relationships. He maintains that marketing concepts and techniques can be applied to understanding and managing such relationships.

Counterarguments generally fall into three categories. First, it is argued that marketing, like other disciplines, has a traditional domain and that these boundaries should be respected. Thus, studies of the bribery of public officials belong to the discipline of political science, and loan procurement is the province of finance. The second argument is that activities should be studied from the perspective of their primary function. In this view, the purposes of the graduate student and the suitor are not primarily economic. Although market transactions may be involved in such activities, they are incidental to the primary function of the activity. Third, transactions for which the exchange cannot be accurately determined should be excluded from the domain of marketing. Thus, the Reverend Graham's requests for donations or the agent's services to his church or club lack a specific return.

These arguments are not really too difficult to refute. The contention that marketing has a traditional boundary which should not be violated for fear of possible counter-incursions by economists, sociologists, or management scientists is a tenuous one. Traditionally, discipline labels are arbitrary and subject to change. In addition, any activity can be studied from a number of perspectives. For example, a sales meeting may be seen as an essential managerial tool by the sales manager, as largely a waste of time in the advertising manager's view, as a necessary but too-expensive corporate activity in the eyes of the comptroller, as a laboratory for studying small group interactions to the behavioral scientist, and perhaps to some consumerists as a conspiracy whose purpose is to foist unnecessary products upon unsuspecting consumers. Whether or not they are labeled "marketing," such views should be considered if they aid in understanding the process or results of the sales meeting.

Similarly, an attempt to place a particular activity entirely within the confines of one discipline because that activity primarily relates to the subject matter of the discipline is unduly restrictive. Even in its narrowest conception, marketing is a fundamental human activity—in the same sense that physiological functions, the desire for security, the need for social intercourse, the search for knowledge, and the drive for self-expression are common to all human beings. It is difficult—and perhaps not particularly meaningful—to delineate clearly between the marketing component and other aspects of fundamental human activities. If concepts and techniques usually associated with the marketing discipline can contribute to knowledge and understanding of a particular phenomenon or situation, then they should be applied to that situation.

Moreover, the absence of a clearly defined market transaction should not necessarily exclude an activity from marketing-oriented scrutiny. If exchange activity occurs, then it should not be ignored simply because it is difficult to measure. In short, the test of the breadth of a concept should be its value in explaining the existence or behavior of phenomena in a given situation. In less philosophical terms, marketing concepts should be employed where they are useful.

However, attempts to implement (use) the broadened concept of marketing pose certain difficulties. Luck is quite correct in decrying the lack of specificity of the broadened concept of marketing. In fact, the concept raises a number of important questions.

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Deepening the Concept of Marketing

TABLE 1
THREE DIMENSIONS ALONG WHICH THE MARKETING CONCEPT CAN BE “BROADENED”

<table>
<thead>
<tr>
<th>PRODUCT</th>
<th>TARGET AUDIENCE</th>
<th>OBJECTIVE</th>
<th>OTHER PAYOFFS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic goods or services</td>
<td>An automobile manufacturer advertises on television</td>
<td>Profit</td>
<td>The manufacturer buys TV time or borrows working capital</td>
</tr>
<tr>
<td></td>
<td>The manufacturer lowers prices at the end of the model year</td>
<td>Other Payoffs</td>
<td>The manufacturer’s president testifies before Congress</td>
</tr>
<tr>
<td>Other things of value</td>
<td>The manufacturer’s integrated ads promote racial tolerance</td>
<td></td>
<td>A museum contributes to the museum fund</td>
</tr>
<tr>
<td></td>
<td>Safety features of the manufacturer’s cars promote sense of security</td>
<td></td>
<td>The museum conducts special tours for students at no charge</td>
</tr>
</tbody>
</table>

Questions “Broadening” Generates

“Broadening the concept of marketing” is a significant contribution to the development of the discipline. Yet the broadening concept is not as straightforward as it first appears; rather, it seems to be multidimensional. The following three dimensions appear to be meaningful:

1. Broadening the nature of the product exchanged from economic goods and services to anything of value
2. Broadening the objective of the exchange from profit to any type of payoff
3. Broadening the target audience of the exchange from consumer to any “public” that relates to the organization

If each of these dimensions is defined in terms of only two states—narrow (traditional) and broad—then there are $2^3 = 8$ possibilities, seven of which constitute ways that the concept of marketing can be broadened. Table 1 provides illustrations of each of these eight possibilities.

But Are They Useful?

Under the broadened concept of marketing, each of the entries in the eight cells could properly be described as a marketing activity. But if the concept is to be useful—that is, to contribute to better understanding, prediction, or control of such activities—then the concept must address certain questions about the three dimensions.

Product. A product, under the broadened concept of marketing, need not be an economic good or service; anything that has value may be exchanged for anything else that has value. But if the product is not an economic good or service, then how is the “utility” extracted from the product by the consumer determined? For example, what is the value of one integrated advertisement in the struggle for social tolerance? or one museum tour to an eager student?

Organizational Objectives. It is certainly clear that organizations may have objectives in addition to, or instead of, profit maximization. But if objective attainment is not calibrated in terms of profit performance, then how is organizational progress to be measured? For example, what is the optimum number of indigent patients that a hospital should serve? or the optimum amount that should be collected in a museum fund-raising drive?

Target Audience. The idea that marketing concepts can be useful in analyzing relationships between organizations and “publics” other than customers is appealing. But how does the organization determine what these other publics
want, and how does it evaluate the “payment” they offer in exchange? That is, how do both parties determine that their net satisfaction would be increased by consummating an exchange? For example, how does an automobile manufacturer’s president extract the maximum return from his testimony before Congress? How does the hospital maximize participation in its voluntary blood donation program?

Of course, managers have been answering such questions—primarily on an intuitive basis—for some time. If the broadening concept is to be useful in an operational sense, then it should provide means of answering such questions in more precise fashion. That is, some attention should be given to deepening the concept of marketing.

What Deepening Entails

Deepening as it is used here means relating abstract ideas to real marketing situations in ways that are useful for micro (individual firm or organization) or macro (public policy) decision making, or both. In other words, deepening entails developing operational marketing theories and testing them in real marketing situations.

Theory Building/Testing Gap

In the marketing discipline today, there is a tendency to separate theory building and theory testing. On the one hand, the major works of some of the discipline’s best theorists (here would be included such scholars as Alderson, Aspinwall, Bartels, Galbraith, Kotler, and Levitt) have been extremely provocative and interesting. Yet these works have been relatively generalized and abstract in that they usually have not been translated into specific hypotheses and tested with data. On the other hand, some of the discipline’s most significant empirical work (represented by such leading researchers as Bass, Forrester, Frank, Green, and Massy), while insightful and rigorous, has been relatively specialized and narrow. That is, much of this work begins with specific hypotheses—rather than with the basic concepts from which the hypotheses are derived. Although a theoretical/empirical gap is not uncommon in the development of a discipline, the purpose here is to suggest that perhaps a conscious effort to bridge this gap would be of particular value at the present stage in the development of the marketing discipline. This is what is meant by “deepening the marketing concept.”

Bridging the Gap

Deepening in this sense requires improvements in concept development, in data procurement, and in techniques of analysis. Concepts should be operational—formulated so that they can be communicated precisely and measured objectively. Data should be real (preferably not generated by students or colleagues), substantial (of sufficient magnitude to be generally representative, statistically significant, etc.), and as up-to-date and accurate (free from both bias and random error) as possible. Assumptions, limitations, and methodology of analytical techniques employed should be clearly explained in nontechnical fashion.

With respect to the broadening controversy, for example, several papers in the July 1971 issue of the JOURNAL OF MARKETING illustrate progress toward deepening in this sense. (Of course, other examples could also be cited. It is convenient, however, to find several illustrations of a crucial point in one source.) Dawson insists in almost anguished tones upon the need to “accelerate the search for the proper conceptual framework” with which to appraise marketing’s actual and potential role in impinging upon virtually every major social problem confronting society today.” Farley and Leavitt as well as Zikmund and Stanton provide insightful descriptive studies of situations to which the broadened concept might be applied; Kotler and Zaltman, in one article, and Zaltman and Vertinsky, in another, offer conceptual models that could be tested. Perhaps best of all, Mindak and Bybee report results of a step-by-step application of Kotler and Levy’s concept to an actual marketing situation. Much more work of this kind is needed in the discipline.


Discussions of ways to improve concepts, data, and techniques of analysis are fundamental, often repeated, and idealistic. Theory building and testing are easy to talk about, but difficult to accomplish. Yet these points are recognized as fundamental precisely because they are so basic. If those who build and test marketing theories will diligently apply these fundamentals, then perhaps deeper marketing concepts can be attained.

How Deepening Can Be Attained

Marketing theories and concepts can indeed be deepened, provided that deepening is supported by members of the four groups generally responsible for marketing theory building and testing. These are academicians, researchers, managers, and the editorial staffs of the discipline’s journals. Here are a few suggestions for members of each group.

Academicians. Perhaps the most important point is to encourage the use of the total research process—from concept creation through operational hypotheses to empirical testing and evaluation. Too often, academic research focuses on just one aspect of this process. One major contributing factor here is the lack of sufficient financial support. Thus, deepening suggests that academicians should seek sufficient resources so that their projects can encompass the total research process, e.g., work with actual consumers and decision makers, procure adequate sample sizes, and so on. Some consideration should also be given to how the results of the research can be used to better understand and manage marketing activities. The report should not end with the statistical significance of the data.

Researchers. Those who do commercial research and consulting are in an excellent position to advance the marketing discipline by publishing their work—including methodological details, and reports of failures. There are really very few secrets from the researcher’s competitors or those of his clients. The general state of marketing knowledge, however, is impeded by the emphasis on confidentiality and secrecy. Of course, there are proprietary aspects to much commercial research, but perhaps more could be done to disguise the confidential facts while releasing the substance of the research.

Marketing Managers. There are two things that the “man on the firing line” can do to deepen marketing concepts. First, he should read, evaluate, and criticize the work of academicians and researchers. He should state clearly what he likes, dislikes, finds useful, and feels is nonsense about his work. Hopefully, these criticisms would be couched in constructive terms. Second, mana-
gers can work with academicians and researchers in obtaining access to real data and discussions with actual decision makers. This is a plea to support the research efforts of relatively data-poor, comparatively time-rich academicians, and to permit publication of proprietary work done by commercial researchers and consultants.

Journal Editorial Staffs. Editorial staffs can contribute to the deepening of marketing concepts in four ways. First, editors could insist that methodology be clearly explained; it is not true that every reader is abreast of the latest developments, even those published in textbooks. Second, editorial policy should require that each article demonstrate actual or potential usefulness for marketing decision making at the micro or macro level (or, at the very least, show how the material fits existing knowledge and possible directions for further research). Third, detailed criticisms of manuscripts should be provided—perhaps by passing along the comments of reviewers to provide maximum guidance for potential authors. Fourth, feedback from readers could be facilitated through the use of periodic surveys—perhaps even tear-out cards with brief comments on articles in each issue.

Such suggestions as these are not really new, but it does appear that a potentially synergistic effect might result from using them. In fact, actions such as these could generate substantial progress toward answering the questions raised earlier in this article. Perhaps the time is right to call for them.

Conclusion

In the 1950s and ’60s, marketing learned the value of borrowing from other disciplines (particularly the behavioral sciences and quantitative methods) to aid in understanding and managing traditional marketing activities. Marketers were not deterred from using such material simply because it was not labeled marketing. Now, concepts and techniques that bear the marketing label can be useful in understanding phenomena beyond the traditional boundaries of the marketing discipline. Marketing students should devote attention to such phenomena for reasons that are scholarly, societal, and managerial.

First, marketing—exchange activity—is an important aspect of human behavior. It should be studied because it is basic to the human condition. Studies of marketing should, in Dawson’s words, “capture the essential relationship of marketing activities to the unfolding of history and the advancement of civilization.”

Second, the contemporary societal implications of exchange activities are becoming increasingly

apparent and significant. The clearest examples here are provided by those who most severely criticize traditional marketing activities, that is, the activities of business firms. From the Federal Trade Commission to Nader’s Raiders to the anti-smoking crusade, questions are being raised about the role and scope of traditional marketing activities. Such questions are, by and large, deserving of attention. There is no doubt, however, that communication about such questions would be improved if both questioners and respondents had clearer and more explicit theoretical frameworks upon which to base their remarks.7

Moreover, these questioners are themselves organizations. According to the broadened concept of marketing, therefore, their success depends in some measure upon the skills with which they perform the marketing function: identifying receptive audiences (markets) and planning, implementing, and controlling programs that deliver “products” that satisfy the wants and needs of these markets.

This observation emphasizes the third reason for the call for attention to deeper marketing thought: those who manage the marketing activities of any organization need a stronger theoretical base for their efforts. This foundation can indeed be broadened to encompass noneconomic products, non-profit-seeking organizations, and organization publics in addition to customers. To be meaningful—operationally useful for managerial decision making—however, the broadened concept will have to be more comprehensive, better integrated, and communicated with greater clarity. It must be deepened as well as broadened.

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MARKETING MEMO

A Beginning Approach to a Social Audit . . .

The hottest—and possibly the fuzziest—new area of controversy in accounting centers on something called “the corporate social audit.”

No one even agrees on what a social audit is and on who should do it, let alone on how to set about doing it. To shed some light on what is happening in the field, two professors at the Harvard Business School have just completed a year-long research project, concentrating on a handful of companies that have tried to devise some measures of how well they are meeting their social responsibilities. Their findings and recommendations appear in a new book, The Corporate Social Audit, to be published by the Manhattan-based Russell Sage Foundation early next month.

Bauer and Fenn recommend a four-step social audit which they say is “reasonably demanding, but should prove valuable at low risk to the firm.” First, the company would make an inventory of its activities that have a social impact; then it would explain the circumstances that led up to these activities; next there would be an informal evaluation of those programs that are most relevant, perhaps by an outside expert; and finally, the company would assess the ways in which these social programs mesh with the objectives both of the firm itself and of society.


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