

Developing Marketing Theory in Denmark: The role of Hages Haandbog

Kurt Pedersen, University of Aarhus, Denmark, Erik Kloppenborg Madsen, University of Aarhus, Denmark and Kenn Tarbensen, Danish Business Archives, Aarhus, Denmark

The *purpose* of the paper is to look into the role played by Hages Haandbog in Danish business education from the 1890s onwards. Hages Haandbog was a general introduction to a number of topics that were useful for young business people. Mr. Hage was an economist and for a while a Member of Parliament who based his influence particularly on a close relationship with C. F. Tietgen, the leading Danish business tycoon of the late XIX century. Assessing the impact of the book, business education of the time must be taken into consideration. The handbook was a general purpose publication which spanned a broad range of business-related disciplines, including economic theory, business law and economic geography. The first edition saw light in 1894, and the final seventh edition in 1954. At the time it had grown to two volumes totalling 1500 pages; but in an ever-more specialised business world the concept was no longer adequate.

The *background* for the appearance of the book may be divided into ideological, practical and theoretical perspectives. After the defeat in the 1864 war against Prussia, Denmark had been reduced to a third-rank European power, and its very existence was threatened. There were voices in favour of "gaining inside what had been lost outside", and an assumption that only high performance could save the nation. C. F. Tietgen, in particular, argued for the latter point. He founded a new business education and urged Hage to produce the handbook.

The practical perspective is the industrialisation of Denmark which had started during the 1870s, as well as the agricultural revolution that was triggered off by cheap Ukrainian and American grain from the 1870s. Trade was becoming more international and more complex than earlier, and this requested an upgrading of business education.

The third perspective, theory, represented the feeling of a *lag* in comparison with the leading industrialised nations, viz. Germany and the U.S.A. Since around 1900 marketing as well as other business disciplines had been taught in places like Wisconsin and Harvard. In Germany, too, business schools had started formal educations. As a matter of fact, much economic teaching in the U.S.A. was influenced by German examples. It was the ambition of Tietgen as well as other prominent business people of the

day that Denmark should embark on similar educational programs.

The *essential point* of the paper will be to place of Hages Haandbog in the context of business practice and education. This part will include foreign sources of inspiration as well as a comparison with contemporary Danish competing works in the field – such as Hirschsprungs Handelshaandbog. It is our assumption that the creation of *any* discipline in business takes place in a complex interaction between practice, codification and theorising. In this sense, the handbook plays the role of codifying business practice, and at the same time yielding inputs to the process of abstract thinking. While the first of this double statement may be proved, the second one is quite difficult to drive home.

In Europe like in the U.S.A. marketing as an academic discipline developed in the first third of the XX century. It may well be argued that the almost simultaneous appearance in 1933 of Robinsonian "imperfect" and Chamberlinian "monopolistic" competition was the watershed. But in much of Continental Europe similar thoughts, from a theoretical economic perspective, had evolved during the 1920s, and the "revolution" was in consequence less obvious. One question is if and how this development was reflected in a *practitioners' text*.

Needless to say, neither Mr. Hage nor later editors of the book got anywhere close to a Chamberlin approach. The main part of the paper will examine how the text developed from one edition to the next, and how late marketing actually entered. Since the handbook was widely used by a couple of generations of young businessmen, we find it relevant to track its ability to adjust to changing business practices. The PEST factors that formed business conditions will thus be considered. However, there will also be an analysis of the contributions to the handbook: the authors of individual chapters and their business or academic affiliations etc.

While Hages Haandbog was probably well suited to part-time students in commercial colleges, it would not satisfy full-time teaching at higher academic levels. The paper will pick up the development of Danish marketing theory from the late 1930s and introduce the Copenhagen School of Marketing which in the 1950s became internationally competitive. Arne Rasmussens book *Price Theory or Parametric Theory* from 1955 was an exact,

micro-economic based textbook that appeared well ahead of Kotler's rightly famous, but theoretically "softer" textbook. With the advent of Rasmussen's work in marketing and similar books in other specialties, there was no longer *Lebensraum* for Hage's concept.

SELECTED REFERENCES

- Bartels, R. (1970). *Marketing Theory and Metatheory*. Homewood, Illinois
- Brems, H. (1956). Current economic thought in Europe. *The American Economic Review*, 46/2
- Chamberlin, E. H. (1933). *The Theory of Monopolistic Competition*. Cambridge, Mass
- Kuenne, R. E. (1967). *Monopolistic Competition Theory. Studies in Impact. Essays in Honor of Edward H. Chamberlin*. New York
- Hage, C. *Hages Håndbog*, ed. 1 (1894) – 7 (1954). Copenhagen
- Hirschsprungs Handelshaandbog (1934). Copenhagen
- Howard, J. A. (1957). *Marketing Management, Analysis and Planning*. Homewood, Illinois
- Kjær-Hansen, M. (1966). Main Features of Danish Research in Marketing. In: Kjær-Hansen (ed.). *Readings in the Danish Theory of Marketing*.
- Vibæk, J. And J. Kobbernagel (1980). *Foreningen til Unge Handelsmænds Uddannelse 1880-1980* (The Association of Education of Young Businessmen), Copenhagen 1980.
- Wilkie, W. And E. S. Moore (2003). Scholarly Research in Marketing: Exploring the "4 Eras" of Thought Development. *Journal of Public Policy & Marketing*, 22(2) pp. 116-46.