

EFFICIENT CONSUMER RESPONSE: ITS ORIGIN AND FOUNDATIONS IN AREAS OF CLASSICAL MARKETING THEORY

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ABSTRACT

Many of today's widespread managerial concepts have often been introduced and treated as new-to-the-world, despite the fact that the accumulated knowledge on the subject in literature is enormous. The true origin of managerial concepts is seldom revealed. There have emerged various managerial concepts at different times in the past and new ones will continue to emerge in the future. Most of them are expressed as an abbreviation of two or three letters, for example Efficient Consumer Response (ECR). *The purpose of this paper is to describe the origin and foundations of Efficient Consumer Response (ECR), in areas of classical marketing theory.* Parts of the description of the paper follow acknowledged patterns in literature. Others are interpretation by the author in order to propose evolutionary relationships between areas of classical marketing theory and marketing thoughts at the beginning of the 20th century and the concept of ECR. Quotations and references in literature support the content of the paper. The theoretical references that are brought forward in the paper support the questioning of the novelty value of the concept of ECR. Based upon the references presented, it is argued that the theoretical foundations confirm this standpoint. Some *conclusions* are proposed, based upon the discussion in the present paper.

The author's proposed conclusions are, *first*, that ECR has its classic theoretical origin in the functional school, the commodity school, and the institutional school of marketing. These are early general precursors to the concept of ECR, but specifically to the strategies of Efficient Replenishment, Efficient Product Introduction, and Efficient Store Assortment, and indirectly Efficient Promotion. *Secondly*, that ECR has only cosmetic novelty-value, and is therefore highly overestimated by practitioners. Since long past its core ideas, have been described in literature. Hence, ECR is nothing new, because its underlying ideas are based upon earlier theoretical bases in literature. Managerial concepts do always have a history! *Thirdly*, that a managerial concept and its underlying ideas are not new-to-the-world, just because somebody gives something that already exists in literature a new name or etiquette. Nobody can invent something that already exists. At best, it is possible to modify and improve something, which is of less value than the first time it appears, even if it was introduced in a less obvious or attractive manner. *Fourthly*, that after almost a century, managerial concepts like ECR still do not take into account the human dimension that is always present in business, within and between firms. In the end, it is the total of each individual's performance that decides the success or failure of any business. *Fifthly*, that the theoretical evolution of ECR's present stage has passed through different eras of marketing foundations and marketing thoughts. ECR has evolved from a limited or specific perspective, such as the classical schools of marketing. It has also evolved through a simultaneous perspective, such as the managerial perspective, and as well as its present level of development, it pays attention to a holistic perspective, as in the systems school.

Subsequently, as a final conclusion, the author of this paper argues that the appearance of ECR at the beginning of the nineties is metaphorically speaking nothing more than the re-invention of the wheel!