

A BROAD VIEW OF MARKETING IN TEACHING AND CONSULTING (Textbooks in the 1950s)

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I. Background for the session:

A. Planners of this conference learned about expressions by me--

1. Lamenting that university business students of today did not get a broad social process view of marketing, as was pervasive in my graduate school and early teaching experience, late 1940's and early 1950's; and that
2. Such a perspective and knowledge about marketing and retailing was the basis for the founding and growth of Management Horizons, to become a leading consulting organization in retailing and consumer products marketing.

B. As a result, I was invited

1. to elaborate on these views as being of potential historic interest
2. and to see if I could influence some Ph.D. students to make a more substantive study of the nature of the transition of widely used basic university course text books over the past half century or so.
3. thus, here we are, with some observations about the basic marketing course, a matter which no one was expecting to be a part of this conference when planning to attend it, but which we hope you will find of interest.

II. Divergent viewpoints about the nature of *marketing*:

A. Throughout the history of the teaching of marketing, now about a century of experience, there has been no lack of diversity of meanings.

B. For example, in the early 1960's, when the Marketing Faculty of The Ohio State University (O.S.U.) was developing a consensus *Philosophy of Marketing*, the various below listed meanings were quickly identified in a group discussion without any research effort to achieve completeness.

Marketing was known to have been described by some persons or many

- as a business activity;

- as a group of related business activities;
- as a trade phenomenon;
- as a frame of mind;
- as a coordinative, integrative function in policy making
- as a sense of business purpose
- as an economic process
- as a structure of institutions
- as the process of exchanging or transferring ownership of products
- as a process of concentration, equalization, and dispersion;
- as a creation of time, place, and possession utilities;
- as a process of demand and supply adjustment.¹

III. Nature of basic university marketing course content, based upon textbooks in use, circa 1950.

A. There was only a small number of then widely used textbooks (four year university programs).

1. As will be shown by the graduate students' work later in this program, these books were more divergent in approach and content than is the case of the several most widely used basic course textbooks of today.
2. The content was heavily influenced by the non-academic marketing experience of the authors who believed they had something new or different to put forth.²
3. Yet, all were of a broadly based course nature - *macro* as would be said today although that term was not then in popular use because of the lack of *micro*.

B. These widely used texts, regardless of the diversity, gave basic marketing course students a broad perspective, approximately as later defined in the *O.S.U. Statement of Marketing Philosophy*, as follows:

Marketing is the process in a society by which the demand structure for economic goods and services is anticipated or enlarged and satisfied through the conception, promotion, exchange, and physical

¹*Statement of the Philosophy of Marketing of the Marketing Faculty* (Columbus, Oh: The Ohio State University Bureau of Business Research, 1964).

²Much about the formative influences in the early life of marketing educators who become well known authors is found in Bartels, Robert, *The History of Marketing Thought*, 3rd ed. (Columbus, Oh: Publishing Horizons, Ind., 1988).

*distribution of such goods and services.*³

1. Such a course was the prerequisite foundation for the advanced management oriented courses to be taken by marketing majors.
2. It has provided the orientation to marketing for non-majors, believed to be by far the much greater number in most Schools of Business. (For example, at Ohio State about three-fourths of the basic course students are not marketing majors and of these about one-half are in other Business School programs and about one-half are outside the Business School.)

- IV. A broadly based knowledge of marketing was the foundation for considerable consulting work that led to the 1968 foundation of Management Horizons (MH).
- A. MH was a company which was started with only one significant asset - the intellectual property of the founders as teachers of marketing and retailing.
 - B. As stated earlier, highly productive use of such knowledge with executive groups which lacked it led to the development of MH as a recognized leading consumer marketing consulting company.
 - C. It was the basis for MH's *Retail Intelligence Systems*® (RIS), a major syndicated service with some 300 user company investors which receive its publications and participate in its regular executive conferences conducted in two annual series. Its publications are catalogued by the Library of Congress through a depository -- the Bass Historical Collection at the University of Oklahoma Library.
 - D. Success at MH, together with more growth opportunities than could be funded by its founders, led to the merger of MH with the management consulting practice of Price Waterhouse (PW) in 1985.
 - E. In my last year of contract service with MH/PW, I had in semi-retirement an assignment to prepare an authentic *History of Management Horizons*⁴, initially viewed as being of internal firm use for a recruiting aid, background training of new associates, familiarization with MH throughout PW, etc.

³See Note 1, *supra*, p.2

⁴Davidson, William R., *History of Management Horizons*, (Columbus, Oh.: Price Waterhouse LLP, 1996)

V. Academic response:

- A. Copies of the *History of Management Horizons* were sent to several senior marketing educators who had in some way or another developed an occasional or continuing relationship with MH.
- B. This limited distribution was intended as a momentum of a relationship, but surprisingly many of them read the book and sent us comments about it.
- C. Here are a few illustrative short excerpts from such correspondence:

- *I highly respect this contribution to the marketing discipline.*
Robert Lusch
The University of Oklahoma
- *I hope it will be widely disseminated in the discipline -- it is a story that young marketing scholars ought to hear.*
Bernard J. LaLonde
The Ohio State University
- *It is interesting and a contribution to the field to have this record.*
Stanley C. Hollander
Michigan State University
- *the seeds for much of the current thinking about strategic planning in a retailing context found their genesis in Management Horizons.*
J. Barry Mason
The University of Alabama
- *more than a few lecture notes are found already in the first few sections of this publication.*
Robert P. Leone
The Ohio State University

- D. As a result of expressions of interest like the foregoing, MHPW decided to share this History more extensively in the academic marketing community and thus we are pleased to have this opportunity to share a copy with you today.

VI. It is hoped that all of this short book will be of interest but, nevertheless, I will point out what the previous academic readers found to be most interesting and therefore may be of interest to other scholars of the history of marketing.

- A. How the intellectual property of a broadly based concept of marketing led to the creation of a new company with an enduring mission statement. (p. 1)

- B. "The Geometry of Environmental Opportunity" used to assess a firm's or an industry's position in a broadly defined marketing environment. (p. 11)
- C. "The Institutional Life Cycle" model, a further tool for the above stated purpose in various industries and firms. (p. 12)
- D. "The Total Profitability Model" as a further means of problem or opportunity assessment. (p. 14)
- E. The MH perspective of the "marketing concept" as an early but ongoing foundation for strategic marketing consulting. (p. 17)
- F. The MH Model of the "Strategic Planning Process" widely used with retailers and companies in their supply chain. (p. 21)
- G. How management information systems (MIS) in retailing were of little significance until data capture at point of sale became practical. (p. 25 ff)
- H. The MH "Best Practices" project approach as a basis for problem and opportunity assessment. (p. 33 ff)
- I. How the syndicated MH Retail Intelligence System® became and is a sustainable competitive advantage. (p. 38 ff)
- J. Lessons about successful marketing of consulting services (p. 57-60)

If the above mentions provoke questions or comments, I will be glad to respond to them in the discussion period. Now, we will turn attention to the above-mentioned project completed by a group of Ohio State Ph.D. students. It is called "The Evolution of Marketing Texts: Survival of the Fittest Approach." This study will be presented by Mr. Bob Jewel, the group leader. Following his presentation, I will have a further comment.

VII. Responding to the invitation to participate in the program became (to me) a retrospective of a quarter century of teaching graduate and undergraduate courses in marketing and another quarter century of consulting experience based upon the first of these two. I have often looked back to the 1964 *OSU Philosophy of Marketing Statement*, particularly its concluding point, as follows:

- 7. *Because the scope of marketing is broader than marketing management per se, there is much need for --*
 - a) *An understanding of the entire marketing system, its historical development, and the forces within it that spell its dynamics, which may be useful for purposes of making appropriate choices and decisions, recognizing its contribution to the social order, or developing the knowledge and*

- perspective.*
- b) *An understanding of the environment within which the marketing process is being performed as illuminated by other social disciplines.*
 - c) *Duly considering all points of view, with emphasis on consumer or social welfare, on the maximization or optimization of profit or efficiency in individual enterprises, and on relationships between social and acquisitive efficiency.⁵*

Reconsidering it today, I find it still has a rather strong attraction to me, and it prompts me to pose some questions for which I will not be a decider:

1. Would the student who is an undergraduate marketing major be served better or less well by a first foundation course of a macro or social process nature?
2. Would the student not a marketing major (the greater number) who takes only one marketing course be better served by a macro or social process nature or by a micro or marketing management nature?
3. Where, if anywhere, will the graduate student of today and tomorrow get an understanding of macro marketing, or is that important?

⁵See Note 1 *supra* p. 7.