

As we have seen, markets and marketing are as old as exchange itself yet many people regard marketing as a phenomenon which emerged in the second half of the twentieth century – to be precise about 1960 when Professor Ted Levitt published an article entitled 'Marketing myopia' in the Harvard Business Review in which he addressed the fundamental question of why do firms, and indeed whole industries, grow to a position of great power and influence and then decline. Taking the American railroad industry as his main example, Levitt showed that this industry displaced other forms of overland transportation during the nineteenth century because it was more efficient and effective than the alternatives it displaced. In truth, marketing has been around since the very first commercial exchange but there can be little doubt that until comparatively recently it has been of secondary or even tertiary importance to other more pressing imperatives in terms of increasing supply to meet the needs and wants of a rapidly expanding population. The objective of authors and teachers in using the three-stage evolutionary model has been to highlight the major changes in the dominant orientation of business rather than to analyse in detail the much more complex processes which underlay and resulted in these changes. What is beyond doubt is the fact that from around 1960 onwards marketing thinking and practice has been dominated by the marketing management school of thought. Numerous examples support Fullerton's contention that producers of the so-called production era made extensive use of marketing tools and techniques as well as integrating forward to ensure their products were brought to the attention of their intended customers in the most effective way. That said, the examples provided (with one or two possible exceptions) do not, in my opinion, invalidate the classification of the period as the 'production era' in the sense that it was the producer who took the initiative and differentiated his product to meet the assumed needs of different consumer groups based on economic as opposed to sociological and psychological factors. Some of the famous pioneers of production such as Matthew Boulton and Josiah Wedgwood were also pioneers of modern marketing, cultivating large-scale demand for their revolutionary inexpensive products with techniques usually considered to have been post-1950 American innovations: market segmentation, product differentiation, prestige pricing, style obsolescence, saturation advertising, direct mail campaigns, reference group appeals, and testimonials among others. Similarly, while the period from 1870 to 1930 saw the emergence and development of important marketing institutions in terms of physical distribution, retailing, advertising and marketing education, which are still important today, it does not seem unreasonable to argue that all these institutions were designed to sell more of what was being produced. This is not to deny the 'rich marketing heritage' documented by Fullerton, but to reinforce the point that the transition to a 'marketing era' was marked by a major change in business philosophy from a producer-led interpretation of consumer needs to a consumer-driven approach to production. By contrast the 'era's model' is seen, at least by this author, as serving a different purpose in that it seeks to distinguish between marketing as a practice clearly present in both the production and sales eras, and marketing as a philosophy of business which shifts the emphasis from the producer's pursuit of profit as the primary objective to the achievement of customer satisfaction which, in the long run, is likely to achieve the same financial reward. First, there is a 'philosophical belief that historical phenomena such as

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markets are intrinsically rich and complex; efforts to simplify or assume away aspects of such

phenomena are deeply distrusted' (Fullerton, 1988: 109). In other words, producers inferred the consumer's behaviour but they had MARKETING – PHILOSOPHY OR FUNCTION 11 not yet developed techniques or procedures which would enable them to define latent wants, and design, produce and market products and services to satisfy them. Fullerton's analysis reflects a growing interest in the history of marketing thought and confirms that 'modern marketing has a rich heritage worthy of our attention' (1988: 123). Whether one should substitute his conceptualization as contained in his complex flux model for the widely accepted production–sales–marketing era's model is not seen as an either/or choice. In the USA it was adopted with enthusiasm and Americans came to be seen as 'the supreme masters of aggressive demand stimulation', a fact frequently referred to in contemporary marketing texts of the early 1990s. In the early years this challenge was limited because of the high cost of the substitute product, its lack of sophistication and reliability and low availability. However, its potential was clear to see – if you owned a car or truck you had complete personal control over MARKETING – PHILOSOPHY OR FUNCTION 9 your transportation needs and could travel from door to door at your own convenience. In addition to the reality of a depressed world economy in the 1930s, which required large–scale producers to sell more aggressively to maintain economies of scale, the period saw the migration of many behavioural scientists from a politically unstable Europe to the safety of the USA. Precipitated by the Industrial Revolution, and the mass migration from the countryside to an urban environment, potential markets had to be created through marketing techniques and activities. In the sales era firms were still largely production orientated but, as demand stabilized supply, continued to grow, resulting in fierce competition between suppliers. Second, the historical research tradition emphasizes 'systematic and critical evaluation of historical evidence of accuracy, bias, implicit messages, and now extinct meanings' (1988: 109). In retrospect it appears that it was this migration that led to the more rigorous analysis of consumer behaviour which was to underpin the emergence of a new 'marketing era'. Combined with its greater insight into consumer behaviour was a period of great economic growth and prosperity following the Second World War, together with a major increase in the birth rate, which was to result in a new generation of consumers brought up in a period of material affluence (the baby boomers). Thus, if the railroad management had concentrated on the need served – transportation – rather than their product, they might have been able to join the infant automobile industry and develop a truly integrated transportation system. The essence of the production orientation – a preoccupation with the product and the company – and the marketing orientation – a focus on the consumer's needs and the best way to serve it – have already been touched on in reviewing Levitt's 'Marketing myopia'. Fullerton's complex flux .model embraces four eras: 1.(Fullerton, 1988: 112).2.3.4.2.3.4