

A RECONCILIATION OF THE DICHOTOMIES IN MARKETING THEORY AND PRACTICE

Ever since the marketing concept grew in importance in the 1950s, there have been attempts to generate theories in the discipline. The role of theory in a discipline is to increase scientific understanding in order to explain and predict phenomena (Dubin, 1978; Hunt 1976). Research in physical sciences (e.g. physics, biology) has led to discovery of theories that have enabled prediction and control of a range of real world phenomena. Like researchers in other disciplines, marketing researchers aim to discover theories and laws that will allow explanation and prediction of marketing phenomena. In the course of everyday decision-making, marketing practitioners address a range of important issues related to product launches, pricing and advertising. Marketing theories are expected to provide practitioners guidelines for predicting the impact of their marketing decisions.

However, a review of academic research in marketing reveals that the discipline has generated very little by way of formal theories and laws (Leone and Schultz, 1980; Kerin and Sethuraman, 1999; Bass; 1995). In a review of law-like generalizations in marketing, Leone and Schultz (1980) found that there is very little knowledge about marketing mix variables other than advertising and about interaction effects of marketing variables. The authors stated that the review actually reveals how much is not known about the discipline. Bass and Wind (1995) reviewed the status of generalizations in marketing to find that large areas of marketing were not covered by generalizations and many generalizations focused on isolated marketing mix element while ignoring marketing mix interaction effects. In another review of law-like generalizations in marketing, Kerin and Sethuraman (1999) found that only three phenomena within the marketing discipline qualified as law-like generalizations. These included diffusion of innovation, retail gravitation and market share-ROI relationship¹. The conclusion of the review studies is

¹ An example: Diffusion of innovation qualifies as a generalization as it is based on the principle that adoption of an innovation will be influenced by the marketing activities related to the product (external influence) and the number of existing adopters who will influence the non adopters (internal influence).

that research in marketing has not progressed much by way of discovery of theories and laws. As a result of this, the discipline's ability to explain and predict marketing phenomena is limited.

An important point to note is - without marketing theories, how does managerial decision-making take place? The reality is that marketing managers already use informal theories. Most successful marketing managers develop their own theories in order to take decisions regarding various marketing activities. They do not have the time to go through the entire process of deducing hypotheses and testing them. They identify reasonably analogous situations from earlier marketing actions, theorize about the current activity and take decisions. The marketing executive or manager does not call his understanding of marketing phenomena a theory. He is more concerned with gaining a practical understanding of how the system works and he looks for rules of thumbs and immediate guides to actions. The manager's motivation is intensely practical and his 'theory' is implicit rather than explicit. However, various marketing managers differ from each other with respect to success or failure of the outcome of their marketing decisions. All of them have access to the same marketing tools – advertising, publicity, consumer surveys and so on. However some managers are better able to understand the process of satisfying consumer wants and their firms emerge as successful in business while other firms either go out of business or remain less than successful

However, the marketing discipline cannot rely only on skill and judgment of the individual practitioners if the subject area has to make progress. There is a need to generate knowledge in marketing that is independent of the individual who is practicing marketing. Marketing knowledge needs to emerge in the form of formal theories which can guide a marketing practitioner's decision-making process. The aim of the present paper is to identify reasons for low level of theory development within the marketing discipline. The paper reviews the knowledge development practices in marketing and

The explanation is based on socialization theory. Innovation diffusion theory has been successful in capturing the diffusion pattern across a range of products, industries and countries (Mahajan, Mueller and Bass, 1995).

identifies a set of dichotomies that constrain the development of theory within the field. The paper proposes a means of reconciling these dichotomies in order to accelerate the level of knowledge development within the discipline.

1. Dichotomy of research paradigms

A review of articles in marketing journals shows that the discipline is dominated by the positivist paradigm. This paradigm applies principles and methods of the natural science model to the study of consumer behaviour (Hunt 1993; Anderson 1983; Peter and Olson 1983). The positivist paradigm in marketing is represented through tools and techniques of quantitative research such as the laboratory experiment, quantitative modeling and multivariate, statistical analysis. Based on this paradigm, marketing models have been developed to predict consumer behaviour, profitability of retail locations and price-volume relationships (Malhotra, Peterson and Kleiser 1999; Leeflang and Wittink 2000). In adopting this paradigm, researchers in marketing have followed the physical science model of precision, quantification and experimentation.

Even as the positivist paradigm has guided marketing, researchers have come to realize its limitations. Use of quantitative research over the years has raised issues such as the low amount of explained variance and inability to achieve predictive utility. Several quantitative marketing models have been criticized for lacking validity (Laurent, 2000) and their limited ability to capture the complex and dynamic nature of marketing phenomena. Marketing researchers have come to recognize the importance of situational context and the complexity of studying human behavior (Anderson, 1983, 1986; Peter and Olson, 1983; Zinkhan and Hirschheim, 1992). Limitations of the positivist approach have brought the relativistic view of research into vogue.

The alternative relativistic paradigm in marketing (e.g. Peter and Olson 1989; Hirschman, 1986) states that marketing cannot possibly emulate the natural sciences in its methodologies. The Relativist approach (Peter & Olson, 1983; Hirschman, 1986) proposes that scientific knowledge about the social world is relative to different times and

contexts. Rather than looking for generalizations, this approach aims at generating knowledge that is socially constructed and context bound. This research paradigm is embodied in the practice of qualitative research which searches for consumers' perceptions and interpretations of social phenomena within a real life context. Methods used to study consumers in their natural setting include In-depth Interviews, Focus Group Discussions and Case Studies. In all these techniques, the emphasis is on probing, to understand cause-effect relationships. However, despite several calls for research, there has not been much work done within the qualitative research paradigm in marketing.

Dichotomy between theory testing vs. theory creation

Over the years, research in marketing, has been based on theories borrowed from related disciplines such as economics, psychology and sociology (Sheth, 1972; Olson, 1981; Jacoby, 1976, Peter and Olson, 1989). In fact most of the knowledge in marketing is a result of refinement and application of theories from other social sciences. The lack of indigenous theory and tendency to borrow virtually all theory from other disciplines has emerged as an issue of concern within the marketing discipline. Several researchers have noted that the discipline needs to evolve from mere borrowing of theories to developing theories of its own (Jacoby, 1976, Peter and Olson, 1983).

One school of thought has argued that the low level of theoretical development in the marketing discipline is a result of the dominance of the positivist-empiricist tradition (Deshpande, 1983, Gumesson, 2001; Arndt, 1985; Peter and Olson, 1983). Since tools and techniques of the positivist paradigm are oriented towards confirming propositions or hypotheses, this paradigm has led to marketing growing more rapidly in the area of hypothesis testing rather than theory development. (Zaltman et. al., 1982). Bonoma (1985) states that premature application of theory testing methods for qualitatively complex and context dependent marketing phenomena can 'sterilize' research to the point where it does not reflect reality.

The relativistic paradigm, on the other hand, stresses the importance of creating and developing new and useful theories within a field (Anderson 1983; Peter and Olson 1983). Researchers within this paradigm have proposed that marketing exploit the theory building potential of tools and techniques within the relativistic paradigm (Deshpande, 1983, Gumesson, 2001; Arndt, 1985; Peter and Olson, 1983). Tools of the relativistic paradigm such as the in-depth interview or the case study allow for in-depth probing of real world phenomena to discover cause-effect relationships. The patterns and relationships discovered through these methods can serve as preliminary theories which can be formalized later. Proponents of the relativistic paradigm have emphasized the role of exploration and creativity in the theory building process. Weick (1989) and Zaltman, Le Masters and Heffring (1982) have provided innovative ideas for creating new theories and have stated that the criteria for evaluating a good theory is the extent to which it challenges the taken for granted relationships within the discipline.

Dichotomy between academics and practice

Although marketing theories have great utility for marketing practitioners, the process of theory development tends to be concentrated within the academic community (Rossiter 2001; Brinberg and Hirschman 1986; Gumesson 2002). The target market of marketing theories - practitioners - remain disassociated with most of the basic knowledge development practices within the discipline. In fact for marketing practitioners, the term 'marketing theory' does not signify something particularly meaningful or helpful. Marketing theory is viewed as something in the purview of academicians with little relevance to everyday decision-making and control (Hunt 1976). A survey with B2B marketers (Singh and Ingham 2002) showed that marketing theory is perceived as irrelevant for many marketers in their working lives. Most of the marketers felt that little of the marketing material available in the form of theories and tools fulfilled their needs.

Also, academic researchers conduct a lot of theoretical and research work on issues which are not of direct relevance to the manager (Brinberg et.al., 1986; Jacoby 1985).

Since the purpose of theory is to enhance prediction and control of marketing phenomena, theory developers need to consider the needs of the practitioners while developing theories.

Marketing theory and research: An agenda for reconciliation

The various dichotomies that exist within the knowledge development practices in marketing actually constrain the development of theory within the discipline. It is proposed here that the way ahead for marketing theory and research is through resolution of these dichotomies and integration of approaches for better theory development. This integration is suggested through means such as (i) complementarity of quantitative and qualitative research paradigms (ii) utilizing the potential of qualitative research for theory development and (iii) integration between theory and practice of marketing. Each of these issues is discussed below.

(i) Complementarity of research approaches

Tackling a research problem often involves an exploratory stage followed by a confirmatory/disconfirmatory stage (Hudson and Ozanne 1988). Hunt (1976) aptly calls the first stage the ‘context of discovery’ as it includes inductive and deductive procedures for discovering empirical generalizations, laws and theories. The second stage is titled the ‘context of justification’ as it concentrates on the confirmation, validation and corroboration of knowledge ‘discovered’ to test its correspondence with reality.

It is proposed here that the marketing discipline use different research approaches in the context of ‘discovery’ and the context of ‘justification.’ Relativistic approaches may be used in the ‘context of discovery’ where in-depth qualitative work can provide insights and understanding. On the other hand, positivist approaches may be used in the ‘context of justification’ where formal quantitative work can provide aggregation and generalization of results. Thus, qualitative research methods can provide in-depth understanding of marketing phenomena, which can be validated on a large scale by

quantitative research. In this manner marketing can leverage the strengths of both qualitative and quantitative research paradigms in the process of theory development.

(ii) Use of qualitative research for development of original theories

Research in social sciences involves the study of complex phenomena where a large number of variables and interaction effects are present. A growing number of researchers in the social sciences have acknowledged that given the complex, context-sensitive nature of phenomena, qualitative research is the most valid knowledge accrual device open to study human behavior. Several researchers in economics (e.g. Piore, 1979), and organizational behavior (Dachler 2000; Symon, Cassell and Dickson 2000) have advocated and fostered the rebirth of qualitative research. The tools of qualitative research are specially well suited for ‘discovering’ underlying relationships/patterns with respect to complex phenomena.

The marketing discipline also needs to capitalize on the theory-building potential of qualitative research. (Arndt 1985; Deshpande 1983; Moran 1985). Calder (1977) compares the process of theory construction to the peeling of an onion where deeper and deeper layers of meaning are exposed in succession. This is analogous to the process of qualitative research where in-depth probing of a phenomenon reveals deeper levels of meaning and insight. Eisenhardt (1989) provides another useful account of a theory-creation process through case research, one form of qualitative research. The marketing discipline can use qualitative research methods to discover preliminary patterns/theories which can be validated on a large scale through quantitative research.

(iii) Integration between theory and practice for theory development

It is proposed that researchers who are engaged in formal theory development use the insights developed by marketing practitioners in the course of regular decision-making.

Marketing managers take a range of decisions related to product launches, advertising, pricing on a regular basis. Apart from the immediate consequence of the decision, there is knowledge generated as part of the process. By applying academic rigor to these practical insights, researchers can gain better knowledge of marketing phenomena. Zaltman LeMasters and Heffring (1982) proposes a ‘theories in use’ approach to discovery of theories. According to this approach, to develop a good theory of selling, one should understand what a successful salesperson thinks and does. In this way, what is circulating as ‘practitioner marketing knowledge,’ can be codified and translated into formal theory.

Conclusion

We need to pursue marketing’s goal of discovering theories that can explain and predict marketing phenomena. This goal can be achieved through resolution of the dichotomies which exist in the knowledge development practices within the discipline. Integration between complementary research paradigms as well as between academics and marketing practitioners will contribute to the discipline’s goal of scientific theory development. Generation of theories within the discipline will, in turn, make decision making more scientific for practitioners. Openness to different research methodologies and different sources for building theory appears to be the way ahead for marketing theory and research.

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