



Marketing – As it once was, and, perhaps, might one day be!

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ABSTRACT

This paper explores the nature of marketing thought in the 1960's when the School of Marketing was established at UNSW, recounts some of the early history of the School, and notes the challenges to the discipline of marketing that now lie ahead.

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1. Introduction

I am deeply honoured by the publication of this Special Issue of the Australasian Marketing Journal and thank the Editors for making it possible. I would also like to thank most sincerely the authors who have contributed to the Special Issue. Many are distinguished scholars I have known and respected for most of my academic life (something of which they might not wish to be reminded!); many are colleagues without whose support, guidance and advice I would have achieved very little; and others were outstanding students who helped me in many ways to broaden and deepen my understanding of marketing, in both research and teaching. To each and all of you, I offer a heart-felt “thank you”.

2. Marketing in the 1960s

As I look back over the last 50 years or so as a marketing academic I am struck by how much and how little has changed. Marketing then, as I think it is now, was in a period of transition. Then, the transition was from a discipline concerned with the institutions and functions arising from the flows of goods and services from producer to consumer, to one that was exploring the managerial logic of a customer oriented business focus. Now the transition is from a focus on individual choice on the part of market participants to one where individuals are thought of as embedded in increasingly dense and complex social networks that frame and influence choice.

The transition in marketing thought was, and is, deeply influenced by the social, economic and political context of the times. Fifty years ago the era of the sixties was one characterised by baby booms, expanding markets, counter-culture movements, newly

emerging nations, Vietnam and the Cold War, and the rise of Japanese manufacturing – to mention just a few. Marketing as a discipline was responding to these challenges, not only through a critical focus on problem solving and decision making on the part of both managers and customers, based on the behavioural sciences and quantitative analysis, but was also struggling to come to terms with the tensions surfacing between the social and economic policy issues of the day and the concerns of management. This was evident in the 1965 AMA Golden Anniversary Conference on Marketing and Development where debate ranged over the role of marketing in economic development; the multinational marketing challenges arising from the European Common Markets, life in socialist economies, the Cold War and the emerging African nations; changing research emphases arising from quantitative modelling and new insights into consumer behaviour; rapidly changing marketing institutions and the need to rethink marketing education.

While macro and micro issues were front and centre in the Golden Anniversary debate in 1965, in the 50 years or so that followed, the discipline responded to the growing complexity of policy issues and management decision by advocating a rigorous scientific exploration of manager and customer decision processes, drawing on behavioural sciences, sophisticated statistical methodologies and quantitative modelling. I wonder now what the Centenary AMA Conference in 2015 might bring? While it will certainly highlight the considerable achievements of the last 50 years, it will, I suspect, also mark another turning point or transition.

Then, as now, such a Conference will reflect the new social, economic and political realities, initiating (or confirming) another transition in marketing thought and practice. As societies seek to adapt to, manage and exploit the increasing inter-connectedness of contemporary life, the pursuit of methodological individualism is looking increasingly limited. Not only will the modelling of individual choice in the last 50 years be replaced by the study of choice

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embedded in multiple small and large complex adaptive systems, but the optimism characteristic of the 1960s, will be replaced by worries about sustainability, distributive justice, shifts in the balances of economic and political power, and the need to include happiness and well being in the systemic outcomes attributed to marketing initiatives.

While the macro policy issues that were much discussed in the Golden Anniversary meetings largely disappeared from marketing scholarship in the 1970s and after, (with the exception of the macromarketing literature) these will, I think, once again resurface as major disciplinary concerns. It seems that although much has changed, there is, once again, a need for marketing to engage with community worries at all levels – from the management of individual and networked marketing decisions to many of the pressing concerns of government, both nationally and globally.

3. Establishing the School of Marketing in the late 1960s

Looking back, I was privileged, in many ways, to be part of these changes in marketing thought and practice. However, at the time when I joined UNSW in 1958, I had little idea of where I was going. I was employed to teach economic statistics having come from a background in the Australian Bureau of Statistics and operations research at the Newcastle steelworks. Sampling theory and practice was something that interested me and I began to work on sample designs for human populations. I was also interested in Bayesian decision theory, particularly in the use of subjective probabilities. It was then that I made a choice, one that could perhaps be best described in the words of Robert Frost:

“Two roads diverged in a wood, and I – I took the one less travelled by, And that has made all the difference.”

In 1964 I was coming up for my first period of study leave from UNSW and was casting around for a University that would accept me. Two caught my eye – one was Yale University and the other was Purdue. Yale was at the time strong in operations research. However, I had read a little of the work of Frank Bass at Purdue in decision theory and also contacted him to see what was possible. Both Universities responded with a generous offer of a one year appointment as Visiting Associate Professor. I chose Purdue, and, as it happened, that almost accidental choice did indeed make all the difference.

While I suspect a large part of the justification for these offers was my early work in operations research (I was part of one of the first operations research groups to form in Australia) and the subjects I taught were in the mathematics of management, it was the group of scholars at the university I happened to choose – Purdue – that was to lead to my involvement with marketing. These outstanding scholars included Frank Bass, Mike Pessemier, and Charles King. Frank was exploring new product adoption models, Mike was looking at new product management, and Charles was concerned with diffusion processes. Frank was teaching a doctoral class in the basement of his home in West Lafayette and invited me to be part of that group – all of whom, incidentally, went on to become leaders in marketing scholarship. Inevitably I became more and more interested in marketing decision areas such as sales force management, advertising, media choice, and new product introductions.

Returning to Sydney in late 1965 I once again taught econometrics in the School of Economics. However, I had become involved in media research with The Anderson Analysis, one of two research firms (McNair Surveys was the other) active in the Sydney market providing press, radio and then TV audience measures. My brief was the design of samples for both urban and country media studies. I was also consulting to John Braithwaite at the Survey

Research Centre in North Sydney. He was actively developing major surveys of consumer expenditure, origin and destination traffic studies for Sydney and Brisbane, amongst other ongoing market research activity. John was a “computer nut”, much impressed with the growing power of the computer. He introduced me to card sorters, and helped me to wire up the boards for more elaborate crosstabs. Another old friend, Brian Thomason, introduced me to the world of “hands on” market research and the challenges of dealing with sceptical management audiences.

A little later, in 1966, Murray Kemp, a friend and colleague, mentioned that the University was interested in appointing a Professor of Marketing, to be funded by a generous gift from leading members of the Sydney business community. I was attracted by the idea of seeking appointment but reluctant as I lacked any mainstream qualification in the area. Murray urged me to apply and so too did Frank Bass, from whom I also sought advice. In early 1967 I was successful, and became Professor of Marketing with significant funding to establish marketing as an academic discipline at UNSW.

This was not the first time that marketing had been offered as a subject in the Faculty of Commerce. A retired American scholar, John B Schneider, had been a Visiting Professor for a year or so. And introduced marketing to the Faculty. His interests were in agricultural marketing and some part-time lecturers helped, including Wal Watson, a consultant and prominent in the Australian Institute of Management. Another American academic, Arnold Weinstein, was also teaching marketing in the new Graduate School of Business in the Faculty. All three were very helpful in getting the new discipline underway and contributed to the establishment of a School of Marketing in 1968.

In Australia, more generally, marketing was being taught in several places, including Melbourne, at the University of Melbourne, and at the Chisholm Institute in Caulfield, and in Perth at UWA. In New Zealand, marketing studies were underway in universities in Wellington and Otago. Each of these and other similar centres went on to develop distinctive approaches to the discipline and helped to cement marketing as a critical factor in business success.

At the time, we faced a challenging, quickly changing social, economic, and political environment. While it had much in common with the American scene – a baby booming population, changing values, youth rebellions, the Beatles, Vietnam and the Cold War – it was also different in some key respects. Manufacturing was heavily protected behind tariff walls averaging 46%; rural industries were subsidised, but facing falling prices, drought, and the decline of the small family farm; Britain’s entry to the Common Market threatened to undo the comfortable trade preferences enjoyed by Australia’s farmers; in response, orderly marketing schemes were deemed essential; the Liberal, Country Party coalition had been in power for many years, imposing tight controls on economic change; TV was still relatively new, and a decimal currency had just been introduced. As Paul Kelly was later to say, in his book *The End of Certainty*, “It was a young nation with geriatric arteries”.

In the late 1960s, marketing mattered. But it was not the kind of marketing we have come to know. It was a world where sales management, advertising, promotional skills, distribution management, some aspects of pricing, and new product campaigns, were seen as critical skills that needed strengthening. Export marketing was increasing in importance as the primary sector experienced falling process, and supply problems. What was being taught in marketing courses in Australia was directed to these needs.

There was however a growing awareness, fostered by the new marketing programs across Australia, that there was more to marketing than these functional skills. The Hoover Company in Australia, led by Peter Boon, had initiated the Hoover Award for Marketing in 1961 to highlight outstanding marketing projects

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