



# Evolution of Marketing

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## Abstract

*The present paper exhibits the evolution of marketing as how 'Marketing' as concept and discipline has evolved with time. Over the years consistent changes have taken place in the field of Marketing. These changes have had a significant impact on various process, models and concepts related to it and how things are managed in a holistic sense. The present paper is an effort towards analysing the past of marketing, as how it grew and evolved significantly through the years thereby impacting various facets of commercialisation and business around the world.*

**Keywords:** Marketing, Consumers, Exchange

## **I. Introduction**

The development of marketing thought can be divided into four periods. The first period (1900-1919) was the time when economists were focusing more on production and attention was needed on distribution. The second period (1920-1950) was a time when the concept of supermarkets among other new concepts started emerging in US. This was a time when the functional approach of marketing started gaining more importance. This included supply in market, creation of opportunities for exchange and other such related functions. The third period (1950-1980) saw a paradigm shift towards mass marketing. At this time the marketing was concerned more with the development of concepts such as the marketing orientation, segmentation, branding and the 4Ps of marketing. The fourth period (1980-present) laid more emphasis on economic factors. Developments were made in reaching out to customers and more emphasis was given towards customers need and quality. Moreover, importance was given towards creating large quantities of product, thus meeting needs of prospective customers (Keith, 1960).

Vargo and Lusch (2004) pointed out that it was exchange and distribution of commodities with which marketing initially started. The 1950s saw marketing evolution into new horizons of decision making and serving customers. On the other hand, the 1980s saw some new marketing concepts such as relationship marketing and the market orientation. In late 20th century, the new domain of service marketing evolved which was projected towards identifying how services were different to goods. However, there was an alternative view which started emerging about the issue that customers do not

buy goods or services rather they buy offerings which is about yielding value through provision of quality service.

Marketing saw a transition from goods dominant sphere to service dominant sphere. Thus, there was much projection on intangibility, exchange and relationships as being more important. Service dominance was concerned with business interest towards customisation of offerings and recognising that the consumer is always a giving prime importance to value (Vargo et al., 2008).

Marketing at earlier stages of inception had been referring to the term exchange. Bagozzi, in 1975 identified three different types of exchange. The first was restricted exchange that involved a reciprocal relation between two parties being involved. One was the customer and other the salesman, one of whom sells something to the other in return for money. Second was the generalised exchange that involved more than two factors. The benefit that flows between the parties may be indirect. Bagozzi stated that in such a case there is no direct exchange between parties, but there is an exchange of interest. The third is complex exchange that concerns a distribution channel, where a manufacturer sells to a retailer, who in turn sells to the customer, who in turn sells to a consumer (which is also two-way). In this type of exchange each party is not only adding some value to the offering, but also is imposing certain costs (Bagozzi, 1975).

On the other hand, there was certain market orientation which emerged as an important consideration for marketplace. There are five main business orientations, each of which has emerged as a response to evolutions in the marketplace. The first was production orientation which concerned focus on producing more, selling high volumes, controlling costs and going for production efficiency. The second was product orientation which concerned moving away from the standardised products and focusing on improving quality. The assumption was that customers want a better-quality version of the same thing, and was prepared to pay a premium for a distinguished product. The third was selling orientation which laid prime emphasis on aggressive sales and promotion, thus selling whatever the organisation wants to make or distribute. Here the prime focus was on seller and the product was to be 'pushed'. The assumption was that if the price is low enough, customers will buy the product whether they like it or not. The fourth was marketing orientation, which according to Philip Kotler was the most advanced one. Here the main emphasis was on the end user, thus first customers need was to be defined and concerned offering were to be considered to reciprocate the same. The final orientation was societal which concerned customer welfare and the welfare of the environment (Ali & Talwar, 2013).

## II. Initial growth of Marketing

The term 'marketing' was used first time as a noun or as label regarding particular practice between 1906 and 1911 (Bartels, 1988). But, over the years there were statements from numerous accounts challenging that the term 'marketing' was used even before 1906 as there were people who were writing about the subject. Referring to the publications of the American Economic Association, it

was found that the term marketing was actually used in 1897. On the other hand, Tamilia (2009) advocated that the term was used even earlier than this in the Quarterly Journal of Economics.

Moreover, Shaw (1995) in one of his finding's sites 'Miss Parloa's New Cookbook' and 'Marketing Guide' which was issued around 1880 and concerned 'marketing' related to buying and selling activities. Shaw even advocated that if dictionaries prior to the Bartels, the intellectual history of the term 'marketing' can go back to even 1561. Dixon in one of his researches argued that the Oxford English Dictionary traced the use of this term 'marketing' to the sixteenth century but was also of the outlook that it certainly did not originate in the US between 1906 and 1911 (Dixon, 2002). Empirically, the first courses were found in Germany at the turn of the twentieth century (Jones & Monieson, 1990).

The first courses in marketing appeared to have been delivered in Germany. Tactlessly, a little has been debated concerning this in marketing literature. On the other hand, studies of early courses in marketing were better documented in USA. In 1902 the first course on marketing was started by E.D. Jones at the University of Michigan. This course was titled, 'the Distributive and Regulative Industries of the US' instead of marketing. The course 'marketing' was supposed to have been started at the University of Wisconsin, nine years later by Raplh Starr Butler (Bartels, 1951).

Marketing and economics were sometimes associated to each other where the latter was reflected to have a considerable impact on the former origin. Notwithstanding the diversity of academicians operational in the various sub-disciplines of economics there was a great deal of apprehension that less economic fundamentals were considered to articulate supervision for practising managers. Moreover, the literature available on it was not so relevant. It could had presented a clear picture of market and also assisted to comprehend the consumer needs and requirements which had been typically ignored by economists. In earlier stages the marketing practitioners and academicians were concentrating their responsiveness on extenuating the main and new marketing practices (Bartels, 1988).

Early works on marketing were written with the determined mind-set of abolishing certain delusions, like the credence that the wholesaler was scrounging and would wane from the distributive system, fear of obliteration of small stores by chain organisations and dilemma of consumers before the callous practices of vendors (Bartels, 1988). The researchers at this time when the US economy was intensifying were receiving persuasion towards marketing practices, registering the passage of goods over the distribution system.

### **III. Marketing during world war**

The academicians and researchers were of the opinion that marketing was useful in distributing goods and services to the places where they were needed, hence creating place utility by providing satisfaction to consumers. People in twentieth century were concerned about the rising cost of distribution, as a result of which many questions were being asked about the value addition. Consumers knew that there were a variety of steps involved in distribution of goods, involving number of people like the manufacturers, wholesalers, retailers, etc. these consumers were also concerned with the advertising usage and benefits related with it. Consumers were also concerned about advertising usage

and its cost benefits. Issues like these were of importance as there had been rise in prices since 1896, accelerating still higher during the First World War (Usui, 2008)

The German philosophers were of the opinion that the government should regulate the market with scholars providing information about the problems in this domain to respective governmental officials. They were of the opinion that marketplace should not operate freely and proper guidelines must be observed instead of letting invisible hand of the market command production and economic associations. The German school of thought contributed to an inductive, 'positivist' epistemology, with the hope of evolving 'science of marketing'. They studied the marketplaces, investigating cases as to how the market worked and then using the information to make sure simplifications centred on which public policies were made for enlightening the market operation. The German Historical School regarded that all contributors in market were justly treated including customers and middlemen (Jones & Monieson, 1990).

There were courses in business and marketing in Germany before the United States. Paul Lazarsfeld, one of the most dominant marketing scholars of his generation specified the reason behind any purchase verdict could be recognized through vigilant interviewing. Later on, he moved to United States when the political climate in Austria turned bad. The Second World War time period saw a progressive marketing and consumer research taking place in Germany and Austria. According to Berghoff (2003) some specialists working in Germany during the Second World War assumed that Third Reich strategies would have a helpful consequence on the way Germans regarded advertising practice. On the one hand, career in advertising was usually not considered good. Even the German Advertising Association was known to have put the picture of Hitler on the cover page of its certified magazine stating '*is Germany's greatest advertiser, selfless in duty and whom we are all obliged to follow. From now on advertising must accord with his vision*' (Berghoff, 2003).

In the middle of these politically atrophied times, it was formally professed that any deceptive advertisement would be stringently dealt with, hence any person concerned would be impeached as per law. Bergoff was of the opinion that there was some degree of cogency to these views as the regarding German authorities did clamp down on certain advertising practices. Moreover, they proscribed accomplished advertising specialists from working simply because they were Jewish. In Germany advertisers were quick to identify the prominence of advertising and drew motivation form the Nazi establishments which caused in 'Swastikas' and Hitler's portrait being used for numerous advertisements campaigns. But the Nazi's were not that awestruck by the numerous advertising campaigns taking place and made use of its symbols illegal (Berghoff, 2003).

#### **IV. Development of Marketing**

Later, Shaw and Jones (2005) exposed that those related with this school of thought were not efficacious in creating the 'science of marketing'. Issues of distributive justice and ethics were no long in the mainframe of marketing thought and marketing issues got supplanted by 'consumer problem'

(Tadajewski & Brownlie, 2008). The first two decades of twentieth century saw supply surpassing demand ensuing in varying the focus, selling products professionally and successfully through well thought out amalgamations of product, price, promotion and distribution approaches. This changing situation saw augmented opposition between firms and it became imperative for numerous businesses to effectually control the collaborations between salesforce and the customer (Zaltman & Burger, 1975).

Fredrick W. Taylor, the father of scientific management has a significant but neglected influence towards marketing theory. Taylor through his effort towards placing production on scientific level scrutinized many ways to do actions, like shovelling coal in an efficient way. Many marketing scholars scrutinised Taylor's work as a way towards making marketing, retailing and salesmanship more effectual. Taylor's approach of finding the best way to do a precise work was concerned with the issue of structural effectiveness. It consisted of management studying their workforce, drawing up comprehensive strategies for workers that targeted to inspire them to work at their optimum level. Taylor's work was seen as a rebellion in management repetition, growing production competence to rates which were beforehand overlooked of. Nonetheless, their happened a problem of augmented production and countering it through parallel upsurge in distribution efficiency, as there was no point in increasing dissemination if the product could not be sold in same way (Usui, 2008).

A number of marketing thinkers like W. Shaw, Paul Converse, Charles W. Hoyt, Stuart Cowan and Percival White, were of the opinion that a transformation was required from mere art of salesmanship to science of selling which required the reanalysis of salesman physiognomies as it was assumed that sales person was already accomplished at selling. But they're happened credence that these salespeople could be 'formed' through proper training (Strong & D'Amico, 1991). Even in 1913, Hoyt delineated the different ways through which sales management could be made effectual by various means and one of them was 'regulation'. Hoyt proposed that mere scrutiny of sales was not necessary but curbing sales job into certain modules was essential which would lead to advancement of new procedures (Hoyt, 1929).

Prerogatives were made that sales management can be made more real if the routes salesmen moved across their sales territories, using optimum transference choices and adjustment of 'talk'. This meant that the salesmen were given extensive summary of presenting a given product with the anticipation of using the words which came to him logically. The sales talk standardisation was conceivable as each customer had his/her own character and would retort to sales pitch in dissimilar manner. Thus, the function of management from this viewpoint was to produce diverse sales pitches that would appeal various customers. Cowan recommended that the entire concept was based on research and investigation. Moreover, it elaborated planning as a rudimentary method of sales which salesmen must realise to while dealing with customers keeping in mind their capability (Cowan, 1924).



The early 40's saw a movement away from inadequate emphasis on sales management activities. This period saw a change from supply side efficiency issues, to a better prominence to consumer needs. Markets were becoming larger and the producers were getting away from consumers. An organised consideration of behaviour regarding buying decision was vivacious. As a concern, management needed to comprehend what marketplace required keeping in mind what systematic levels of production would comply with consumption. Many analogous views were articulated from nineteenth century onwards although many companies were not acting on the market intelligence and were not giving desirable consideration to their customers (Elder, 1932).

Numerous academicians did shift focus during the 1920s and 30s, from thinking about the sales manager as just involved with systematizing the sales force, to them taking on roles much more dependable with the modern marketing manager. Frederick in one of his works specified that the sales manager was apprehensive with product quality and new product growth as determined by the needs of the market. According to him sales manager's job was synchronization of the requirements related to manufacturing with the market's demand for a speckled product line. The sales management saw an evolution from the narrow supervisory role of the pre-1920 period to a wider one embracing the marketing concept.

Robert J. Keith in one of his articles specified that marketers were no longer producing whatever products they could produce as they were not persuaded towards manufacturing anymore. He stated that companies were getting customer oriented and this 'customer' was becoming the central point of all. Kieth stated *'in today's economy the consumer, the man or woman who buys the product, is at the absolute dead centre of the business universe. Companies revolve around the customer, not the other way around'* (Keith, 1960). Later, Kieth was critiqued for his work as it was contended that General Electric was considered the first company to fully contrivance the marketing idea by many. Kieth was also of the view that his study could widespread as a universal conception thus can be applied ubiquitously. But it was contended that Keith presented an American case study that does not reveal the nature of business practice about the world.

Marketing has been related with various things over the time like demand formation, demand stimulation and even demand generation. Marketing saw the period when various marketers were trying to make the customers view point as a main point for deliberation which caused in their edition of the same. Then marketing saw a dissimilar sphere during the First World War which led to enormous development of industry (Usui, 2008). The post war period perceived reasonable business setting where customer's needs, wants and desires became significant. This was a time when some arguments were raised concerning marketing and some interrelated marketing concepts.

The discussion concerning marketing being an art or a science fumed during the 1950s. Some academicians were not so keen on debating the issue while some recommended an implied pronouncement about marketing being a science. On the other hand, there were academicians who were inquisitive about the very base of marketing and its relative scientific characteristics like expansion of

advertising, product modernisation and planning. Bartels (1951) was of the belief that marketing was not a science. He stated that marketing was a systematic discipline and people were being over expectant about marketing being a science. Some scholars after investigating the essential marketing literature were of the belief that there was a petite change in scientific style from the initial days in marketing thought. There were some who were persuaded towards positivist and informational methods. Positivist approach was concerned with expectation or clarification of consumer behaviour. It was concerned with using large scale assessment research and reckonable approaches creating simplifications about types of behaviour in a given population.

## V. Conclusion

Over the years marketing has been consistently developing as a discipline and a lot of constructive changes have taken place regarding the same. Various researches have made significant efforts to make marketing more conceptual and business friendly. Today, marketing isn't just selling or promoting. Both business and marketing are intertwined in the marketing process. Marketing is a lot more than simply a social as well as a commercial function. Moreover, it's an art form in and of itself.

Marketing is also not just a function, it's a method of doing business. In contemporary times, marketing is about designing a product with customers in mind and creating a methodical way of interacting with them is the primary goal. For every successful business, there is a tale to tell about its marketing methods. Success in company is a direct result of effective marketing strategy. Promotions and advertising may be used as part of a marketing strategy. Media relations are also covered in this course. People, products, and brands may all benefit from marketing.

Therefore, it can be seen in the present times that marketing as a concept and discipline has come a long way since and will be still growing and developing for many years to come.

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