The theme of this paper is that in seeking to develop strategies for the future, we should not neglect or overlook hard-won lessons from the past. Learning through direct experience is almost invariably a process of experimentation or trial and error. It is uncertain, time-consuming, inefficient, and often risky. Accordingly, if we encounter a problem new to ourselves, our first reaction should be: “Has anyone encountered this problem before?” If so, then “What did they do, with what results?” Answers to these questions are to be found in the so-called secondary sources that record the knowledge gained by previous generations.

Knowledge is distilled experience which has accumulated over time. It represents our current understanding of how the world works and, because it has been recorded, it is usually easily available and often free. Common sense dictates that we should start any problem-solving activity by establishing what we know already. To support this argument, this article reviews the processes of knowledge creation and ‘cumulativity.’

Unless and until we have confirmed what is already known about a subject, any effort to solve a new problem can only be a hit-or-miss affair — a case of managerial myopia. Therefore, while addressing an important question such as the role of marketing in emerging economies, we should first define what we mean by ‘emerging economies’ and ‘marketing.’

Marketing is a synthetic discipline that integrates findings from other disciplines like economics, psychology, and sociology into a holistic explanation of commercial exchange behaviour. As for emerging economies, indeed, all the advanced economies were emerging economies once, and it is quite evident that as the Industrial Revolution that started in Great Britain in the 18th century spread through Europe and North America, so each newly industrialized country, in turn, achieved take-off more quickly by learning from the experience of its predecessors.

In conclusion, this paper cites three examples of robust ideas that have stood the test of time and offers important insights into marketing today:

- Ricardo’s ‘Theory of Comparative Advantage’ which argues that countries should specialize in doing what they do best and exchange their surpluses with other countries.
- Darwin’s theory of evolution and its marketing derivative — the product life cycle.
- Copeland’s ‘classification of goods’ that first identified the importance of defining goods and services in terms of needs and benefits.

The message is that our knowledge of marketing is universal. Marketing is marketing everywhere.
The thing that hath been, it is that which shall be; and that which is done is that which shall be done: and there is no new thing under the sun.

— Ecclesiastes (1:9, The Bible)

You can’t step twice into the same river.

— Heraclites (513 BC)

Of course, neither quotation is to be taken literally. The first means that the needs and motives that underlie human behaviour remain the same albeit that the means of satisfying these needs may change over time. The second reinforces the notion of change in that the water flowing in a river constantly renews itself and so is in a state of unremitting flux. So, how do we resolve this dilemma?

While agreeing with Heraclites that every problem we encounter may differ to some degree from every other, we can learn a great deal about rivers, their properties, and behaviour by studying them. Perhaps, even more important, as intelligent human beings, we can communicate our knowledge of rivers to succeeding generations so that they do not have to acquire the same information directly through experience. So, if we seek to predict the future of emerging economies, it would seem sensible to reflect about what we already know about the subject of economic development. As the future is yet to arrive, we have no knowledge of it, but we do have knowledge of both the past and the present. It would seem sensible to start with what we do know.

To begin with, I would like to revisit a number of themes that have occurred and re-occurred during my own academic career over the past 40 years such as the concern for novelty and recency which the younger generation of scholars are preoccupied with and the notion of ‘cumulativity.’* Most of us have benefited from this phenomenon without consciously thinking about it. Both these themes underline the importance of history and the need to avoid continuously reinventing the past — usually because of oversight rather than ignorance.

Reflection on the source and nature of ideas and the evolution of history leads naturally to a consideration of the discipline of marketing. Marketing is a synthetic discipline like many other subjects that are the basis of a professional practice. Further, consideration of the core social sciences on which marketing is based suggests strongly that marketing is universal in nature. If this is so, then the marketing paradigms relevant to emerging economies are already known to us and we would do well not to reinvent them.

RECENCY

It has now become necessary to bring out a revised edition of a mainstream marketing text book every three years. If one considers the incidence of significant changes in theory and practice, then, clearly, this cannot be the cause and one is left to conclude that the only compelling reason is ‘recency.’ However, the preoccupation with ‘recency’ leads younger scholars to overlook or ignore all the seminal contributions of earlier generations on which the foundations of modern marketing thought are built. In doing so, they lose sight of the knowledge and insight accumulated over many years in other social sciences like economics, psychology, and sociology which the marketing discipline seeks to integrate into a holistic explanation and interpretation of human consumption and exchange behaviour.

When Newton (1642-1727) said: “If I can see further it is because I am standing on the shoulders of giants,” he was acknowledging his debt to all the scholars who had preceded him. But, he was propounding completely new theories that represented a major breakthrough in our understanding. In addition to discovering the binomial theorem, differential and integrated calculus, and that white light is composed of many colours, he also developed the three standard laws of motion and the universal law of gravitation. Until these propositions/theories are falsified (the central tenet of positivism), physicists and others will continue to accept their validity and build upon the insights they provide. Thus, science proceeds by a process of accumulation, most of which is incremental, until the next major discontinuity or breakthrough occurs, initiating a new cycle of evolutionary refinement.

But, as Luecke (1994) pointed out, social scientists seem to be unwilling to agree on a common starting point representing what we believe we know so that we may advance from a well-established base to explore what we do not know. As a result, the social sciences appeared to be doomed to drift aimlessly, continually revisiting the same issues and reinventing themselves.

What is needed is a better appreciation of the past and the origins of our discipline. While it may be asking

* This was first brought directly to my attention by Prathap Oburai (faculty at IIM, Ahmedabad).
for too much to agree upon laws and axioms of the kind that underpin the physical sciences, it should not be beyond our ability to develop what we call CUGs — currently useful generalizations. Generalization is usually seen as the third step in the creation of knowledge, following observation and classification. While it may lack the precision and authority of an axiom, law or principle, it is usually sufficient to be used as a basis for decision-making and action. All the more so if it is current and useful. By the same token, if it ceases to be useful or is overtaken by an improved and more up-to-date version, rejecting a CUG does not call for the same burden of proof as does the falsification of a law.

Accordingly, we should not automatically discard an argument or a piece of research because its foundations are 10, 20, 30 years old or more. What we need to establish is whether more recent work has improved or invalidated the original authority and, if so, how. Further, unless we can come up with a convincing rejection of the earlier work, we should restate its value and importance if for no other reason than that the original articulation of an insight or an idea is often simpler and clearer than the later versions of it. Also, incrementalism, without referring back to the original, can result, over time, in a radical distortion and misrepresentation of what the original authority actually said.

Being aware of the past does not require one to live in it. But, as Santayana observed, “He who is unaware of history is bound to repeat it.” To avoid this, we should revisit the older literature of marketing — it only dates back a century or so.

Equally important, we should review the state-of-the-art, i.e., as represented by authoritative introductory text books in the cognate disciplines synthesized by marketing. We can learn considerably by reviewing some of the seminal ideas that have accumulated over the centuries that form the foundation of our modern discipline.

THE PRINCIPLE OF CUMULATIVITY

The Renaissance and the Age of Enlightenment had a huge impact on the ways of learning, in the way teaching was organized and its methods, and in the incorporation of new principles and beliefs into the accepted body of knowledge. Philosophical change was the force that led to the processes and resulted in their manifestation as ‘Industrial Revolution’ which transformed the world (Oburai and Baker, 1999). As a corollary, we believe that its counterpart that is generally most under-appreciated is the principle that led to the building of knowledge in both the scientific and philosophical fields, and in the development of appropriate methods/techniques for building, analysis, and testing of theories.

That principle with which we contend is the almost immutable and cumulative nature of the knowledge building processes that have paved the way forward since ancient times (Figure). The two seemingly contradictory processes — on the one hand, the variability of philosophical change and, on the other, the permanency and constancy of the Principle of Cumulativity that underlies knowledge building — are fundamentally interactive in nature. Longer time-frames and historical studies uncover elements of both continuity and discontinuity. Discontinuities (Drucker, 1968) are often the focus of business literature but short time spans exaggerate some effects while masking others: it is just as easy to miss and not discern the elements of continuity which are there for all to see when a longer time-frame is chosen.

Birth of Modern Sciences and Empiricism

Aristotle’s contributions to knowledge are many and varied and, rightly, he is credited among other things with having single-handedly invented and enunciated the principles and logic of deduction through syllogism. Indeed, his contributions were so great as to have withstood the test of time for almost another two millennia and a substantial number survive even to this day.

Until the 19th century, when the word ‘science’ was coined, the study of nature and associated techniques was part of the discipline of philosophy. A fuller and more detailed discussion concerning the growth of separate disciplines and traditions is furnished elsewhere (Oburai and Baker, 1999) and needs no repetition here. Suffice it to say that there is clearly more than an element of truth in Russell’s (1995) argument that what was for the most part proven by philosophers became ‘science’ and what was not resolved remained under the rubric of philosophy. According to Durant (1954), “Every later age has drawn upon Aristotle and stood upon his shoulders to see truth.” The creation of science was facilitated when Aristotle “merged Plato’s method of knowledge-through-critical discussion with the empiricist method of careful observation” (Hunt, 1991).

The most crucial missing element was ‘systematic experimentation’ which had to wait till the 17th century
for both Galileo (1564-1642) and Bacon (1561-1626) for its introduction. Bacon drew on the ‘induction-deduction scientific procedure advocated by Aristotle’ (Hunt, 1991) in emphasizing the importance of observation, organizing of data, and experimentation. Although he underestimated the importance of mathematics, the role of deduction in science, and the indispensability of hypotheses, “(Bacon) valued his method as showing how to arrange the observational data upon which science must be based. We ought, he says, to be neither like spiders, which spin things out of their own insides, nor like ants, which merely collect, but like bees, which both collect and arrange” (Russell, 1996).

Russell (1996) believes that it was Bacon whose synthesis of induction, deduction, logic, and mathematics laid the foundations of modern science. In the 17th century, this was characterized by the rapid growth of knowledge in many different areas including anatomy, astronomy, biology, electricity, mechanics, and medicine. This growth in knowledge occurred as a result of scholars building on the earlier work of others rather than seeking to develop new, free-standing philosophical systems of their own. It also combined both verification and falsification in determining what was to be accepted as the body of knowledge on which future research could be based. In doing so, it invented a new scientific method.

The Principle of Cumulativity in Social Sciences

The 17th century was perhaps even more important for the ideas of liberalism that contributed to the processes of enlightenment. In the beginning of this period, John Locke expounded on both the necessity and principles of modern empiricism. His ideas spread very quickly in Britain and France among other nations. The list of people who were greatly influenced include Berkeley, Hume, Voltaire, Kant, and Marx (Russell, 1996). Commerce and inter-state dealings multiplied and both the American and French revolutions took place. Britain gained hegemony over a quarter of the world and was way ahead of other nations in reaping the combined benefits of Industrial Revolution and relative political stability. The political stability was ensured by the implementation of governance mechanisms devised by philosophers and the growing prosperity of the common man. Building on both philosophical and scientific successes, almost similar to what we know today as Maslow’s hierarchical stages, economists started taking the centre stage and their influence on Darwin and his theory of evolution is clear.

While the field of economics developed in its theories and principles, it relied heavily on past contributions. It is interesting to see that economics struggled
for a long time before it got the recognition it so richly deserved. Today, Nobel prizes are awarded to academics in the field of economics but the rise of the field is summarized by Coase (1994):

What Adam Smith did was to give economics its shape. *The subjects he dealt with, the approach he used, even the order in which the various topics were treated can be found repeated in economics courses as they are given today.* From one point of view, the last two hundred years of economics have been little more than a vast ‘mopping up operation’ in which economists have filled in the gaps, corrected the errors, and refined the analysis of the *Wealth of Nations* (emphasis added; this point about the impact of Adam Smith on the design of economics text books can be found elaborated in Kay, 1997).

Kay (1993) demonstrates through the charting of the growth of the field of strategic management that the growth of strategy has suffered from its neglect of its roots in sociology and economics and that it will take more time before the field achieves scientific status. One of the most influential 20th century contributors to the field of business education is Michael Porter. His classic and widely quoted books focusing on competition and competitiveness have helped reshape managerial thinking around the globe. Whatever may be the nature of opinions that we hold about the validity of his ideas (see Wensley, 1991, for an evaluation of Porter’s early works and Kay, 1997, for changes over time in Porter’s perspectives), what is less known is the fact that “the essence of Michael Porter’s influential writings on competition and competitive advantage (Porter 1980; 1985; 1990) is derived directly from the sub-field of economics known as ‘industrial organization’ or ‘industrial economics’” (Baker, 1996).

It has been suggested that a general theory of marketing could be built through a process of integration of a “number of micro or miniature theories which constitute an adequate explanation of some part or parts of the subject” (Baker, 1976). Indeed, the growth of our discipline has largely been based on a piece-meal approach that Locke, the founder of modern empiricism, would have approved of. Our *quest for general, grand or central theories may simply be a goal that is worth striving for but one that is unlikely to be fulfilled too quickly or too soon.* “The need for a theory of marketing arises from the recognition of the enormous complexity associated with exchange relationships and recognizes that neither economics nor the behavioural sciences fully satisfies the need. If this is the case, then, it is not difficult to understand why progress towards a theory of marketing must of necessity be both painful and slow” (Baker, 1976).

In marketing, paradigms, research traditions, and comprehensive interpretations are many and varied to such an extent that it is difficult to say that one or more ontological and epistemological views dominate. Indeed a case can be made that no single paradigm or anything that has even remote resemblance to it dominates in marketing. While claims that, throughout the 20th century, formal marketing knowledge has grown immensely are likely to be conceded by marketing professionals, we have yet to see a move towards developing theories that have some semblance to central theories that synthesize the great body of accumulated knowledge. The wealth of empirical data and generalizations that we have is immense. If anything, one hallmark that the marketing profession has is ‘room for diversity and pluralism’ both in conceptual and methodological areas. Certainly, we see evidence of that in both the issues that are researched and the methods that are adopted for enquiry. We also see the fruits of all these disparate, somewhat fragmented, research efforts. Although most of the efforts are uncoordinated, it may be that marketing scholars’ underlying values and assumptions are more similar in nature and different only in their degrees. Though we do not discount differences, what is important is to point out the fact that there exist many similarities among the varied research efforts. The similarities are what may help us generate central theories that may guide our research efforts. The sheer size and enormity of the task as we attempt to envelop, synthesize, and fuse together the products of separate and inherently heterogeneous traditions is challenging to say the least.

What then is the real obstruction to building grand, central or general theories in marketing? We quote Hunt and Edison (1995a):

Baker chastises marketing scholarship on the grounds that “earlier path-breaking and insightful contributions tend to be overlooked or ignored.” Therefore, for him, “much of what passes for original work is a weak replication of seminal contributions published 30 or 40 years ago” and “by ignoring the past we will be frequently guilty of reinvention.” We agree.
An example of egregiously ignoring the past, we suggest, has been the marketing’s treatment of the work of Wroe Alderson.

...Alderson [also] recognized many of the deficiencies of neo-classical theory and made significant strides toward developing a rival theory of competition which he called ‘competition for differential advantage.’ Yet his work lay fallow for three decades.

Recently, the comparative advantage theory of competition has been offered as an extension of Alderson’s work and as a product worth our marketing efforts (Hunt and Morgan, 1995b).

The utility of theories that afford only a uni-dimensional and partial perspective is necessarily limited in scope and this is the reason why both academics and practitioners are turning to approaches that treat firms as a value-adding entity with great synergistic potential and a unique combination of resources that generate competences. Efficiency and cost-driven explanations, such as the transaction cost explanations (Williamson, 1975; Williamson, 1985; Williamson, 1996b), however true and elegant, are but partial pictures (Kay, 1992; Ghoshal and Moran, 1996; Moran and Ghoshal, 1996; Williamson, 1996a). It is our view that practically relevant and workable theories may have to examine a given issue from multiple angles and integrate relevant theoretical perspectives to increase chances of success in explaining the realities that underlie the complex strategies of firms and industries and consequent impact on the society at large. Hunt and Morgan’s (1995b) theory is one such attempt and there appears to be a need for many more theories.

In the paper on which this discussion is based, we (Oburai and Baker, 1999) attempted to show why ‘cumulativity’ and the value of judgement in interpreting received wisdom are so important. Careful evaluation may reveal that some of the past contributions are relevant while some others are not, and that it is more than appropriate for us to discard some of the accumulation. It is through the tapping of our rich heritage that we could better serve the stakeholders of our profession and our constituents of whom the marketing manager and the society at large are but two members.

MARKETING IS MARKETING

The assertion that marketing is a discipline with universal application is predicated from the validity and relevance of the singular disciplines on which it is founded — specifically, psychology, sociology, and economics and largely confirmed by the work of archaeologists and anthropologists. Some examples will help to support this claim.

To begin with, psychology is the study of the individual and it is individuals with a demand backed up by purchasing power that form the market for all kinds of goods and services. If we consider some of the key insights and knowledge derived from psychology, it appears that they are common to humankind everywhere. Consider Maslow’s ‘hierarchy of human needs’ which posits that we are born with an instinct to survive that dominates all other drives. But, given a minimal level of subsistence, a concern for safety kicks in and there being ‘safety in numbers’ families become extended and tribes evolve. Within tribes, social bonds and patterns of inter-personal relationships develop creating a need for role recognition and esteem until, at the highest level, the individual self-actualizes and adopts the pattern of behaviour that yields him the greatest personal satisfaction.

Similarly, following Freud’s ideas on motivation and Pavlov’s experiments with conditioning and learning, individual behaviour is modified through acculturation and socialization. Thus, while needs and wants are the same in kind, they may differ in degree and call for some adaptation in satisfying them according to the particular context.

Much the same is true of economic theory. Economics is concerned with maximizing satisfaction through the consumption of scarce resources. The market is the mechanism that establishes the nature and strength of demand enabling suppliers to prioritize the conversion of resources into utility and satisfaction through the exchange process. This is as true of barter in a village market as it is of the trading of financial derivatives in the world’s major stock markets.

In essence, we have knowledge and theory that has accumulated over many thousands of years. It would seem sensible, therefore, that we draw on this knowledge to address both current and future problems. Historically, it is clear that exchange is the basis of economic growth, the stimulus for innovation, and the origin of civilization. It was recognition that individual productivity was greatly increased by task specialization that first enabled humankind to break the shackles of a subsistence economy dependent on what nature alone
could provide. But, for task specialization to be possible, it is necessary to be able to exchange surpluses of one’s own output for other people’s surpluses of goods and services. Establishing contact with individuals on a one-to-one basis is time-consuming and wasteful but, if all concerned can meet at a central place, the exchange is greatly facilitated. Such a central place is a market and the act of exchange through buying and selling is marketing. Marketing can claim credit for the establishment of designated places/settlements where markets are held for the evolution of a medium of exchange and for the development of writing by the Phoenicians so that they could record their stock and transactions. Exchange, and the value added, or wealth that is created provided the stimulus for both exploration and invention resulting in the Industrial Revolution which was the catalyst for the global economy as we know it today.

In addressing the question ‘How modern is modern marketing?’ Fullerton (1988) traces it back to the Industrial Revolution in Great Britain in the 18th century. It is perhaps important to remind ourselves that, at that time, Britain was an emerging economy (indeed all the world’s major economies were emergent once!). As a pioneer, one has to experiment and learn through trial and error but, for today’s emerging economies, there is no such need. Most, if not all, of the marketing paradigms we need already exist. However, Heraclites’ observation holds true — while the nature of the problems is the same, the contextual factors call for differentiated solutions.

The following select conceptualizations underpin much of the modern marketing practice where a knowledge of the original statement would help clarify the application to current problems:

First, consider Ricardo’s (1817) ‘Theory of Comparative Advantage’ which, simply put, argues that countries should specialize in doing what they do best and then exchange their surpluses with other countries though international trade. Duncan (The Times, 20th December, 2004) used this theory to argue why there is ‘no need to slay the Chinese dragon.’ Prompted by a spate of articles in influential publications like the Business Week, he opened by saying:

Fear of China is gripping the world. Over the past year, dread of the rapidly emerging economic power of the Chinese dragon has steadily grown in the popular imagination of the world’s developed nations from Europe to America.

Without challenging the fact that China (and other countries like Brazil and India) will grow rapidly and, according to the IMF, could overtake America as the world’s largest economy by 2020, Duncan doubts whether it will become the ‘workshop of the world.’ Britain once held this title and, in the 1850s, accounted for nearly 50 per cent of world trade which, by definition, is the maximum any single economy can attain. But, the British are not worse off now because they have closed their coal mines and shut down masses of smokestack industries. In fact, currently, they enjoy the highest standard of living in their history.

Currently, average wage rates in China are 33p per hour; in Britain, they are £10.61 — 32 times as much. So, China’s pool of cheap, relatively unskilled labour means that its advantage lies in concentrating on light, labour-intensive manufacturing while importing high-tech, high value-added goods made in the West. Some would ask: “Why, then, did IBM sell its personal computer business to Lenovo and what about the fact that 25 per cent of China’s gross exports are electronic goods?” The answer is that China buys capital-intensive components such as chips from Taiwan and Japan and assembles them into finished products at a lower cost than the Taiwanese and Japanese can. As Duncan (op. cit., 2004) points out: “China now runs a large deficit on trade in electronics with much of Asia and, thus, in net terms is not a big IT and electronics exporter.” ‘Made in China’ is not literally true.

Over time, wages in China will rise and its comparative advantage will be eroded with the result that other reservoirs of cheap, relatively unskilled labour will take over while the Chinese move forward to more advanced and sophisticated activities. In the process, however, the increased affluence of the Chinese will represent a major market opportunity for profitable trade with them.

Although Porter (1990) dismisses Ricardo’s theory as inadequate and incomplete in his book titled, The Competitive Advantage of Nations, in fact, his claim that the only lasting sustainable advantage is a country’s people is precisely the basis of Ricardo’s original argument. The cost of labour is a reflection of the value added by a country’s people and is the basis of current competition in world markets.

The evolutionary cycle (Darwin’s Origin of the Species, 1989), implicit in the theory of comparative advantage, is another conceptual framework that offers both sup-
port and guidance to those who would seek to plan for the future. At Harvard Business School in the 1960s, it was the basis of Levitt’s (1983) seminal contributions on ‘marketing myopia’ and the ‘product life cycle’ which gave birth to the Boston Consulting Group’s framework for strategic planning and analysis, usually known as the ‘Boston Box.’ In turn, this prompted a host of similar matrices widely used in strategic planning as well as Vernon’s (1966) work on the international product life cycle. The latter would be useful reading for those who feel threatened by the growth of the emerging economies.

More recently, authors such as Dhalla and Yuspeh (1976) have exhorted us to ‘forget the product life cycle concept’ largely due to their mistaken belief that it is a predictive device that has failed in practice. This error may well be a case of the critics failing to understand the original conceptualization. Those who have understood the implications of life cycles appreciate that they describe the sequence of events that an idea, an organism or a product will pass through, assuming the absence of an event or intervention that prevents the phenomenon running its natural course. At the outset, it is usually impossible to predict whether something will interrupt the life cycle which means, of course, that we cannot use the parameters of S-shaped or logistic curves to predict the sales of a new product. Only retrospectively, if it succeeds, will we see that the sales of a successful product follow such a curve. Similarly, we know that once a market becomes saturated and new substitutes are introduced that begin to take the market share away from the established market leader, we either take steps to prolong the life cycle of our product or it will move into decline as the theory predicts it will. Only a fatalist believes that nothing can be done to influence and change the ‘normal’ life cycle. It was this kind of a flawed message will become distorted in transmission. So, it is true that the farther away the receiver is from the source of communication, the greater the likelihood that the message will become distorted in transmission. So, it is important to remember the past and learn from it.

Answers to most, if not all, of the questions concerning the management of emergent economies have been both updated and improved by later scholars. But, at the same time, it is also true that the farther away the receiver is from the source of communication, the greater the likelihood that the message will become distorted in transmission. So, it is important to remember the past and learn from it. Answers to most, if not all, of the questions concerning the management of emergent economies have been addressed before. While it may be necessary to adapt and modify these solutions to answer specific questions, I firmly believe that our knowledge of marketing is universal. Marketing is marketing — everywhere.

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Information is just signs and numbers, while knowledge involves their meaning. What we want is knowledge, but what we get is information.

Heinz R. Pagels