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Rajan Varadarajan

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COMMENTARY



Advances in strategic marketing and the advancement of the marketing discipline: the promise of theory

Rajan Varadarajan

Department of Marketing, Texas A&M University, College Station, TX, USA

ABSTRACT

Hunt (2017, Advancing marketing strategy in the marketing discipline and beyond: From promise, to neglect, to prominence, to fragment, (to promise?). *Journal of Marketing Management*. doi:10.1080/0267257X.2017.1326973) provides a synthesis and critical review of over 100 years of marketing literature organised into four eras. In his prognosis of the outlook for Era V, Hunt notes that there are reasons to be optimistic about the prospects for both the marketing discipline, broadly, and the field of strategic marketing, specifically. However, he also draws attention to the concerns voiced by a number of marketing scholars regarding the current state of the field and the future outlook for the field. Hunt argues that the prospects for the marketing discipline and the field of strategic marketing are closely intertwined, and that the health of the latter contributes significantly to that of the former. Against this backdrop, this commentary focuses on the promise of theory for advances in strategic marketing and the advancement of the marketing discipline.

KEYWORDS

Market strategy; marketing strategy; marketing theory; resource advantage theory of competition; strategic marketing

A discipline of empiricists and mathematicians sans visionary theorists is a zero sum game. It is science by the rearview mirror. Reading the classic works of legendary contributors to the evolution of marketing thought is an invaluable lesson in looking ahead. It makes salient what we were, where we have come, and what it took to get here. The pressures of the moment fade in comparison to the weight of history and the future it points to. I am reminded of the Japanese proverb: "Vision without action is a daydream. Action without vision is a nightmare." Marketing sans its Phil Kotlers may still be struggling as a profession of "drummers". (Achrol, 2012, p. lxi)

Hunt (2017) provides a synthesis and critical review of the evolution of the marketing discipline spanning over 100 years, organised into four eras, and his prognosis of the outlook for Era V. His review of the seminal contributions of marketing luminaries that provided the foundation for, and fostered the evolution and growth of the marketing discipline is insightful, instructive and inspiring. The writings by Butler, DeBower, and Jones (1918) on marketing methods, White (1927) on scientific marketing management, Alderson (1937) on a marketing view of competition, Alderson (1957) on competition for differential advantage, Howard (1957) on the essence of marketing management, Levitt (1960) on marketing myopia, Borden (1964) on the marketing

CONTACT Rajan Varadarajan  varadarajan@tamu.edu  Department of Marketing, Texas A&M University, 4112 TAMU, College Station, TX 77843-4112, USA

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mix, and the conceptualisations of market strategy by Oxenfeldt (1958) and marketing strategy by McCarthy (1960) are among the marketing classics that Hunt reviews in his article. One can envision Hunt's article being on the readings list of doctoral seminars in marketing (e.g. Doctoral Seminar on the History of Marketing and Marketing Thought; Doctoral Seminar on Marketing Theory; Doctoral Seminar on Strategic Marketing) at a number of universities worldwide, and the doctoral students greatly benefiting from reading, reflecting and discussing the article in a doctoral seminar setting. Hopefully, some may be inspired to make similar contributions to the marketing literature.

Intrigued and inspired by the word 'beyond' in the title of Hunt's (2017) article, 'Advancing marketing strategy in the marketing discipline and beyond: from promise, to neglect, to prominence, to fragment (to promise?),' this commentary focuses on the promise of theory for advancing strategic marketing, and thereby, the marketing discipline and beyond. All else being equal, compared to a discipline's research paradigm, its research tools and techniques, and empirical research findings (e.g. empirical generalisations), the theories developed in a discipline have a greater potential to influence scholarly discourse in other disciplines.

The commentary is organised into three broad sections. The first section focuses on advances in strategic marketing advancing the marketing discipline and beyond in reference to the resource-advantage theory of competition (Hunt, 2000; Hunt & Morgan, 1995). The second section focuses on the outlook for advances in the marketing discipline having an influence beyond its boundaries in the context of unification of theories across disciplines (e.g. unification of theories of competition across disciplines). The third section focuses on advances in the marketing discipline having an influence beyond its boundaries in reference to marketing phenomena focused theory development versus disciplines transcending theory development.

Hunt (2017) reviews a number of articles that voice concerns regarding the current state and the future outlook for the field of marketing (Clark, Key, Hodis, & Rajaratnam, 2014; Houston, 2016; Reibstein, Day, & Wind, 2009; Wilkie & Moore, 2003; Yadav, 2010). A common thread that runs through these articles is the marginalisation of philosophy of science, marketing theory and substantive issues in marketing during doctoral education in marketing. While the issues of concern highlighted in these articles and the reforms proposed in some of them (reforms in doctoral education in marketing, scholarly research in marketing and editorial policies of scholarly journals in marketing) merit careful reflection, it should be also noted that over the years, following situation analysis by communities of marketing educators, there have been a number of course corrections and new initiatives. A brief overview on some such initiatives is presented in the [Appendix](#).

Strategic marketing and the resource advantage theory of competition

Table 1 presents an overview of the domain of strategic marketing as a field of study, certain defining characteristics of strategic marketing decisions, definitions of market strategy and marketing strategy, and representative strategic marketing decisions that fall under market strategy and marketing strategy. The table is based on Varadarajan (2010, 2015) which provide a more detailed discussion on the domain of strategic marketing as a specialised field of study in marketing, issues fundamental to the field of strategic marketing, definitions of organisational strategy constructs central to the field of strategic

Table 1. Strategic marketing, marketing strategy and market strategy: an overview.

Strategic marketing: A specialised field of study in marketing.
Marketing strategy and market strategy: Organisational strategy constructs that are central to the field of strategic marketing.

Strategic management: A specialised field of study in management.
Corporate strategy: An organisational strategy construct that is central to the field of strategic management.
Business strategy: An organisational strategy construct that is common to the fields of strategic management and strategic marketing (a business' competitive strategy is a composite of multiple functional area strategies, including marketing strategy).

Domain of strategic marketing
 The study of organizational, inter-organizational, and environmental phenomena concerned with (1) the behavior of organizations in the marketplace in their interactions with consumers, customers, competitors and other external constituencies, in the context of creation, communication and delivery of products that offer value to customers in exchanges with organizations, and (2) the general management responsibilities associated with the boundary spanning role of the marketing function in organizations' (Varadarajan, 2010, p. 119).

Strategic marketing decisions
 A firm's marketing decisions that are of crucial importance from the standpoint of their potential impact on the long-term performance of the firm. A firm's marketing *decisions* that are the basis for its *actions* or *activities* or *behaviours* in the marketplace.

Characteristics of strategic marketing decisions

- Entail resource commitments that are (a) relatively large in magnitude, (b) made with a relatively longer term outlook, (c) spread over a relatively longer time period, (d) made with a relatively greater emphasis on the achievement of a competitive cost and/or differentiation advantage and (e) either irreversible or relatively difficult to reverse.
- Entail trade-offs (i.e. pursuing a particular course of action would entail foregoing other courses of action, in light of the relatively large resource outlays that pursuing any one of these courses of action would involve).
- Are made at higher levels in an organisation (e.g. the top management level – the Chief Executive Officer (CEO) and executives directly reporting to the CEO), and/or at higher levels within the marketing function – the Chief Marketing Officer (CMO) and executives directly reporting to the CMO.

Market strategy: definition
 A firm's crucial decisions concerning markets to serve, mode of market entry and order of market entry. *Markets to serve* encompasses a firm's crucial decisions concerning *geographic markets to serve* (e.g. country markets and specific geographic regions within chosen country markets), *market types to serve* (e.g. business-to-business-market and business-to-consumer market) and *market segments to serve* within specific geographic markets and specific types of markets. Alternative *modes of market entry* include internal development, acquisition and joint venture/strategic alliance. *Order of market entry* related alternatives include first-mover, early follower and late entrant (Varadarajan, 2015).

Marketing strategy: definition
 'A firm's integrated pattern of decisions that specify its crucial choices concerning marketing activities to perform and the manner of performance of these activities in the chosen markets and market segments, and the allocation of marketing resources among markets, market segments and marketing activities toward the creation, communication and delivery of a product that offers value to customers in exchanges with the organization and thereby enables the organization to achieve specific objectives' (Varadarajan, 2015).

Market strategy: some key issues	Related market strategy constructs
<i>Where to compete?</i>	<i>Target market strategy</i> Geographic market(s) to serve Market segment(s) to serve Market type(s) to serve: business-to-business market and/or business-to-consumer market
<i>How to enter a product-market?</i>	<i>Market entry strategy</i> Internal development versus joint venture/strategic alliance versus acquisition
<i>When to enter a product-market?</i>	<i>Order of market entry/market entry timing strategy</i> First-mover versus early follower versus late entrant
<i>What should be the relative emphasis on?</i>	Alternative product-market growth strategies <i>Market penetration strategy</i> (promoting present products in present markets) versus <i>market development strategy</i> (promoting present products in new markets) Acquiring new customers versus retaining present customers

(Continued)

Table 1. (Continued).

<i>What is the overarching strategy?</i>	<i>Primary demand stimulation</i> (increasing the size of the market for a product) versus <i>selective demand stimulation strategy</i> (increasing the firm's share of the market)
<i>How to exit a product-market?</i>	<i>Market exit strategy</i> Spin-off versus sell-off versus phase out
Marketing strategy: some key issues <i>How to compete?</i>	Related marketing strategy constructs <i>Brand strategy</i> Single-brand strategy versus multi-brand strategy <i>Branding strategy</i> New brand name versus brand name in the firm's brand portfolio. Introduction of a new product (entry into a new product category) with an existing brand name in the firm's brand portfolio versus with a new brand name. <i>Channel strategy</i> Single versus multi-channel strategy Online versus online and offline <i>Distribution (intensity) strategy</i> Intensive versus selective versus exclusive distribution <i>Positioning strategy</i> Positioning of a firm's product offering relative to the positioning of its competitors' product offerings Positioning of a firm's offerings in individual market segments relative to the positioning of its offerings in the other market segments <i>Pricing strategy</i> Market penetration price strategy versus market skimming price strategy <i>Product line strategy</i> Broad versus narrow product line
<i>How should total marketing effort be allocated?</i>	
<i>How should promotion effort be allocated?</i>	<i>Promotion strategy</i> Predominantly <i>pull strategy</i> (allocation of a larger per cent of promotion effort to the pull elements of the promotion mix – advertising and consumer sales promotion) versus predominantly <i>push strategy</i> (allocation of a larger per cent of promotion effort to the push elements of the promotion mix – personal selling and trade sales promotion).
<i>What is the overarching strategy?</i>	<i>Market driving</i> (shaping/influencing/modifying the market environment) versus <i>market driven strategy</i> (adaptively responding to the market environment)
<i>What should be the relative emphasis on?</i>	Radical versus incremental innovations Development of variety extension new products, replacement new products, competitive substitute new products, new to the firm new products and new to the world new products.

marketing – market strategy and marketing strategy, and certain foundational premises of marketing strategy (premises that generalise across products, markets and time horizons).

Hunt (2017) characterises the resource-advantage (R-A) theory of competition advanced during Era IV of the evolution of the marketing discipline (Hunt, 2000; Hunt & Morgan, 1995) as a response to Alderson's (1937) call for a distinctly marketing theory of competition during Era II of the evolution of the discipline. He also notes that the R-A theory of competition is a general theory of competition. The impetus for the R-A theory may have been the development of a distinctly marketing theory of competition. However, as a general theory of competition, at a conceptual level, its relevance extends beyond the marketing discipline. Consider for instance, the following alternative statements of the R-A theory of competition:

- (1) Firms compete for comparative advantage in resources which they can leverage to effectively and/or efficiently implement a strategy for creating, communicating and delivering products that offer superior value to customers in some segment(s) of a market, and thereby achieve and sustain marketplace position(s) of competitive advantage, and in turn, superior financial performance.
- (2) Firms compete for comparative advantage in resources which they can leverage to effectively and/or efficiently implement a strategy for creating, communicating and delivering products that offer superior value to customers in some segment(s) of a market, and thereby achieve and sustain competitive positional advantage(s) in the market, and in turn, superior financial performance.
- (3) Firms compete for comparative advantage in resources which they can leverage to effectively and/or efficiently implement a strategy for achieving and sustaining marketplace position(s) of competitive advantage by offering superior value to customers in some segment(s) of a market, and thereby achieve superior financial performance.
- (4) Firms compete for comparative advantage in resources which they can leverage to effectively and/or efficiently implement a strategy for achieving and sustaining competitive positional advantage(s) in a market by offering superior value to customers in some segment(s) of the market, and thereby achieve superior financial performance.

The first two statements of R-A theory are in the context of competitive marketing strategy. They build on the American Marketing Association's (AMA) definition of marketing as 'the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.' (*Marketing News Marketing News* 2008, p. 28). The third and fourth statements of R-A theory are in the context of competitive strategy, broadly construed, encompassing and integrating various functional area strategies such as marketing strategy, manufacturing strategy and R&D strategy. Consistent with Hunt (2000), in the first and third statements of R-A theory, the term *marketplace position(s) of competitive advantage* is used to refer to a firm's advantage in relative resource produced value and relative resource cost, in one or more segment(s) of a market. In the second and fourth statements, consistent with the more commonly used terminology in strategic management and strategic marketing literature, the term competitive positional advantage(s) is used to refer to a firm's competitive differentiation advantage and competitive cost advantage.

The foregoing discussion serves to illustrate a theory whose genesis was the development of a distinctly marketing theory of competition having an influence beyond the boundaries of the discipline. The next section focuses on the potential for a theory developed in a discipline having an influence beyond the boundaries of the discipline by virtue of unification of theories across disciplines (e.g. theory of competition for resources in business sciences; theory of competition for resources in life sciences).

Competitive behaviour and competition for resources: unification of theories from different disciplines

Ever since Galileo, science has been strongly committed to the unification of theories from different disciplines. It cannot accept that the right explanations of human activities must be logically incompatible with the rest of science, or even just independent of it. If science

were prepared to settle for less than unification, the difficulty of reconciling quantum mechanics and general relativity wouldn't be the biggest problem in physics. Biology would not accept the gene as real until it was shown to have a physical structure – DNA – that could do the work geneticists assigned to the gene. (Rosenberg, 2011)

In Table 1 of his article, Hunt (2017) lists 13 points adapted from a discussion on competition in Alderson (1937) as constituting the 'materials,' or a starting point, for a *marketing theory of competition*. As summarised by Hunt in Table 1 (see Point # 1), Alderson noted that the question of 'What is competition?' can be answered tentatively with a very general definition derived from biological parallels. Hunt also refers to Alderson's definition of competition: 'The set of relations existing between organisms because of the fact that they are seeking interdependent objectives within the scarcity boundaries of a common environment.' Alderson's article titled, 'A Marketing View of Competition,' was published in Volume 1 of the *Journal of Marketing*. Forty-five years later, in an article titled, 'The Anatomy of Competition,' that was published in Volume 46 of the *Journal of Marketing* (Henderson, 1983), Bruce Henderson, the late founder of the Boston Consulting Group, espoused a similar view. He noted that certain principles of competition are universal, whether applied to biological or business competition. The following discussion on the similarities between the competitive behaviour of trees and firms sheds additional insights on this issue.

Similarities in competition for resources between plants and between firms

In an article published in a special issue of the journal, *Functional Ecology*, on Mechanisms of Plant Competition, Craine and Dybzinski (2013, p. 834) make the following observation concerning competition for resources among plants:

In all, a robust set of theories about competition for resources should take into account (i) the forms of resources available, (ii) the mechanistic role the resource plays in the plant's physiology, (iii) the temporal variability in its supply – understanding how competition occurs when resources are supplied evenly or heterogeneously in time and (iv) the spatial variation in supplies – being clear about the scale of this variation and how it relates to plant size.

The following is an adaptation of the above statement, wherein the words, 'firm's performance' and 'firm size,' are used, respectively, in place of 'plant's physiology' and 'plant size.'

In all, a robust set of theories about competition for resources should take into account (i) the forms of resources available, (ii) the mechanistic role the resource plays in the firm's performance, (iii) the temporal variability in its supply – understanding how competition occurs when resources are supplied evenly or heterogeneously in time, and (iv) the spatial variation in supplies – being clear about the scale of this variation and how it relates to firm size.

Although the later statement about competition for resources is just an adaptation of the observation by Craine and Dybzinski (2013) concerning competition for resources among plants among firms, and not grounded in literature on competition for resources among firms, it nevertheless is suggestive of similarities in the competition for resources among firms in the business sphere and plants in the biological sphere.

Supply pre-emption theory and hypotheses in plant sciences and business sciences

In reference to competition for resources among plants, Craine and Dybzinski (2013) discuss *supply pre-emption theory* and *supply pre-emption hypotheses*. Supply pre-emption theory and supply pre-emption hypotheses are also the focus of research in the context of competition for resources among firms. For instance, in literature on first-mover advantage (Kerin, Varadarajan, & Peterson, 1992; Varadarajan et al., 2008), supply pre-emption is discussed in reference to competition for various tangible resources (e.g. pre-emption of most attractive locations in the physical space) and intangible resources (e.g. pre-emption of the most attractive positions in the product positioning space).

Competitive behaviour of trees: root proliferation strategy

Observation

Trees have 'way more' roots than they need to capture nutrients from soil.

Question

What purpose do the extra roots of a plant serve (i.e. what purpose do roots in excess of what a plant needs to capture nutrients from soil serve)?

Theory (explanation)

Overabundant roots act as weapons to prevent other trees from growing.

Elaboration

Creating roots takes energy, and optimally every tree would have just enough roots to capture the nutrients and water it needs. However, rather than to help them grow successfully, trees create excess roots in order to cause other trees to grow less successfully (see: Bhanoo, 2011; Dybzinski, Farrior, Wolf, Reich, & Pacala, 2011). Dybzinski et al. note that trees having 'way more' roots than they need to capture nutrients from soil highlights the underappreciated idea that the most competitive strategy is not necessarily the one that would be the 'best' for a tree, but rather that which creates conditions in which all others are worse.

Competitive behaviour of firms: product line proliferation strategy

Observation

The dominant firm in an industry (i.e. the market share leader) often makes and sells its product offering in more number of forms, flavours, sizes, etc., than needed to effectively and efficiently serve customers' needs and wants.

Question

What explains pursuit of a *product line proliferation strategy by the dominant firm in an industry*? Why does the dominant firm in an industry (the market share leader) make and sell its product offering in more number of forms, flavours, sizes, etc., than needed to effectively and efficiently serve customers' needs and wants?

Theory (explanation)

The dominant firm in an industry pursues a strategy of product line proliferation to hurt the performance of its competitors (in order to prevent its competitors from becoming more successful) and prevent the entry of new competitors.

Elaboration

A firm's marketing strategy encompasses both actions undertaken to enhance its performance, and actions undertaken to hurt the performance of its competitors. Pursuit of a product line proliferation strategy entails considerable managerial time and effort, and financial resources. Therefore, optimally, a firm would make its product offering in just enough forms, flavours, sizes, etc., to maximise its profitability. However, rather than solely focusing on maximising their profitability, firms also introduce their highly successful new product offerings (product offerings that are market share leaders) in more number of forms, flavours, sizes, etc., than needed to maximise their profits, in order to hurt the performance of their present competitors and deter the entry of new competitors. In effect, more so than to enhance its own performance, the dominant firm in an industry pursues a strategy of product line proliferation to pre-empt potential entry points into the product-market, and thereby hurt the performance of its present competitors and deter the entry of new competitors into the market.

Notwithstanding the intuitive appeal of unification of theories across disciplines (e.g. theories of competition), progress can be elusive in the face of non-trivial differences in context. For instance, while the preceding discussion on the root proliferation strategy of trees was in reference to the competitive behaviour of trees in general, the discussion on product line proliferation strategy was in reference to the competitive behaviour of the dominant firm in an industry. While the competitive behaviour of trees is governed by natural laws, the competitive behaviour of firms is also governed (e.g. enabled or constrained) by man-made laws. Although the term 'competitive behaviour of firms' is widely used in scholarly literature and the business press, the behaviours of firms in the marketplace are orchestrated by the firms' decision-makers (i.e. decisions made by humans underlie the competitive behaviour of firms in the marketplace). As humans, decision-makers may be *generally* pre-disposed to take certain actions to enhance the performance of the firm they are affiliated with, and take certain other actions to hurt the performance of their competitors. However, *only* decision-makers in the firm that is in a dominant position in an industry would have the ability to pursue a strategy of product proliferation that may or may not have a discernible positive effect on the performance of the firm, but would have an adverse effect on the performance of its competitors. Also, only certain principles and not all principles of competition are

universal in nature. For instance, the competitive behaviour of firms under conditions of multi-market contact is the focus of a large body of literature in industrial organisation economics, strategic management and strategic marketing (see: Jayachandran, Gimeno, & Varadarajan, 1999). It's difficult to conceive something analogous to multi-market contact among firms in the context of trees and plants.

Marketing phenomena focused theory development in marketing versus disciplines transcending theory development

Issues relating to state of theory in marketing, such as reliance on established theories in basic disciplines, dearth of organic marketing theories and calls for development of theories indigenous to the field of marketing have been the focus of a number of articles, commentaries and editorials (Frazier, 2011; Rust, 2006). For instance, in his inaugural editorial as editor of the *Journal of Marketing*, Frazier (2011, p. 1) noted:

High quality articles that develop new theories and concepts are especially important to the intellectual vibrancy of any academic discipline. I am especially interested in the development of "organic marketing theories," in which marketing scholars construct new theories about marketing phenomena rather than merely apply established theories developed in the so-called basic disciplines to the marketing domain. Marketing is much more than an applied field in that we focus on problems and constructs in unique ways. I want to publish theory articles that reflect this viewpoint.

It should be noted that the concerns voiced regarding the state-of-theory in marketing are in reference to the dearth of organic marketing theories, and not characterisation of scholarly research in marketing per se as either being void of theory or weak on theory. The findings of a study by Merwe, Berthon, Pitt and Barnes (2007) are insightful in this regard. In their study, based on analysis of a data set of 987 theory uses and references to 322 distinct theories in articles published in the *Journal of Marketing*, *Journal of Marketing Research* and *Journal of Consumer Research* over a 10-year period (1993–2002), the authors identify 13 theories as having been pivotal in marketing (i.e. theories that have been most influential and instrumental in the development of marketing thought and practice). Based on their analysis, Merwe et al. (2007) identified 10 theories as pivotal theories in marketing based on their *intrinsic capital* (most frequently used theories) – agency theory, attribution theory, exchange theory, game theory, information theory, organisation theory, prospect theory, resource theory, transaction cost theory and utility theory. They also identified 10 theories as pivotal theories in marketing based on their *linkage capital* (theories with the most number of non-redundant links with other theories in the data set) – adaptation-level theory, agency theory, attribution theory, economic theory, equity theory, exchange theory, game theory, organisation theory, resource theory and transaction cost theory. On the one hand, the large number of distinct theories comprising the data set for the study by Merwe et al. is indicative of most research in marketing being grounded in theory. However, it's noteworthy that all 13 theories identified by Merwe et al. as pivotal theories in marketing (seven of the theories are common to both lists of pivotal theories) are theories developed in other disciplines.

A plausible explanation for the dearth of organic marketing theories may be the sociology of the discipline. For instance, Hunt (1994, p. 15) noted:

Quite inconsistent with nonmarketing reviewers and nonmarketing journals, marketing reviewers react quite negatively when a manuscript offers a genuinely original contribution to knowledge. Criticisms such as “where is the precedent?” and “where is the authority?” are, in my experience, disproportionately prominent in reviews by marketing referees. Indeed, marketing authors have been known to cite nonmarketing researchers for authority (using locutions such as “drawn from ...”) even when, strictly speaking, the marketing author has made an original contribution. Marketers making genuinely original contributions to knowledge do so at their peril.

In a similar vein, Rust (2006, p. 2) noted:

Too often, I have observed reviewers react to new, marketing-related theory by saying that it is “ad hoc.” By ad hoc, they really mean that it has been created by the author rather than borrowed from a core discipline. In marketing, there must be more acceptance of home-grown theory that is developed on the basis of problems and issues that are not only specific to marketing but also generalizable within marketing.

The term, ‘*Liability of Invented Here Syndrome*,’ (as opposed to the more common term, ‘*Not Invented Here Syndrome*’) seems to aptly capture the concerns voiced by Hunt (1994) and Rust (2006) regarding the sociology of the marketing discipline (i.e. its lack of receptivity to indigenous marketing theories and ideas).

On the one hand, development of new theories specifically focused on explaining marketing phenomena have the potential to contribute to the advancement of the field. However, while in the context of certain marketing phenomena, organic marketing theory development may have the potential to contribute to the advancement of the field, in the context of certain other marketing phenomena, applying established theories developed in basic disciplines might be more appropriate. Consider for instance, the following theory hierarchy:

Level 1 – theory of behaviour

A theory that explains certain facets of behaviour in all living species, or a number of living species.

Level 2 – theory of human behaviour

A theory that explains a number of facets of human behaviour, including the behaviour of humans as consumers of products – goods, services, experiences, ideas, places, etc.

Level 3 – theory of consumer behaviour

A theory that explains the behaviour of humans in the context of acquisition, possession, consumption and/or disposal of products (products broadly construed, encompassing goods, services, experiences, ideas, places, etc.).

Level 4.1 – theory of consumer behaviour for experience products

A theory that explains the behaviour of humans in the context of consumption of experience products.

Level 4.2 – theory of consumer behaviour of subsistence consumers

A theory that explains the behaviour of humans earning subsistence level incomes in the context of acquisition, possession and/or consumption of products that are basic necessities.

In reference to the above theory hierarchy, the term ‘higher-level theory’ can be used to refer to a theory that explains a broader range of phenomena, and ‘lower-level theory’ to refer to a theory that explains a narrower range of phenomena. If a specific marketing phenomenon can be explained by invoking a higher-level theory (and is not limiting or deficient in any way), this raises the question of the need for development of an organic marketing theory. On the other hand, there is always a possibility that a theory developed to explain a marketing phenomenon also explains phenomena in other domains.

Rust (2006, p.1) notes:

Marketing will only become mature as a field when it is realized that it is also possible to have theory that is indigenous in marketing – that is, theory that does not necessarily result in a fundamental advance in one of the basic disciplines.

Instead, one could make the case that ‘marketing has the potential to become an even more mature field when it is realized that a theory that is indigenous to marketing (developed to explain a marketing phenomenon) also results in a fundamental advance in a basic discipline.’

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Notes on contributor

Dr. Rajan Varadarajan is Distinguished Professor of Marketing and Ford Chair in Marketing and E-Commerce in the Mays Business School at Texas A&M University. His primary teaching and research interests are strategic marketing, innovation and environmental sustainability.

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Appendix

Situation analysis, course corrections and new initiatives in the marketing discipline: some examples from the *Annals of Marketing*

Hunt (2017) reviews a number of articles that voice concerns regarding the current state of the field of marketing and the future outlook for the field (Clark et al., 2014; Houston, 2016; Reibstein et al., 2009; Wilkie & Moore, 2003; Yadav, 2010). A common thread that runs through these articles is the marginalisation of philosophy of science, marketing theory and substantive issues in marketing in doctoral education in marketing. While the issues of concern highlighted in these articles and the reforms proposed in some of them (reforms in doctoral education in marketing, scholarly research in marketing and editorial policies of scholarly journals in marketing) merit careful reflection, it should be also noted that over the years, following situation analysis by communities of marketing educators, there have been a number of course corrections and new initiatives. A brief overview of some such initiatives is presented below.

Marketing strategy meets *Wall Street*: conferences and special issues of journals

For the most part, until about the year 2000, the dependent variables that were the primary focus of research in strategic marketing were marketing/market/marketplace performance variables (e.g. market share, market share growth, sales revenue, sales revenue growth rate, customer satisfaction and customer retention rate), and accounting measures of financial performance (e.g. return on investment). A growing interest among researchers in marketing in understanding the relationship between marketing strategy and market measures of financial performance (e.g. when and why do specific marketing actions have a positive versus negative impact on the market value of the firm) was an impetus for conferences and special issues of journals employing market measures of financial performance (e.g. Tobin’s *q*) as the dependent variable. Interest among marketing practitioners in the return on investments in marketing (ROI on marketing) was also a contributing factor. Furthermore, by addressing issues at the interface of marketing, finance and accounting, this body of research has been responsive to the frequent calls for interdisciplinary research.

While the title under which the conference has been held and special issues of journals have been published (i.e. Marketing Strategy Meets Wall Street) may be a cause of uneasiness among some (it’s ethno-centric, parochial and non-scholarly), the contributions of this body of research for advancing marketing knowledge have been significant. The fact that even in instances where universities in other countries (e.g. Germany and Singapore) hosted the conference, it was

promoted under the banner, 'Marketing Strategy Meets Wall Street,' highlights the need for change.

Theory + practice of marketing: conferences and special issues of journals

The impetus for the Theory + Practice of Marketing (TPM) Conference (the sixth in the series was held in 2017) was a shared concern among some marketing educators that a sizeable number of articles published in scholarly marketing journals were focused on either research questions that were somewhat removed from real-world substantive marketing problems, or narrow methodological issues. The TPM conference has been promoted as a forum for disseminating research that addresses substantive problems in marketing, is theoretically grounded and empirically rigorous. One might justifiably point out that this is a baseline requirement for any and all empirical research in marketing. Setting aside this issue for now, it's noteworthy that researchers interested in presenting their research at the TPM conference are required to provide evidence of both the relevance and rigour of their research at the time of submission of their abstract. Specifically, authors are required to submit their abstract in the form of 10 slides addressing the following issues: (1) motivation for research, (2) substantive marketing problem that is the focus of research and marketing decision-makers (firms) in the real world that face the problem, (3) research findings and implications for marketing practice (e.g. the nature of changes that are called for in the current marketing behaviour of firms, in light of the research findings), (4) research method and generalisability of research findings in the context of the limitations of the research and (5) how the study links marketing theory to practice. The authors are also urged to pay careful attention to the content of the slides to ensure the material is presented at a wavelength that can be easily comprehended by both marketing educators and marketing managers.

Marketing strategy informed by consumer research insights: conference and special issue of a journal

Marketing strategy formulation at various levels in an organisation (e.g. business, product category, product line, product item, brand and product-market) is informed by both *demand side* and *supply side insights*. Marketing strategy informed by demand side insights (i.e. *customer insights*) refers to a firm's decisions concerning 'how to compete' being based on its knowledge about customers such as their (1) demographic, socio-economic and psychographic characteristics, (2) needs and wants, and (3) affects, cognitions and behaviours. Marketing strategy informed by supply side insights refers to a firm's decisions concerning 'how to compete,' being based on its knowledge and understanding of factors such as the structural characteristics of the industry (e.g. market size, market growth rate, number of competitors, industry concentration, entry barriers and exit barriers), the characteristics of the firm (e.g. firm size, firm reputation and competitive position) and the characteristics of its competitors.

Over the years, a number of authors have highlighted the importance of customer insights to marketing strategy formulation. For instance, almost a quarter century ago, Keller (1993, pp.1–2) noted: '... marketers need a more thorough understanding of consumer behavior as a basis for making better strategic decisions about target market definition and product positioning ...'. In a recent guest editorial essay (Hamilton, 2016) and commentaries on the essay (Dahl, 2016; Deighton, 2016), the authors highlight the importance of consumer research based insights for informing marketing strategy. Hamilton refers to strategy based on insights about consumers as *consumer-based strategy*, which she notes can be contrasted from strategy based on an understanding of firm-level variables such as organisational capabilities. A recent conference and a call for papers for a special issue of the *Journal of the Academy of Marketing Science* on marketing strategy informed by consumer research insights (Consumer Journeys: Developing Consumer-Based Strategy) is indicative of growing recognition of the need for integration of insights from strategic marketing literature and consumer behaviour literature in the formulation of marketing strategy.

Marketing Science Institute (MSI) research priorities

Preceding all of the above is the Marketing Science Institute's (MSI) Research Priorities, a biannual initiative that dates back to 1984. It represents the shared consensus of marketing academicians and practitioners on broad research areas and specific research questions in marketing that merit being researched. A cursory examination of MSI's Research Priorities for 2016–2018 (Marketing Science Institute, 2016) as well as the past research priorities is indicative of the consistent presence of research questions in the substantive domain of strategic marketing, high on the research priorities list.