

# Marketing, marketing systems, and the framing of marketing history

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The framing  
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## Abstract

**Purpose** – This paper aims to highlight the limitations of marketing viewed as a management discipline in addressing contemporary concerns. Widening the scope of marketing enquiry leads directly to the role, nature and dynamics of marketing systems, suggesting that historical studies could often be framed in marketing systems terms, highlighting underlying patterns and interactions.

**Design/methodology/approach** – This paper draws on studies in marketing history to illustrate ways in which a framing in terms of marketing system concepts could be of value.

**Findings** – Framing historical studies in marketing systems terms draws attention to underlying patterns and links marketing history directly to macro-marketing theory, enabling the testing of theory drawing on work in the logic of comparative historical analysis.

**Originality/value** – This paper draws attention to a new way of thinking about historical research in marketing.

**Keywords** Comparative historical analysis, Framing marketing history, Marketing as social discipline, Marketing systems

**Paper type** Conceptual paper

## Introduction

Forty or so thousand years ago, as *homo sapiens* spread around the accessible world, markets formed as people settled down in communities. Raising questions about when, how and why things happened the way they did, getting into the minds of participants to see what they saw, looking for insights from these natural experiments, carefully evaluating the scattered evidence available, is part of the work of marketing historians. It is suggested here that for marketing history to flourish as it should, bringing insights from the past to the challenges of the present, it is essential to rethink the idea of marketing, widening and deepening the set of social phenomena that it embraces. If this is done, implicitly or explicitly, it becomes possible to draw on marketing systems theory to frame the relevant social phenomena in ways that hold promise of yielding answers to the when, how and why things happened, in the process widening and deepening the reach of theory in marketing.

The social phenomena of interest to marketing history go back to the time when individuals voluntarily began to exchange food or other goods with each other. While initially these took place within households or kinship groups, it was not long before the economic benefits of extending exchange to friends and local communities became obvious. At some point, exchange reached out to include strangers, and trade within and between communities became commonplace.



The networks of economic exchange that began to form continued to grow, capturing economies of scope and scale. At each step in this process, individuals and groups found better ways to do things, leading to continuing change in functions, structures and outcomes in the rapidly evolving networks of economic exchange. Invention and innovation played a major role in the formation and growth of exchange networks, increasing the diversity of goods, services, experiences and ideas on offer. Among the many consequences that followed this growth were increasing participant inequality, reshaping the physical and social infrastructures of communities, widening and deepening flows of money, risk, information and logistics and reshaping the everyday life of countless communities. Over the years, economic exchange networks formed, grew and often collapsed. Nothing was inevitable, although it often seemed that way, and most things seemed to depend on what had gone before. Exploring questions about when, how and why all this happened the way it did, and its impacts on individuals, households, communities, cultures and states, is part of marketing history and central to understanding the role of marketing in society.

In sorting through the when, how and why of events like these, marketing needs to be seen as much more than a management skill or a provisioning technology – it needs to establish a position in the social disciplines alongside the more traditional disciplines of demography, economics, sociology, anthropology, history, drawing on the insights and methodologies of these and cognate fields, reaching out to the system sciences such as ecology, and explicitly considering the implications of the complexity sciences. The paper begins with a suggested repositioning of marketing as a social discipline that places questions such as these as part of marketing history, with responses based on holistic, causally structured and multi-level marketing theory. One possibility for such a theory is based on studies of formation, growth and adaptive change in networks of economic exchange. After sketching briefly the origin and implications of these studies in the social sciences, the theory underlying these networks or marketing systems is considered initially as a static conceptual frame for an historical study identifying and linking function, structure and outcomes – the when and how of actions and events – helping to map or identify events, actors and environments that are critical to an effective historical analysis. The paper goes on to show how a causal model of marketing systems growth provides a complementary frame of use in establishing the underlying drivers of the activities, entities and events noted earlier. The marketing systems approach offers a framework – both static and dynamic – within which the historical evidence can be scrutinized, linkages formed, gaps noted and causation explored. The paper concludes by noting that marketing history, framed in this way by a marketing systems approach, is central to a deeper understanding of marketing as a social science and as a provisioning technology. As Gaddis (2002, p. 3) notes, “we know the future only by the past we project into it. History, in this sense, is all that we have”.

### **Marketing – the need for wider horizons**

Why, in the 1780s, were expensive pocket timepieces to be found in 70 per cent of the personal inventories of Parisian servants? How did blue Roman glassware from the third or fourth century find its way to a Japanese fifth century tomb excavated in Nara? Did Neanderthal communities discover markets? How did the early families of the outback Australian bush cope with everyday household provisioning? Where and why did black markets and barter-centers form and grow in Europe in the 1940s? Why did

the relentless drive for modernization and Westernization in twentieth century Japan lead to such distinctive Japanese retail formats?

Each of these questions raises issues that go beyond the conventional understandings of marketing. For marketing historians, questions like these are important, inviting a reappraisal of marketing, widening the discipline to include insights into the behaviors, beliefs and practices of human communities from prehistory to the present time, from primitive ways of life to the sophisticated societies of the present, and in widely differing environments. Not only would this enable marketing history to play a formative role in the development of marketing thought, but it would open the door to a much wider interaction with a range of cognate social disciplines. If marketing was to be broadened and deepened in this way, it would embrace the long-standing concern for effective and efficient decisions on the part of individual and collective sellers and buyers, together with the focus on marketing as a provisioning technology with far-reaching consequences for society, embedding these and related issues of quality of life, distributive justice and sustainability in a social discipline, potentially reframing much of the contemporary debate as to the role and place of marketing.

The solution suggested here is to think of marketing as a social discipline concerned with the beliefs, behaviors and social/institutional practices which arise from the interactions of individuals, groups and entities, participating directly or indirectly in the creation and delivery of social or economic value through voluntary exchange. The core phenomena of marketing, seen in this way, originate in the changing beliefs, behaviors and social practices that emerge in human communities over time as economic exchange begins to grow, in the structure and function of the resulting networks of economic exchange, in the tangible and intangible social, economic and physical infrastructures generated, and in the impacts of these exchange networks on and response to change in immediate and distant environments.

Many, if not all, of the phenomena of interest to marketing are also of interest to one or more cognate social sciences. The logics of the decision processes adopted by participants in exchange networks are central to much of economics, especially to behavioral economics; participant interactions in social networks are studied in sociology, anthropology and related disciplines; complex systems are studied in the system sciences and are central to much of ecology; historians explore, among much else, the growth of trade within and between human communities and the ways in which the resulting conflict, competition and cooperation behaviors impact social and economic growth. These are just a few of the many ways in which the social sciences (and increasingly, often the physical sciences) take an interest in marketing-related phenomena. The major point of difference, that defines marketing as a distinctive social discipline, is that marketing integrates each and all of these different phenomena in the study of economic exchange networks engaged in the creation and delivery of economic value.

### **Marketing systems – how the idea evolved, and why it matters**

The concept of a marketing system had its origins in the first half of the twentieth century. In the emerging discipline of marketing, scholars in America focused on the dramatic transformations in the mass production and mass distribution of goods and

services that were changing forever economic and social life. As *Shaw et al. (2009, p. 28)* put it:

There was increasing migration to cities, the emergence of national brands and chain stores, rural free mail and package delivery, and growing newspaper and magazine advertising [...] infrastructure developments in transportation and communication connected rural farmers, through agents and brokers, with urban consumers, manufacturers with wholesalers, and wholesalers with retailers.

In a period of disruptive technological and economic change, there was growing social concern about the consequences of what was happening, and in particular about costs, prices, inefficiencies and political power in market distribution.

Among marketing scholars, at least three schools of thought began to emerge. The first was a focus on the functions that had to be filled in connecting urban consumers with widely separated producers and manufacturers; the second drew attention to the distinctive patterns of distribution that were emerging as different commodities found their way to users and consumers; and the third concentrated on the institutions that developed as individuals and businesses over time began to relate to each other through often stable networks of economic exchange. Scholars in each school shared a common interest in the economics of the distribution systems that were emerging, finding some support in this from the challenges to the classical models of competition underway in economics.

Marketing scholars were not alone in thinking about markets in terms of social systems and structures. In sociology, much earlier, scholars such as Weber, Durkheim and Simmel had been concerned with the profound changes in society initiated by the consumer and industrial revolutions of the eighteenth and nineteenth centuries. Weber, in particular, combined economics and sociology in an exploration of social action and order in the evolution of capitalism, providing a foundation for contemporary work in economic sociology. In the first half of the twentieth century, Schumpeter, Polanyi and Parsons made major contributions to an understanding of social systems and economic order. Schumpeter highlighted the role of entrepreneurship in economic growth; Polanyi identified reciprocity, redistribution and market exchange as the three forms of integration enabling continuous sustenance in human communities; and Parsons went on in the post-war years to explore a general theory of social systems, which while controversial shaped thinking in the latter half of the twentieth century (*Dixon, 1984; Smelser and Swedburg, 2005*). It was in the work of scholars such as these in marketing, economics and sociology each trying to understand the workings of a rapidly changing economic order that the concept of a marketing system had its roots.

In the years following World War II, economic and social events again changed the everyday life of people around the world. Technology, a resurgent economy in America, reconstruction in Europe and Japan, globalization and the ending of colonialism inspired scholars to respond with a renewed interest in the way markets worked in shaping everyday economic and social life in communities across the world. This, in turn, led to fresh interest in macro-systems thinking as scholars from the social and managerial sciences sought insights into the increasingly complex economic and social environment shaping private management and public policy.

Alderson and Cox, two leading scholars in marketing in the post-war years, drew attention to the need for theory (*Alderson and Cox, 1948, p. 139, 143*). Rather than an “almost haphazard accumulation of facts”, they suggested that it was necessary for

marketing scholars to draw on the fragments of contemporary marketing theory and related work in the social sciences, to construct a “comprehensive and valid theory of marketing” that might serve to frame current debate on the roles and impacts of private management and public policy. The starting point for [Alderson and Cox \(1948\)](#) was the three schools of thought that formed in the pre-war years, together generating significant insights into flows, function and structure in channels of distribution. Alderson and Cox generalized these insights, suggesting that the concept of organized behavior systems (e.g. households and business firms) interacting as concrete entities within an overall behavior system to bring producers and consumers together might provide a suitable foundation for a theory of marketing. They went on to explore the idea of a dispersion market, using Philadelphia as an example, noting that this might also be considered an example of an organized behavior system. In doing this, they opened the door to the wider concept of marketing systems, as generalizations of the organized behavior systems that might or might not have survival as an essential goal, existing at multiple levels of aggregation in human communities, and endowed with structural, functional and performance characteristics. Alderson continued to explore organized behavior systems and, in 1957, published a normative theory of marketing systems ([Alderson, 1957, 1965](#)). This drew on the social sciences and, in particular, cultural ecology, to look beyond narrow concepts of economic efficiency to explore the adaptive processes that evolve in matching goods and needs in human communities.

In these immediate post-war years, the study of comparative marketing systems and the role of marketing in developing economies attracted interest from managers, policy makers and marketing scholars. As [Shapiro \(1965\)](#) notes, this interest resulted in marketing scholars such as [Goldman \(1961\)](#) writing on Soviet marketing systems, [Hall et al. \(1961\)](#) comparing structure and productivity in distribution in Great Britain and North America, [Hirsch \(1961\)](#) on the North Indian sugar industry and [Boyd et al. \(1961\)](#) on the marketing of consumer goods in Egypt. In America, in the mid-1960s, the US Agency for International Development sponsored field studies. Two of these contracts went to the Michigan State University, which formed the Latin American Market Planning Center directed by Charles Slater, to undertake research into food marketing distribution systems in Latin America. The first of these studies was in Puerto Rico, followed by Recife in North-Eastern Brazil, La Paz in Bolivia and then in Colombia. Each contributed significantly to an understanding of the formation and growth of food marketing systems, beginning with the needs of a consumer population and of farmers who were potential suppliers, and then looking in detail at the networks that linked suppliers with consumers, assessing efficiency and effectiveness and suggesting ways in which productivity could be increased. [Slater et al. \(1977\)](#) then went on to study national and regional marketing systems in East Africa and Colorado. This post-war work in comparative marketing systems was a pivotal development in the study of marketing systems nationally, regionally and locally.

In the social sciences, generally, there are many examples of the insights into the formation and growth of markets and marketing systems that scholars working in a range of social disciplines contributed directly or indirectly in these post-war years. These include the new institutionalism of economics where Williamson and North suggested that “institutions are the written and unwritten rules, norms and constraints that humans devise to reduce uncertainty and control their environment ([Ménard and Shirley, 2005](#), p. 1) underscoring, in marketing system terms, the important role

institutions play in market formation and growth. In economic sociology, [Granovetter \(1985, p. 487\)](#) suggested that economic action is “embedded in concrete, ongoing systems of social relations”; [Burt \(1992\)](#), [White \(1992\)](#) and [Uzzi \(1997\)](#) highlighted the role of network analysis in economic sociology; [Hannan and Freeman \(1989\)](#) explored the diffusion of new organizational forms, pointing to the importance of survival as a driver of change; and in Europe, [Bourdieu \(1997\)](#) introduced the concepts of field, capital and habitus. In anthropology, building on the pre-war work of scholars such as Malinowski and Firth, there was increasing interest in the ways in which markets evolve over time, especially in developing countries. Examples include Indonesia, where [Geertz \(1963\)](#) and [Dewey \(1962\)](#) explored the growth of peasant marketing systems in Central Java; in Mexico, [Beals \(1975\)](#) considered the structure and functioning of a regional peasant marketing system; and in China, where [Skinner \(1964\)](#) looked at spatial aspects of marketing and social structures in rural China. [Braudel \(1981\)](#) showed in a careful, detailed historical analysis, how the everyday life of communities in Europe in the years 1,400 to 1,800 generated extensive multi-layered networks of economic exchange, many of which persist to the present time. In America, scholars at the Santa Fe Institute pioneered research into the formation, growth and evolution of complex multi-level social and ecological systems. Ideas such as these have all found a place in contemporary marketing systems thought.

In the mid 1970s, under the leadership of scholars such as Charles Slater, George Fisk, Donald Dixon, James Carman, Shelby Hunt, Robert Nason and Stanley Shapiro, an annual series of seminars was initiated to explore the promising new field of macro-marketing. In 1981, the *Journal of Macromarketing* was launched under the editorship of George Fisk. An early definition of macro-marketing that has largely stood the test of time was provided by [Hunt \(1981, p. 8\)](#) who suggested that:

Macromarketing refers to the study of marketing systems, the impact and consequences of marketing systems on society, and the impact and consequences of society on marketing systems.

With this delightfully succinct statement, Hunt opened the door to a rich diversity of scholarly interests, ranging from:

- comparative marketing studies to politics and power in channels of distribution and questions of marketing productivity;
- explorations of issues such as marketing’s impacts on economic and social change, the growth and prevalence of inequality in a society or on ethics, distributive justice and quality of life; and
- permits for example consideration of the ways society chooses to regulate or control the effects of marketing, especially under the widely varying political and social values systems found in societies at differing levels of cultural and economic development.

Hunt, however, left somewhat open the question of just what is a marketing system. In an important paper, [Dixon \(1984, p. 4\)](#), drawing on the work of sociologists such as Parsons, Blau and Homans in the theory of social systems, noted that “the marketing system is a differentiated subsystem of the society, performing functions necessary if society is to adapt to its material environment”. In performing the necessary functions, the marketing system impacts three critical aspects of society:



- (1) the interactions between and among individuals, households and entities that are part of everyday life;
- (2) the meanings, behaviors, norms and values that form the cultural life of a society; and
- (3) the physical objects and structures that shape the material life of a society.

Dixon suggests that the marketing system, through its emphasis on the provision of customer benefits through the availability of goods, services, experiences and ideas:

- has an immediate impact on household needs and wants, on roles and behaviors, and especially on communications;
- significantly influences cultural beliefs and values, adding to the stock of cultural artifacts; and
- transforms the everyday material settings of social life, through product and service innovation, through investments in physical infrastructure and through the creation of wants that in the end may be unsustainable.

Looking back in history, each of these impacts left traces behind – in household inventories and artifacts, in writings and documents, in art and poetry and in the design, construction and use of homes, factories and village, town and city buildings.

So what then is a marketing system? Drawing together many of the ideas from these earlier years, and adapting a contemporary artifact definition from [Layton \(2007\)](#), it can be thought of as a network of individuals, groups and/or entities, embedded in a social matrix, linked directly or indirectly through sequential or shared participation in the exchange of social and/or economic value, which jointly creates, assembles, transforms and makes available assortments of products, services, experiences and ideas, provided in response to or anticipation of customer demand.

In this definition, marketing systems have as their primary purpose the creation and delivery to customers of assortments of goods, services, experiences and ideas, enhancing the quality of life of the communities in which the marketing systems operate as well as providing economic benefits for each of the system participants. Marketing systems form and grow (and often collapse) wherever human communities form and grow; they exist at every level from dealings between household, to market place exchange, to inter-community trading linkages, to aggregate community or regional trade linkages; they form around individual products or services, or aggregates that share common attributes, or around the sum of all transactions in a geographic location over a period of time; and the entities in a marketing system will often themselves be marketing systems, sometimes facilitating the work of the system of interest, sometimes acting in a complementary role and sometimes in competition or conflict. In every case, the functioning of a marketing system leaves physical, documentary, institutional and cultural traces of its presence that provide insights into how, when and why it worked, and what the consequences of its functioning might have been.

### **Marketing systems and the framing of marketing history**

In Peter Carey's prize-winning novel, *Amnesia*, an aging reporter confronting a court:

[...] compared himself to a forensic palaeontologist which caused unfriendly laughter. But he insisted on it. His job was to dig up the bones, piece them together, and from all the known information about diet and habitat, be able to construct the creature itself (Carey, 2014, p. 145).

A more scholarly approach to this same problem is adopted by John Lewis Gaddis when he noted “it is from structures that survive into the present [...] that we reconstruct processes inaccessible to us because they took place in the past” (Gaddis, 2002, p. 35). From a different point of view, Smith (2010, p. 1) in her work on the prehistory of ordinary people, sees archaeology as “the discipline that evaluates the relationship among people, material objects and space”, noting the importance of food, goods and work in understanding the daily life of people living so long ago. Each of these three aspects of daily life can be linked to artifacts sometimes remaining to the present day – cooking implements, foods consumed, storage areas, tools and ornaments, market spaces – which may tell a story of life as it was once lived. In a more contemporary context, Fullerton (2011, p. 438, 437) writing on the craft of a marketing historian, highlights the importance of primary sources – “original documents, analyses, stories, ephemera, physical materials (the stuff of material culture)” – as helping to “get into the mind of contemporaries [...] to see the world as they did” and goes on to emphasize the need for triangulation and multiple perspectives.

For each of these writers (even for Felix Moore, the aging reporter), the recovery of process from structure does not proceed in isolation. The material collected from primary sources constitutes a landscape (to borrow again from John Lewis Gaddis) where the peaks, although shrouded in mist, and the rivers, often lost from sight, must somehow be linked with each other in a preliminary mapping if a way into the landscape is to be found. Exploration also has its challenges, as it is easy to be lost in the detail of the landscape as it is uncovered. Achieving a balance between descriptive detail and sweeping abstraction as the evidence is considered depends on the nature of the mapping that is in mind. This, in turn, in an historical study, depends on the conceptual frameworks that are used to structure the evidence of history. In the writing of marketing history, as Savitt (2009, p. 197) points out, “A variety of frameworks or models can be used to structure historical studies but the events must always speak for themselves”.

The framework suggested here in the writing of marketing history is that provided by the concept of a marketing system. In responding, for example, to the question “Why, in the 1780s, were expensive pocket timepieces to be found in 70 per cent of the personal inventories of Parisian servants?” De Vries (2008), an economic historian, linked a number of observations originating in the years before the Industrial Revolution. He noted that in the last 10 years of the eighteenth century, enough timepieces had been produced to supply one quarter of all adult males in western and central Europe; that one-third of all probate inventories in the 1720s included a timepiece; and feature again in 18 per cent of pauper inventories in the 1770s. With this kind of documentary evidence he argued that:

[...] a growing number of households acted to reallocate their productive resources (which are chiefly the time of their members) in ways that increased market-oriented money earning activities and the demand for goods offered in the marketplace. Increased production specialization in the household gives access to augmented consumption choices in the marketplace (p. 10).



It was not simply technology that initiated the Industrial Revolution; it was also a revolution in consumption behaviors. While he was writing as an economic historian, it would not be difficult to recast much of the De Vries' argument in a macro-marketing history framework.

This, however, is not the only way of framing a response to the question. An alternative might be to see it as a stepping stone to an enquiry into retailing institutions and shopping behaviors, perhaps in Paris, but possibly in a much wider setting. De Vries notes (p. 169) that in the 100 years after 1650, there was "a major shift from markets, fairs and direct, guild-controlled artisanal sales towards retail shops and peddlers". Where did the retailing of pocket watches fit in this transition, and what categories of people were attracted to these shops? If a pocket watch was a status symbol, was it relevant that a wide range of taverns, beer stall and gin shops were appearing, together with cockfights, animal baiting and prize fighting (p. 171)?

Yet another option might be to consider the incidence of pocket watches as an example of the diffusion of new technologies that was occurring at that time and explore other instances to establish the interplay between customer behaviors, retail access and the acceptance of new technologies.

A similar approach might be taken to the question concerning the unique retail formats that emerged in twentieth century Japan, which could be seen as highlighting the deep, continuing interaction between culture, markets and everyday life that played out in Japan for over 100 years (Francks, 2009; Usui, 2014). It could be looked at in terms of the tensions arising from the Americanization of Japanese life post-war and a growing perceived need to establish a distinctive Japanese identity. Another approach might be to consider the choices available to major Japanese retailers and the strategic responses that each made. This could, for example, begin with the decisions made by specific retailers such as Ito-Yokado and the growth of the highly successful chain of 7-Eleven convenience stores, which culminated in a takeover of the American parent, Southland Corporation.

Each of these responses to both questions can be framed in marketing system terms. In doing so, the boundaries of the focal marketing systems can be identified and their participants can be specified, adjacent or related systems noted, structural elements and functional flows recognized and system-specific interactions taken into account. Change then comes into focus, beginning with the evolutionary processes that have played critical roles in molding the marketing systems and their environments, continuing on to consider the underlying social mechanisms that have shaped system development, the shifts in political, social and economic power that have occurred, and the marketing and social infrastructures that emerged as a consequence. Framing an analysis in this way of responses to these questions may help to identify and map the key factors and their interactions over time that needs to be considered when commencing an historical exploration.

Returning to pocket watches and Parisian servants, the De Vries approach implies that each household can be thought of as a micro-marketing system, self-producing an assortment of goods and services in response to, or anticipation of, the demands of other households, participating as a customer seeking to acquire an assortment of goods and services from other adjacent micro-marketing systems. The interactions often repeated over time of these micro-systems establish trade connections based on an understanding of individual skills, resources together with kin and other linkages that become a

persistent part of the social and economic structure of a community. These connections are like the threads that constitute the whole cloth of a community-wide marketing system forming at a meso level. These meso-level marketing systems, in turn, aggregate to form regional networks of marketing systems at a still higher level where it is likely that products such as pocket watches find a place in the assortments of goods and services offered and accessible. From this point of view, the factors contributing to, or hindering, the interactions between these micro-, meso- and macro-level marketing systems are important determinants of the success or failure of pocket watches as part of acquired assortments in the hands of many very different customer segments or groups. A holistic analysis along these lines is an essential element in the framing of the underlying question provided by a marketing systems approach.

A marketing systems framing can also be used in exploring the ways in which Roman glassware might come to be present in a Japanese tomb, or the social processes generating the artifacts found in Neanderthal caves, the emergence of black markets in crisis-ridden societies, the impacts of isolation in rural households or the cultural determinants of the retail formats found in contemporary Japan. In some cases, the focus is on a micro-marketing system (household transactions, small business trading or corporate choice of strategy); sometimes on a meso-level system (community-wide exchange networks, specific black market locations, rural districts with common interests); and sometimes on a macro-level where a marketing system aggregates many micro- and meso-level systems, impacting communities, regions or states. Sometimes, the interactions between each of these levels must also be considered if the questions of interest are to be answered fully, to say nothing of the possibilities of competition, cooperation and sometimes conflict that come from linked, adjacent or facilitating marketing systems. In each case, framing the analysis in marketing systems terms suggests new contexts and connections, encouraging exploration of adjacent systems and levels that might not otherwise be apparent.

In each of these examples, one or more focal marketing systems need to be (tentatively) identified as being of primary interest to the marketing historian and their relationships mapped over time to other adjacent marketing systems. It is important to be inclusive as well as exclusive in an initial specification of a focal marketing system. In addition to imposing temporal, spatial and product limits, it is important to consider the individuals or entities (including here marketing systems at a lower level of aggregation) that populate a focal marketing system, the value propositions they make in dealing with each other, the conceptual frames that limit the choices made, the interplay of power and influence in the exchange networks formed, the ways in which these actors (which may themselves be marketing systems) interact through competition and/or cooperation and the extent to which these interactions are complementary, supportive or perhaps in conflict with the focal marketing system. Fixing boundaries is never easy and always tentative, depending on the interactions within and between systems and environments.

As a marketing system at any level forms and grows, structural and functional modules begin to take shape: settings, logics and locations are established where assortments of goods, services, experiences and ideas are offered at mutually acceptable prices and locations, communicated directly and indirectly through local or general/mass media channels; customer groupings or segments emerge; functional flows of ownership, possession, money, risk and information are generated; as trading activity

increases specialized roles are created in logistics, finance, search and information provision; economic, political and related social networks form and re-form, interacting with the focal marketing system; governance, sometimes internally generated, sometimes externally imposed, becomes more important; social, economic and institutional outcomes become evident, feeding back into ongoing decision processes (Layton, 2007). Almost inevitably, in the midst of all this change, lower-level marketing systems form in response to perceived opportunity, and then develop in a way that reflects self-similarity in structure and function, highlighting the emergence of a fractal character to the focal system. In all this activity and at each stage and level, the formation and growth of a marketing system reflects the social, cultural, political and economic life of communities, the physical environments in which communities are located and the historical context or legacies that each community has inherited.

### Patterns in marketing systems

While there are structural and functional similarities in marketing systems, each individual marketing system differs in detail. These differences reflect the specific circumstances of system evolution, the shared understandings that emerge, the choices made by participants, interactions within and between adjacent or related marketing systems and many other cultural, economic, historic and locational factors. In thinking about a marketing system in a historical context, it is essential, given this inherent diversity in marketing systems, to identify with care the individuals, groups and entities that comprise the system or systems, the assortments offered and value propositions made and the understandings, norms, rules, institutions, infrastructure and artifacts that are part of the system setting and environment.

From the point of view of a marketing historian, the most obvious candidates for study as a focal marketing system are often defined in terms of products, locations and time periods. Examples include the diffusion over time and space of technologies such as electric power, the development of agricultural markets in socialist China post-1978 (Layton, 2014; Wang, 2005), the marketing of gasoline in the USA (Allvine and Patterson, 1972), the marketing of art (Bayer and Page, 2011), economic exchange in eighteenth century Japan (Hanley, 2014). In each case, the authors identify a focal marketing system by fixing on one or more product categories, locating these in time and space. This suggests system boundaries, identifies key actors, locates the focal system in relevant social, economic, political and technological environments and points to adjacent marketing systems.

There are at least four ways of classifying a focal marketing system identified in this manner. The first is based on the evolutionary stages reached by the focal system within or by the period of interest, the second on structural and functional characteristics of the system, the third on governance and the fourth is based on the stability, or otherwise, of the focal and adjacent systems. All are useful in pin-pointing the ways that functional and structural modules form, grow together and interact, establishing signature patterns for each specific category in each classification. These signature patterns, in turn, suggest the structural and functional modules that need to be found, explored and linked together when looking at a focal marketing system.

The first of these four classifications, an evolutionary growth-based approach, identifies four growth categories – random or autarchic, emergent, purposeful and structured (Layton, 2009). The first is a situation where buyers and sellers engage in

more or less random, uninformed and unregulated search for and trading with each other. These may arise, for example, in the early stages of human community formation, in the initial stages of a new technology or in the early periods of recovery from natural or other disasters or following system collapse. Marketing systems in this first category often exist in a sustained social equilibrium for many years, until disturbed by an external event such as a “first contact” with another marketing system, or a disruptive technology, or by internal events arising from emerging social practices and from infrastructure change.

Marketing systems fall into the emergent category when specialization becomes commonplace, assortments widen and deepen, information flows more readily, reciprocity shades into debt and cash and prices begin to stabilize, the exchange networks that form begin to self-organize, specialist trading roles emerge and diversify, inequalities begin to appear and efforts are made to regulate or control increasingly complex market behaviors. The changes taking place here are influenced by the formal and informal beliefs, rules and norms held by marketing system participants and by access to changing social and physical technologies and infrastructures.

The third and fourth growth categories, purposeful and structured, develop as an emergent marketing system matures with a distinctive institutional presence, significant investments in tangible and intangible infrastructure and increasing inequality in power and performance. Where one or a few participants dominate the system in terms of structure, function and outcomes, the marketing system is purposeful. The distinguishing feature of a purposeful system is a capability and willingness to use economic and/or political power to direct flows of transactions in ways that support the goals of the entity or entities dominating the system. Structured systems are often a consequence of a relatively equal spread of power in an emergent system encouraging the growth of cooperation among and between participants (e.g. the connected trade routes that formed linking Eastern and Western communities, or the retailers in a shopping mall or farmers market). A structured system may also result from a combination of systemic rigidity and institutional regulation designed to improve social outcomes, forcing a purposeful system into something much closer to a structured marketing system, where a number of participants (any one or more of which may be purposeful marketing systems) compete and sometimes cooperate, in an organized, regulated setting, in the creation and delivery of value to customer groups. Both purposeful and structured marketing systems may face disintegration or a need to restructure when confronted by massive change such as disruptive technologies, political, social or economic crises, or natural disasters. Lack of diversity, rigidities in structure and function and poor performance in social and economic outcomes, all contribute to sudden, sustained shifts in growth categories for a marketing system.

The second approach to classification, based on function and structure, identifies a number of different categories of marketing system that often co-exist in the same or differing layers or levels of economic activity. These include horizontal systems (single or multiple market locations, contractual or franchise systems, multi-level systems, retail chains, open Internet markets and local or global enterprise networks); vertical systems such as distribution channels and supply chains; facilitating systems including logistics structures; information providers, agents, finance and insurance; composite systems combining horizontal, vertical and/or facilitating modes; hybrid systems combining private sector and public sector entities or agencies in areas such as health

and higher education, or dual systems where informal, traditional or alternative marketing systems coexist with emergent, purposeful or structured marketing systems; social marketing systems initiating, supporting or countervailing issues of community concern; and post-consumption marketing systems including re-use or recycling systems (e.g. second-hand clothing and furniture) and disposal systems.

The third approach to classification turns on the nature of system governance. Many if not all of the system categories noted above can arise in communities where the blend of exchange based on reciprocity, redistribution and market exchange (Polanyi, 1944) needs careful identification, as it varies considerably across product and service categories, and across experiences and ideas. Over time, the mix changes, as has happened in Russia, China and now Cuba, impacting all marketing system characteristics. Related to this dynamic is the emergence of gray, black and criminal market settings; sometimes, working in formal or informal co-existence, competition or conflict with related marketing systems; sometimes based on barter, or blends of limited, often localized cash or cash alternatives; and of varying importance in the social and economic life of a community, but always embedded in society. Insights into the way governance works (or not) in a focal system are often critical determinants of social outcomes, and closely linked with the fourth approach.

The fourth approach is based on the presence or absence of stability, suggesting four categories – formative, stable, transition and collapse – that are related to those of the first evolutionary growth classification but with a greater emphasis on the economic, social and political power of system participants, on a bottom-up rather than a top-down approach, on a participant rather than a system-wide focus. Once the boundaries of a focal marketing system have been (perhaps, tentatively) determined, it becomes possible to identify key actors or participants and their resource endowments. If the focal system is in a formative stage, there is an emerging sense that “we are in this together”. Issues of comparative status and power (economic and political) are in the process of being worked out. Shared understandings, rules and norms emerge as participants find themselves forced to take each other’s actions into account, and increasingly, each actor becomes able to make sense of what the others are doing (Fligstein and McAdam, 2012). This category is often found in the early stages of a major new product, or as a consequence of a natural, social, political or economic crisis. The De Vries “Industrious Revolution”, or the emerging markets in outback Australia, may be examples of this state of affairs. When the relationships between participants settle, shared understandings, rules and internal or external governance are accepted, and established networks of dealings are part of the scene, the marketing system enters a stable state. In this situation, participants form into two or three groups – incumbents, challengers and often governance entities. Incumbents hold power and benefit from the current state of affairs; challengers look for opportunities to out-compete one or more incumbents; and governance entities seek to maintain a status quo, internally and externally. A system in a stable category is not without continuous but low-level change as participants vie for competitive advantage with the system shifting between strong hierarchical control and a much more cooperative set of alliances. An example may be found in the 2000 year history of the East-West “Silk Road” exchange network. This state of affairs often changes in response to major, disruptive internal and external stimuli, entering a dynamic, transition phase, characterized by steady or often dramatic expansion or contraction. Shared understandings, rules and governance are challenged,



incumbents are replaced by challengers, some participants disappear, others enter and nothing can be taken for granted. Collapse is then a possibility, where understandings, rules and often institutions and infrastructures, tangible and intangible, begin to come apart. This may be due to external pressures such as those induced by sustainability, or internal forces, such as those arising from revolutionary change – political, social or religious. Berlin black markets and Japanese retail reconstruction post-war are examples of crisis and formative reconstruction.

Complementing each of these approaches to the classification of a focal marketing system are measures, qualitative and quantitative, of structural and functional system attributes. These respond to questions raised by each approach about issues such as system size and assortments, flows, network structures, governance and outcomes looked at from a community perspective as well as from the point of view of participants. Size is a critical dimension with systems ranging from micro-systems involving an exchange transaction between two parties to macro-systems concerned with regional or global flows of goods and services. Micro-marketing systems are less resilient, more likely to collapse, than marketing systems exhibiting much greater scale and diversity (Page, 2011). Size, however, is not one-dimensional – it goes beyond the number of participants to consider the spread of goods, services, experiences and ideas offered by a focal system, the geographic spread of the activities included in a system, the time period over which the system has been active, the number of different roles or activities, the extent of various exchange logics from informal to formal. Indicators of flows over time of income, capital, risk and possession, sometimes captured in official or corporate statistics, are important as are measures of information flows ranging from individually documented communications, to mass and social media. Key dimensions of the exchange networks that form over time include measures of structure, diversity, centrality, nodal formation, power laws, vulnerability and resilience. Governance measures might pick up the incidence or extent of formal, informal trades, or of legal and illegal exchange in differing sectors of the focal system. Outcome measures range from profitability to quality of life and sustainability indicators. In addition to exploring these and similar indicators or measures for a focal system, it is usually important to consider the links with adjacent, complementary or competing systems, as these are likely to play a critical role in the development of a focal system.

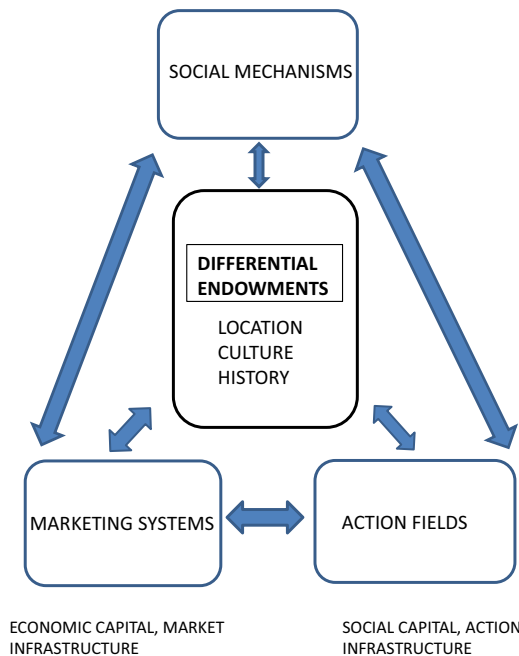
### **Mapping causation in marketing history**

It is now time to breathe life into these abstractions, to look beyond the “what” of a focal marketing system and to ask “why” things happen the way they do in marketing history. What are the causal processes driving growth in a marketing system? Is inequality among participants and in outcomes an inevitable consequence of growth? Why do adjacent social systems such as religion and politics often seem to influence the development of a focal marketing system? What is the impact of a developing marketing system on these adjacent systems? Why does history matter so much in marketing system formation, growth and change? Why are some sectors of a community better served than others in accessing marketing systems? Why is regulation often ineffectual? Answers to these and similar questions in marketing history require much more than detailed description and analysis of structure, function and outcome – they require insights into the causal processes that drive change in marketing systems.



While there are many theories of change in social systems that might be called on to provide a conceptual framework exploring causation in marketing systems, most are too general to be of much help. One possibility is provided by the mechanism, action and structure (MAS) theory of marketing system formation, growth and adaptive change (Layton, 2014), based on heterogeneity of participant endowments, causal processes initiated by and through social mechanisms (Hedström, 2005), action fields where position and power are crucial drivers of actions by participants (Fligstein and McAdam, 2012) and the intangible and tangible systemic infrastructures that emerge over time as a consequence of the interactions among social mechanisms, action fields and system internal and external or environmental disruptive change. Together, these four sets of concepts, drawn from theories of cultural and social evolution, analytical sociology, theories of strategic action fields, the new institutional economics, complexity sciences and insights into organizational and consumer decision processes that come from marketing, provide a conceptual framework sufficiently rich to form causal answers to many of the questions explored in marketing history. These answers build on the detailed insights provided by the “when” and “what” frameworks outlined earlier in this paper, adding a causal dimension to the historical analysis. This, in turn, leads directly into studies in comparative history such as those discussed by Mahoney and Rueschemeyer (2003) and into the empirical testing of theories, including the testing of the MAS theory, thereby widening the reach of historical analysis to include the testing of theory in marketing.

The key elements of the conceptual framework suggested here, based on MAS theory, are set out in Figure 1. In considering the ways in which a focal marketing system (and those systems closely associated with the focal system) have changed over time, all four elements of the MAS framework come into play. As noted earlier, a first step in framing an event or



**Figure 1.**  
Formation, growth  
and adaptation in  
marketing systems

events in marketing history is to identify a focal marketing system (or systems) in which the actions, events, outcomes and changes of interest occurred. This determines (perhaps tentatively) focal system boundaries, together with an appropriate level of aggregation, identifies participants and locates the focal system in a time, space and social/cultural context. Within the system boundaries, and with a level of aggregation in mind, participants at a micro-level may include sellers and buyers, merchants and marketplaces, shippers and warehouses, shopkeepers and customers, providers and clients, supply or value chain contributors or agents and representatives; and at a meso- or macro-level groups or entities (often comprising micro-level participants), connected primarily through shared participation in networks of economic exchange, sometimes forming and re-forming discrete clusters, together with competing, complementary, adjacent and lower-level marketing systems. Externally, a boundary specification helps in identifying horizontal, vertical, facilitating and adjacent marketing systems, together with higher- and lower-level marketing systems. The latter are particularly important, as it is from these systems that the triggers for focal system change often emanate. A business that is a participant in a focal system and is itself a micro-level system might trigger sweeping change in the focal system through, for example, introducing a fashion that sweeps across the market, a major shift in pricing policies or accessing new undreamed of markets. What happens in one or more of the higher-level systems in which a focal system is embedded may also be determinative. Approaching a sustainability limit for a critical natural resource such as oil, the imposition of regulatory change or the intrusion of black or gray markets may all be examples of a higher-level marketing system impacting a component system. Finally, as will be noted shortly, there is often a need to consider carefully people and events in adjacent social systems that impact the workings of a focal marketing system. These might include shifts in religious belief, changes in the broader economy where significant groups of people face rising or falling living standards or the emergence or disintegration of physical, social and economic infrastructure. Marketing systems are part of the essential fabric of social and economic life, or as Fernand Braudel would put it, the structures of everyday life.

Each of the individual participants bring to their involvement in a marketing system a unique blend of highly evolved instincts, insights and competences, including language and communication; a complex set of beliefs based on a lifetime of experience, grounded in culturally determined understandings, norms, values and acceptable or imposed social practices; behavior patterns that reflect survival and self-interest instincts, empathy for others, high-level social skills, a capacity to plan for possible futures, an understanding of immediate environmental and economic pressures and an awareness of history; an awareness of the gradual emergence of tangible, physical infrastructures and of the intangible, symbolic infrastructures, both generated over time by the workings of social systems. It is this diversity among individual, and, by implication, group participants, involved in economic exchange that is the source and consequence of the marketing systems that emerge at all levels from micro to macro in human communities. It is the central box in [Figure 1](#), labeled differential endowments, that links to all other key elements contributing to formation, growth and adaptive change in any and all marketing systems.

Social mechanisms, such as those involved in individual and group selection of beliefs and behaviors, in generating trust and cooperation, diffusing new fashion concepts, creating economic and social inequality or initiating networks of economic exchange, are the central drivers of causation in marketing systems and action fields. Defined by [Hedström \(2005, p. 11\)](#), social mechanisms are “a constellation of entities and activities that are linked to one

another in such a way that they regularly bring about a particular type of outcome". His work in analytical sociology is built on that of leading sociologists such as Elster, Boudon, Schelling and Coleman. He was interested in the ways that humans collectively generated change, interacting with each other in behaviors that are shaped by an evolved common humanity. He argued that it was not enough to understand why individuals act the way that they do; in trying to understand social phenomena, it was essential to explain "why, acting the way they do, they bring about the social outcomes they do" (p. 14). Hedström envisaged a complex Web or hierarchy of social mechanisms as component elements in the workings of a given social mechanism, with infinite regress avoided through grounding in external events or related disciplines, noting that time lags exist in each part of a social mechanism. The workings of social mechanisms are not instantaneous and, in most cases, require time for the social interactions to work in generating social outcomes.

The social mechanisms that explain causation in a focal marketing system and the associated action fields fall into several primary and secondary categories. These include as a primary category the co-evolution of ideas, actions and social practices that breathe life into the workings of a marketing system and an action field through both random and planned variation or mutations in ideas, behaviors and social practices, subjected then to individual and group selection processes, followed by replication and diffusion. A second primary category is concerned with the mechanisms generating trust, including secondary mechanisms leading to the development of shared understandings, trust, signaling, collective action, the appearance of leaders and system catalysis or recombination. A third primary category includes social mechanisms that facilitate value exchange between individuals and entities, lead to specialization, increasing scale and diversity, initiate strategic choice, minimize risk and generate participant inequality in power, influence and resources; and finally, a fourth primary category includes the social mechanisms that lead to self-organization, infrastructural emergence and system transitions (Benkler, 2006; Binmore, 2005; Cassady, 1974; Fligstein and McAdam, 2012; Gunderson and Holling, 2002; Layton, 2014; Padgett and Powell, 2012; Page, 2011; Maclaran *et al.*, 2009; Sawyer, 2005; Runciman, 2009; Skyrms, 2010).

Social mechanisms are also causal in the generation of the action field associated with a marketing system. As one changes, so too does the other. The individual participants in the networks formed from economic exchange in a marketing system constitute a strategic action field. This has been defined by Fligstein and McAdam (2012, p. 9) as:

[...] a constructed meso-level social order in which the actors (who can be individual or collective) are attuned to and interact with one another on the basis of shared understandings about the purposes of the field, relationships to others in the field (including who has power and why), and the rules governing legitimate action in the field.

As Fligstein and McAdam go on to note, all collective actors, including marketing systems, are themselves action fields, reminiscent of a traditional Russian doll. Within each action field, participants continually jockey for advantage, seeking economic, social and political power. Incumbents find themselves confronting challengers, and often establish governing units (e.g. guilds, trade associations, ratings agencies, lobby groups) to maintain a status quo, all of which bring change to linked marketing systems. As a marketing system forms, grows and enters adaptive change, the associated action fields also shift, sometimes reinforcing the changes underway, sometimes seeking to inhibit change (Bourdieu, 2005; Fligstein and McAdam, 2012).

In exploring change in a focal marketing system and in the associated action field, it is important to identify the social mechanisms at work in both the action fields arising from the interests and activities of marketing system participants, and in the function, structure and outcomes resulting from the focal marketing system. The interaction between marketing system and action field is continuous, and runs both ways. As the marketing system changes, so too does the political and power dynamics of the linked action fields; as field dynamics shift, perhaps involving a struggle between incumbents and challengers, so too do the emergent characteristics of the linked marketing system. These interactions are core factors influencing the events and activities of interest in marketing history.

### **How might all this work in responding to the examples considered earlier?**

Drawing on the conceptual frameworks of marketing systems theory provides a marketing historian with a workable starting point for a preliminary mapping of an event or activity of interest. Choice of one (or more) focal marketing systems at one or more levels identifies boundaries and environments, participants, relationships, networks and assortments. It helps to find the gaps that need to be filled, assumptions that need to be tested and adjacent marketing systems that may need to be considered. Careful consideration of the key social mechanisms at work in an event or activity set of interest, and in particular, focusing on an identification of the evolutionary processes driving change in ideas, behaviors and social practices helps to yield insights into the causal sequences at work. By dynamically linking focal marketing systems with action fields, it brings power, influence and politics into the analysis. A brief, preliminary analysis of some of the questions raised initially may help illustrate some of these ideas.

#### *Barter-centers and black markets in wartime and post-war Germany*

In those troubled years of German social life, it may have been the not so distant memories of the “turnip winter” of 1917, the hyperinflation of 1923, and the desperation felt by many people living through the Depression years, that became the catalyst for the emergence of barter-centers (Tauschcenters) and black markets, as individuals, small business and/or officials acted in a blend of self-interest and social control. While black markets were largely an illegal result of individual or small business initiative, the barter-centers were often established and operated by local government. Both are examples of marketing systems and either as individual systems (e.g. the Bremen “Tauschplace for children’s shoes”) or collectively (in either format) identified as focal marketing systems with many or all of the attributes and outcomes of marketing systems. Both are a consequence of weakness or failure in the functioning of conventional or formal marketing systems. Both became for a period essential parts of everyday life (Sanders, 1999; Schroeder, 2015; Steege, 2007).

Each example of a barter-center or an emergent black market provides a particular case where structure, function, action fields and causal processes can be explored. Theory suggests, for example, that the co-evolution of behaviors and beliefs in the form of ideas, innovations and occasional inventions are the starting points for the emergence of shared understandings, leading to cooperation, exchange, specialization, scale and diversity, self-organization and system transition as environments shift and competition grows from adjacent systems. Markets locate (and in the case of black markets, relocate often), establish norms and rules in the exchange of goods and services, generate assortments of increasing diversity, create inter-personal and collective exchange networks, develop linked action

fields where politics and power are closely intertwined and governance procedures become critical to success. Theory suggests looking for flows of ownership, possession, money (often credit notes), information and risk. Differential human endowments, social mechanisms, action fields and the emergence of social infrastructure in the form of marketing systems can all be seen in the emergence and decline of these social structures or networks of exchange.

The emergence of black markets and barter-centers is often framed in social, cultural or economic terms. Looking at these emergent structures from a marketing systems and action field point of view offers fresh insights into functions, structures, outcomes and causation that enrich narrative history, and may raise deeper questions that, for example, explore the co-existence of formal and informal markets in a wide range of social and economic settings.

### *Role specialization in outback Australian pastoral development*

By 1850, the farming community in Australia, which had experienced significant growth in the early years of the century, was in trouble. The English wool boom was over, convict transportation had ended, the gold rushes were a distraction and many of the new farmers were inexperienced, ignorant of business, settled on poorer quality, less accessible land away from the coast and markets were distant. In particular, they lacked the resources and skills needed in sourcing and using finance, in the use of farm technology on the soils available, and in accessing markets, and looked to specialist service providers for these skills (Ville, 2000). These were found among the many agents or businesses that served the farm sector such as those providing long-term finance, arranging the sale of produce, advising on business and farming matters, all paid for from commissions received. These links between farmer and agent built long-term relationships, and led to the emergence of the unique role of the stock and station agent, one that continued through to the mid-twentieth century.

A starting point in a marketing systems-based approach is to identify one or more marketing systems that become (at least initially) the centers of attention – the focal marketing systems – and then to consider the social mechanisms that led to these focal systems. In this instance, a possible starting point is to focus on an agent, who may, for example, be engaged in pastoral finance, auctioneering, general merchandise, or transport and the farming households that the agent serves. Aggregating across all such agents in a community leads to a meso-level marketing system; further aggregation across all farming communities leads to consideration of a macro-marketing system concerned with the delivery of a wide range of farm services on a national basis.

At the micro-level, details of the dealings of the agent with its customers and suppliers, contained in diaries, letters, notes and other records provide important insights into the environment of the business and into the workings of the social mechanisms from which the business emerged. These might include innovation and invention adapting to changing circumstances, identifying and working within community norms, values and social practices, choosing customers, building community networks. At each stage in the growth of the business, changes in the action field linked to the focal system must be considered, as these lead to a continuing struggle for power, influence and competitive positioning, building social and economic capital. Comparing and contrasting these micro-level systems within and between communities may be relevant.

At the meso-level, similar considerations are needed, but here, for instance, the wider action field associated with the meso-level system may all be important in shaping the growth path of the marketing system. Local politics, connections, influence and power will play important parts in shaping competition between incumbents and challengers as farm

environments change and agents try to diversify their offerings to better meet the demands of customers. At the macro-level, attention shifts to the major pastoral companies who, recognizing the importance of offering a diversified range of services, take over individual agents in key locations to create a national presence, capable of exercising, for instance, lobbying and political power. At each level, the interaction between social mechanisms, action fields and focal marketing systems needs to be understood. The linkages between embedded micro-, meso- and macro-level systems are often crucial in determining overall system outcomes.

*And now, what about the Neanderthals? Did these communities form markets?*

The answer is still uncertain, but the question is important, as it directs attention to the conditions under which markets and marketing systems might form and grow. At what stage in the evolution of *homo sapiens* did communities begin to engage in some form of economic exchange? Could this have happened in the evolutionary path leading to Neanderthal communities in Europe and the Middle East? Could the establishment of necessary and sufficient conditions for marketing systems to form and grow yield insights into some of the seemingly intractable problems associated with remote subsistence level living?

Some of these issues have been addressed by Monica Smith in her studies of everyday life in deep history (Smith, 2010). Going back further to a period dating from 60,000 years ago, relatively late in the life of Neanderthal groups in Europe, scholars in the past two or three decades have uncovered evidence of the ways these communities lived (Finlayson, 2009; Papagianni and Morse, 2013). From about 45,000 years ago to 33,000 years ago, Neanderthal and *homo sapiens* communities co-existed in Europe. While they shared many attributes, including tool making, highly developed social skills, a capacity to anticipate the effects of action, an ability to communicate through language, and some awareness of symbolic meaning, they began to differ when *homo sapiens* discovered the benefits of village settlements and in particular, discovered gains from exchange, specialization and the creation of surplus (Finlayson, 2009). It seems likely that the preconditions did exist among Neanderthal communities for many of the social mechanisms driving the formation of marketing systems to take hold, this did not happen. Perhaps, there was little incentive to leave a nomadic hunter-gatherer way of life; perhaps, group size was a limiting factor; and perhaps, there was a limited capacity to adapt at both an individual and group level. There is little evidence then that markets did form among or between Neanderthal communities and the reasons for this failure remain important concerns, hinting at the reasons for the decline or failure of more contemporary groups, including for example remote communities, utopian settlements, refugee camps, and perhaps some of the urban poor favelas and ghettos.

### **Framing marketing history**

How might all this be used in the writing of marketing history? Perhaps, one of the most important and early choices is whether to make a marketing system framework implicit or explicit. An implicit use draws on either or both of the static and dynamic frameworks to identify the focal marketing system, the setting of this system in economic, physical and social spaces, to pinpoint essential structural and functional components and system outcomes, find and understand the primary and secondary social mechanisms driving causation in the focal system and related action fields and look for the emerging social,



economic and physical infrastructures (tangible and intangible) that shape development. Framing the study of a focal system in this way helps to ensure that all important features of the system are identified, their connections or relatedness established and the key causal processes at work recognized. Marketing system theory is used here simply to map or frame what is going on as a first step in thinking through a piece of marketing history.

A half-way house between an implicit and explicit use of marketing system theory might be found in the work of William Sewell, a social historian interested in the source, nature and consequences of historical events, who noted that such events transformed the underlying social structures, initiating often unpredictable change in the relationships generating social structure (Sewell, 2005). These micro-events lead, in turn, to recurring small revisions and shifts in the underlying social structures that can build up to yield continuous, or sometimes intense bursts of activity, becoming the internal triggers of macro- or historical events. This interaction between macro- and micro-events and structures, and the path dependencies that result, are characteristic of social and cultural history, and, specifically characteristic of the historical patterns observed in marketing history. Sewell uses his theory of events in a careful exploration of the first stages in the French Revolution, culminating in the storming of the Bastille. Similar studies looking at major events in marketing history could be framed in much the same way.

In an explicit use of marketing system theory, the use and testing of the theory is likely to occupy an important part of the narrative, sometimes edging toward the explanations common to comparative historical analysis. As Mahoney and Rueschemeyer (2003) point out, the nature of comparative historical analysis is such that:

First, comparative historical inquiry is fundamentally concerned with explanation and the identification of causal configurations that produce major outcomes of interest. In comparative historical studies, the causal argument is central to the analysis [...]. Second, comparative historical researchers explicitly analyze historical sequences and take seriously the unfolding of processes over time [...]. Finally, comparative historical inquiry is distinctive because its practitioners engage in systematic and contextualized comparisons of similar and contrasting cases (loc. 364/11860).

They go on to note that “This close inspection of particular cases also allows researchers to explore how variables may have different causal effects across heterogeneous contexts” (loc 420/11860). Historical studies of marketing events, actions, individuals or entities, roles, networks and emerging institutional patterns and structures together with the relevant environments are fundamental to the reconstruction of marketing theory.

Whether implicit or explicit, framing a study in marketing history using concepts drawn from marketing systems theory, helps to position the work as a contribution to marketing as a social discipline, not simply to marketing as a management or provisioning technology, important though these are. Framed in this way, historical analysis yields answers to the when, how and why things happened, in the process, widening and deepening the reach of theory in marketing. These answers, tested empirically in marketing history scholarship, are essential to the framing of marketing policy at all levels now and in the future. As Gaddis (2002, p. 3) notes, “we know the future only by the past we project into it. History, in this sense, is all that we have”.

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