Marketing's Role in Economic Development

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BOOK REVIEWS 385

especially helpful for those planning to enter via export and may well be a useful primer for the basic-level executive training programs and continuing education offerings of many universities. The authors have carefully "walked the line" between being too pedantic and too much like an extended World Trade magazine article. They are to be complimented for targeting an important niche and hitting it. I can assure you that the next time I have a new international business practitioner requesting the title of a good international marketing book, Czinkota, Ronkainen, and Tarrant will record a sale.

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Marketing's Role in Economic Development by Allen C. Reddy and David P. Campbell Westport, CT: Quorum Books, 1994, 143 pages, \$47.95

Reddy and Campbell make it clear that their book was "especially written . . . in an effort to reach public-policy audiences in poorer countries seeking economic development" (p. viii). Economic development is defined as the "changes in technical and institutional arrangements by which output is produced and distributed" (pp. 3-4). The authors specifically adopt the lesser known macromarketing view—a view that seeks to explain how marketing affects a country's entire economic system rather than the specific individuals and firms in the system. The book begins with an admission of marketing shortcomings in less developed countries (LDCs), proposes a model for understanding and initiating economic development, and presents cases from several countries to illustrate the utility of the model in economic development processes.

In describing the condition of marketing in LDCs, the authors assert that economic planners tend to pay more attention to production, investment, and finance than they do to problems related to efficiency in distribution (p. 21). This treatment is due partly to the fact that marketing is seen merely as the peddling of existing goods to consumers rather than the process of anticipating, managing, and satisfying demands through the exchange process. Marketing is seen as a wasteful, parasitic, and socially irrelevant activity that becomes important only after enough goods and services are on hand. The authors assert that most economic development models tend to ignore marketing altogether or treat it as a small portion of the production process.

A significant proportion of marketing effort in LDCs is devoted to efficient physical distribution, including the delivery of services and goods as well as the development of infrastructure to permit further development. This situation occurs because the LDCs tend to be seller's markets due to severe shortages of essential goods and services. Marketing in LDCs is characterized by developmental

gaps, lack of equity, nondiversified exports, persistent dualism, monopolistic power, and dependent structures. What passes for ingenuity often is tainted by poor ethical considerations or outright cheating in quantity, quality, and/or price. These problems interact to create more complex problems. The situation in the Commonwealth of Independent States (CIS) is used as an extreme example of what could happen when market forces are stymied or confiscated by those who do not understand them. Like other LDCs, the CIS economies are plagued by (a) lack of resources to produce and distribute consumer goods in abundance, (b) lack of understanding of capitalism, (c) lack of political background, (d) lack of sophisticated infrastructure, (e) lack of legal and contractual framework, (f) lack of convertible currency, (g) lack of consumer orientation, (h) lack of market research and demand forecasting mechanisms, (i) attitude of dependence on the government, and so on. Political hostility to marketing efforts in LDCs makes it unlikely that marketing forces will be researched at a high enough level where they could contribute to organizational change. Hence those LDCs that could benefit the most from marketing innovations often find themselves lacking the dynamic understanding of domestic and international marketing, which could help them to break the vicious circle.

The authors introduce a model, based largely on the Japanese economic success, that integrates marketing and economic development. The Macro-behavioral Model of Development operates on the assumption that economic development is a factor of deliberate planning, discipline, and willingness to sacrifice. The authors argue that the Japanese were able to achieve economic success because of the cooperation of their government, business, labor, and the public; their endowment with attributes such as adaptability, positive attitude, and achievement orientation; and their ability to discern domestic and international factors that offer strategic advantages. The Japanese economic miracle is said to have occurred because the Japanese either understood the productive aspects of their cultural and value systems or were able to teach their citizens those values that contribute to productivity. Although rejecting the universal application of this model to LDCs, the authors go on to instruct those desiring to adopt the model to consider taking a strong role in value molding through propaganda.

In an attempt to show how the Micro-behavioral Model has been or can be applied by economic planners in LDCs, two examples are used. The development of the Setubal region of Portugal is used as an illustration of the successful implementation of the Integrated Behavioral Model, whereas India is used as an example of how the model can be applied. Although there are no concept-for-concept correlations in most of the Setubal chapter, a belated attempt to draw the reader's attention to the relationship between the chapter and the concepts offered by the model is made in the final two paragraphs of the chapter. This is unfair to the reader in that he or she is forced to read the chapter again just to ascertain whether the claims are valid. However, this chapter clearly illustrates the significant role

that marketing could play in the development of a region. Setubal's economic revival is attributed to a deliberate effort by the government, labor, public, and business. These groups collaborated in restructuring laws to allow participants to achieve their goals, informing interested parties of their potential benefits, designating a specific region for the experiments, and making funding available. These developments were documented and advertised to the outside world. Subsequent growth in the region's economy became a testament to the realities of marketing's role in economic development.

Public-policy makers in poorer countries who expect to find profound truths on how to better their lots by reading the chapter on "Economic Development and India" will be very disappointed. Although the authors attempt to link the concepts of the Micro-behavioral Model to the Indian situation, they appear to have stretched the concepts a bit too far. The chapter offers no unique prescription for India; rather, it merely rehashes that India has social, political, economic, and technological problems that must be solved if economic development is to occur. How India could go about duplicating the Setubal experience is left unsaid. In fact, one finishes the chapter with a feeling of being educated on Indian sociology instead of on Indian marketing and economic developments.

The book is easy to read but promises more than it delivers, especially from the perspective of those seeking new insights into LDC economic woes. Although chapters 1, 2, 3, and 6 offer useful information on obstacles and potential solutions to economic developments in LDCs, chapters 4, 5, and 7 do not particularly break new grounds on this subject. Whereas the book is very long on socioeconomic issues in LDCs, it is very short on marketing's role in economic development in LDCs.

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European Retailing's Vanishing Borders

by Brenda Sternquist and Madhav Kacker Westport, CT: Quorum Books, 1994, 232 pp.

There is neither East nor West, border, nor breed, nor birth, when two strong men stand face to face, though they come from the ends of the earth!

—Rudyard Kipling (The Ballad of East and West, 1889)

The elimination of borders by dismantling trade barriers with the ratification of the Maastricht Treaty in late 1993 by the full members of the European Community (which became the European Union) has created opportunities and challenges for cross-border retailing in Europe

from West to East and from North to South. European Retailing's Vanishing Borders addresses this issue and appears to fill a unique niche on the subject of European retailing. This book is filled with a plethora of information that can make it a valuable reference. The book also discusses some broader aspects of the environment and trends influencing international retailing in Europe, with an emphasis on the countries in the European Union. In addition, there is a chapter on the development of retailing in Eastern Europe.

The meticulous, very detailed exhibits and charts of descriptive and statistical information make the book a significant resource guide, although they sometimes are cumbersome in their presentation and inhibit the flow of reading (i.e., there are about 35 pages of charts and tables in a book of 224 pages). However, there are some statistics not found in European Retailing that would have given the reader a more in-depth global perspective. For example, the nations in the European Union have about \$6.4 trillion gross domesic product (vs. the North American Free Trade Agreement at about \$6.6 trillion with \$5.7 trillion of that for the United States and with \$3.4 trillion for Japan). In terms of population, the European Union has about 330 million with an average per capita income of \$19,400 (vs. the United States with about 280 million and a similar average per capita income of \$22,400 and Japan with 124 million and an average per capita income of \$27,000 (Czinkota and Ronkainen 1995, pp. 92-95). All of these statistics add up to the situation that can make international retailing in Europe a key opportunity. It may have been further illuminating to include a more global perspective such as showing a list of the top 50 global retailers in terms of sales, profits, and assets. There also are no photos that could have made the book more "reader friendly."

The framework of the book seems logical, yet its structure may not do justice to the flow of the content of the book. European Retailing kicks off with a brief description of the global trends that influence the current retail industry "complexion," as the authors refer to it. The consumer behavior and marketing implications of these trends for retailers such as providing health care, fitness, and ways to look younger for the aging market and providing more convenience, luxury, and travel for dual-income households are not really explored (Target Marketing 1991). A brief historical discussion follows that centers on the transfer of retailing concepts from the United States to Europe. The wheel of retailing (McNair 1958), the retail accordion (Hollander 1966), and the retail life cycle (Davidson, Bates, and Bass 1976) are cited (but not described) as the theoretical bases for these transfers. The reader is assumed to have certain basic knowledge from the retail chapter of an introductory marketing text or a retailing text as a prerequisite to fully appreciating this book on European retailing.

The book mentions the necessity of understanding the motivations for global retail internationalization. However, instead of discussing the reasons why retailers expand into other nations such as those in Europe, an apology is