

## EXPLORATIONS AND INSIGHTS

*The Complete  
English  
Tradesman*

# *The Complete English Tradesman – business relations, trust, and honesty or ‘let’s rethink the history of relationship marketing’*

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Mark Tadajewski

*Durham Business School, Durham University, Durham, UK*

### Abstract

**Purpose** – This paper aims to provide a close reading of Daniel Defoe’s *The Complete English Tradesman*. It makes a case that many of the themes that Defoe engages with are consistent with later arguments offered by relationship marketing scholars.

**Design/methodology/approach** – This is a close reading of one of Defoe’s most popular texts, *The Complete English Tradesman*. It links this discussion with relationship marketing tenets.

**Findings** – Defoe pays considerable attention to key relational ideas, including the cultivation of a public perception of business honesty, the need to cater to customer requirements, treating the customer as the “idol” of the practitioner and undertaking a variety of actions to ensure that consumers trust the words and actions of the tradesman.

**Practical implications** – This paper highlights how ahistorical debates surrounding relationship marketing have been and calls for a return to the archives.

**Originality/value** – This paper supplements existing research that charts the implications for marketing thought of Defoe’s work, extending this via a juxtaposition of his writing with relational tenets.

**Keywords** Biography, History of marketing thought, History of selling

**Paper type** Research paper

### Introduction

Daniel Defoe (1660-1731) does not appear in typical lists of marketing texts. This, of course, does not mean that his work does not have relevance for marketing scholars. This paper will argue that his economic writings contain many insights into marketing practice. More than this, it contains the seeds of relational thought which are misleadingly presented as first appearing only in the late 1960s, early 1970s. At this historical juncture, marketing scholars once again apparently realised the benefits to be had by forming long-term relationships with their customers. When we read Defoe (1727/1987), focusing particularly on his important and influential *The Complete English Tradesman* (published in 1727), it is hard not to be impressed by the extent to which he fashions a vision of the ideal merchant who demonstrates an appreciation for the fact



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that business has always been founded on relationship formation, mutual benefits and fairness in exchange.

To orient what follows a brief gesture to the primary themes, underwriting relationship marketing is appropriate. In the first place, it has been defined as “all marketing activities directed towards establishing, developing and maintaining successful relational exchanges” (Morgan and Hunt, 1994, p. 22). Relational thought is an outgrowth of the marketing concept (Brown, 1998). This means that attention is focused on satisfying customer needs through the provision of appropriate goods and services (Palmer, 1994). In engaging with the consumer, superior standards of service are key (Gummesson, 1994a, 1994b), and ongoing engagement between the firm and customer will help foster trust (Anderson and Narus, 1990; Selnes, 1998) and commitment (Morgan and Hunt, 1994). Essential here is appropriate firm–consumer communication which must be tailored to the requirements of the intended audience (Hunt *et al.*, 2006). All of these activities are linked to the thesis that customer retention and the formation of long-term business–consumer relations are the desirable outcomes of business practice (O'Malley and Prothero, 2004; Tadajewski and Saren, 2009).

What we will see when we read Defoe for his marketing ideas is commensurability between his arguments and relational thought. In the interests of flow, it is not possible to structure this paper in the order that we have reviewed the components of relationship marketing above, but we will conclude this manuscript by explicitly linking Defoe's ideas with those explicated above. It must also be appreciated that we are not saying that Defoe should be credited with developing relationship marketing. Rather the point is to further historicise relational debate by highlighting the presence of similar themes much earlier than they have been identified to date (Haight, 2013; Tadajewski, 2008, 2009a, 2009b, 2011, 2015; Tadajewski and Saren, 2009).

Indeed, it is an axiological principle, when we read Defoe for his marketing ideas, that business needed to be operated with financial probity, customers had to be treated with respect, and if for some reason this system fell out of alignment, then compensation should be sought from the transgressor of accepted business custom. Exchange relationships, as this paper will show, were meant to satisfy both parties. Trust was a major theme in his writing: he spent time reflecting on how much trust one should place in employees and was well-aware that business success was conditional on the formation of long-term customer relations.

Studying Defoe is therefore of interest for multiple reasons. It complements recent studies that have engaged with the scholarly marketing literature from the early to mid-twentieth century charting relational tenets in that body of work (Tadajewski and Saren, 2009). Similarly, it extends our historical reflexivity beyond the mid-late nineteenth (Haight, 2013; Keep *et al.*, 1998; Tadajewski, 2008, 2009a, 2015) and twentieth centuries (Tadajewski, 2009b) by taking us back to the eighteenth century. This paper consequently contributes to ongoing dialogues on the history of relationship marketing that have been witnessed in the pages of this journal (Tadajewski, 2009a, 2015) and further punctures the intellectual egotism that assumes our historical antecedents operated on a “one-shot” or transactional approach to their customer base; an argument that many increasingly conclude is more rhetoric than reality (Möller, 2006).

We begin with some brief historical context, turning to the issue of mercantilism as a backdrop against which Defoe was writing. Attention is then turned to Defoe's biography. We subsequently engage in a close reading of his *The Complete English*

*Tradesman*, linking this text with relational tenets, to deflate the idea that this is a new paradigm for business and marketing practice.

### Historical context

During the middle of the seventeenth century, the legal climate in Great Britain underwent a profound change. There were a number of Navigation Acts introduced to Parliament and law. These basically limited the trade between England and its various colonies to British shipping vessels, and import privileges were limited to British ships for a time (until circa 1660). This had the result of greatly stimulating maritime activity in the country (McVeagh, 2000).

It cannot be overstated how influential the Navigation Acts were for trade in the British Empire. They led to an exponential expansion of mercantile activity which combined with the steady annexation of colonies ranging from Bombay through to New Amsterdam, and other American territories (McVeagh, 2000, p. 9) cemented the place of Britain as a pre-eminent force in the world. All of these factors were features of the business environment that Defoe watched with great interest and frequently proud nationalism.

Within this context, the reigning, but faltering, economic theory was mercantilism. For both biographers (West, 1998) and close readers of his fiction (Novak (1962)), Defoe's writings on trade are broadly mercantilist (albeit sometimes combined with *laissez faire* views). What this connoted was the idea that the state was the most powerful entity in society, replacing the Church. Reflecting this, the state was interventionist in the economy. It did not assume *ala* Adam Smith that the private pursuit of profit would translate into public benefit. Laws and regulations needed to ensure that trade was undertaken with the social good in mind, rather than just create pools of wealth among a few individuals (McVeagh, 2000; Novak, 1962). It was the task of trade to enrich the state, and those members of society that achieved this were highly valued. It is for this reason that the figure of the merchant becomes valorised during Defoe's lifetime. For mercantilists, trade was a competitive activity in which the benefits accrued by one nation were at the cost of their rivals. There was no "win-win" logic in play here. While it was never a clear system of thought (Novak, 1962), mercantilist ideas revolved around the idea that nations had to try to amass as much gold and silver as possible. They did this by exporting as much as was feasible and implementing import restrictions or high tariffs to prevent the outflow of bullion.

While these ideas were replaced at the end of Defoe's life with an axiology predicated on free trade, freedom for the entrepreneur and a belief that the motive force of self-interest would lead to public benefit, for Defoe, the transformations in the British economy must have affirmed then extant Mercantilist philosophy. Not only was world trade growing, with the English leading the charge, but also the British economy itself was undergoing rapid changes. Agriculture was being radicalised by new farming methods. There was a dearth of manual labour which had a knock-on effect in terms of wages (McVeagh, 2000). Standards of living were increasing across the classes. As McVeagh outlines:

By 1713 England had the world's most broadly based economy and its biggest merchant fleet. The standard of life among modestly well-off and poorer families had risen onto "a different plane" from that of a century before, with cheap consumer goods more readily available

including Madeira wine, Spanish raisins, figs, oranges, Italian silks and oil (McVeagh, 2000, pp. 10-11).

In short, Daniel Defoe entered a world in which trade was growing and a topic of fascination for many. It was an interest he would nurture for his whole life.

### **Daniel Defoe: the man**

Daniel Defoe was a man of many talents. Among his occupations, he was a novelist, pamphleteer, publisher of numerous periodicals, advisor to William of Orange, government spy, manager of a lottery, hosiery wholesaler, tile manufacturer, linen producer, wine merchant, horse trader and farmer among many others (West, 1998, pp. 14, 32, 133, 216). Somewhat ironically for a man who wrote a very popular manual that was intended to advise tradesmen about best practice in the eighteenth century, there was one common theme regarding his business endeavours: they were frequently successful for a short time, only to fail, and fail badly, leaving Defoe at the mercy of creditors.

He went to prison numerous times for his failure to manage his finances. He lost houses, businesses and his wife's considerable dowry through his business activities. His outspoken criticism of various groups including prominent Members of Parliament who he condemned as having secured office through corrupt means (West, 1998) did not endear him to powerful groups. He was described "as a devil of mischief" (West, 1998, p. 64), courtesy of his political commentary and notorious for treating all groups and religious denominations, as fair game for criticism that he believed (largely) was justified in the name of intellectual and political tolerance. This willingness to question the status quo landed Defoe in prison, and he was sentenced to the pillory. The latter was a serious problem.

Depending on the crowd and what they decided to throw at the unfortunate prisoner (i.e. bricks and stones), it could result in serious injury and death. Defoe's criticism of established figures, however, resonated with the public, and he was pelted with flowers. Throughout his life, his career and finances were helped by the assistance of influential government figures who saw in Defoe a powerful ally for their various causes. His writing skill and ability to popularise political, trade, financial and other information was highly sought after, and his intellectual output was truly prodigious. In 1722, for example, Defoe wrote no less than six books (West, 1998, p. 252). Generally, though, he earned his keep turning out pamphlets that seem to have met with the approval of his paymasters (although Defoe stressed that he did not tailor his writings for pay). He was hired as a spy, sent around Great Britain in a public opinion polling role, speaking to people in various locations trying to determine which way the political winds were blowing. Throughout many of these different activities, Defoe would continue to write – in his own periodicals and for others – about trade and business activities. This was "his favourite subject" (West, 1998, p. 194).

### **Daniel Defoe: marketing thinker**

Clearly, Defoe is well-known for his fiction. *Robinson Crusoe* and *Moll Flanders* features among some of his most popular texts. But he was also one of the most prolific writers of the eighteenth century, with scholars attributing over 500 books, pamphlets and articles to his credit (Novak, 1962; Shaw, 1995). These touched on a variety of topics from politics, economics, history through to what we would call sociology today (Novak,

1962). His contributions to management and marketing thought are, however, much less frequently noted.

Half a century before Adam Smith's seminal *The Wealth of Nations* (Hamilton and Hamilton, 2005), Defoe published *The Complete English Tradesman* (called *Tradesman* hereafter), a book directed at a varied readership, including farmers, manufacturers, retailers, wholesalers, ship owners, travelling salesmen, brewers, butchers and horse traders, among others (De Foe, 1841, pp. 207, 208, 210, 211). Each of these groups had the potential to contribute to the social good through their activities, circulating funds (in the best mercantilist fashion), providing needed goods and services and enriching themselves and the state through their taxation payments (Novak, 1962). As Defoe wrote, "trade is a public benefit [...] the tradesmen are a public blessing" (De Foe, 1841, p. 99).

What might surprise contemporary readers is that this book was more popular than the vast majority of his fiction, *Robinson Crusoe* excepted (West, 1998). As a recent paper has noted, the wealth of material contained in *Tradesman* is remarkable, spanning "accounting and cost flow to inventory control and customer service" (Hamilton and Hamilton, 2005, p. 1,304). Given this diverse range, we will consider only those points where Defoe appears to highlight relational themes. What we must appreciate from the start is that Defoe does not just document so-called "win-win" exchanges but also the dark side of relationship formation, maintenance and dissolution (O'Malley and Prothero, 2004; Tynan, 1997).

### The customer, trust and distributive justice

As Defoe underscores repeatedly, the savvy tradesman should direct his attention to customers who have demonstrated their honesty, responsibility and willingness to pay their bills on time. These consumers are targeted with appropriate correspondence, which cultivates and reaffirms the tradesman's commitment to them. All communications, Defoe argues, have to be written with the intended audience in mind in terms of the language used and formality adopted. For Lund (1998, p. 515), Defoe is effectively stressing the need for the merchant to ensure that they engage in "audience analysis", "adjusting the message to the specific needs and expectations of the reader".

What the tradesman cannot avoid doing – in the great majority of cases – is providing credit. This means that his vision of trading activities is contingent upon trust and commitment (Hamilton and Hamilton, 2005), the central elements of relationship marketing (Morgan and Hunt, 1994). Tradesman had to be trusted with credit, as without credit, the industrial system would falter and stagnate (Stevens, 1977). It is a feature of Defoe's writing that he often reminds the tradesman not to do anything to jeopardise their credit rating (De Foe, 1841, p. 84). Clearly, the provision of credit had to be accompanied by the sourcing of stock and goods that the customer would actually want to purchase. For this reason, Defoe counsels his reader to ensure that they know where to source the most desirable items in any given product line. Reflecting this, he outlines the locations of various goods, directing the tradesman to particular counties well-known for relevant materials (De Foe, 1841; Shaw, 1995).

Business people tended to follow the homophily principle, congregating in specific locations. This was beneficial in that customers would necessarily seek out trade in certain quarters, thereby enabling the new merchant to promote their wares to the largest audience (Shaw, 1995). Differentiation was possible by virtue of superior market

knowledge. Defoe, in spite of obviously not using the term, articulated a kind of rough segmentation (Hamilton and Hamilton, 2005). Different markets preferred different assortments of goods. Their needs and requirements had to be taken into consideration – an idea closely associated with the marketing concept which Defoe does – as discussed below – come very close to articulating. In addition, he is quick to acknowledge that relationships with customers do develop over a prolonged period of interaction between the merchant and consumer. They are a function of superior customer service which combined with the availability of credit are likely to foster bonds between the dyad, leading to repeat business (Hamilton and Hamilton, 2005, p. 1309; Lund, 1998, p. 514).

While Defoe was willing to engage in prestige pricing (Shaw, 1995) and happy to pass on costs to wealthy customers, he also points out that merchants did not need to engage in price competition, especially if this led to reductions in product quality. Rather, they were better off producing high-quality goods, pricing them appropriately and letting the customer realise the positive trade-off regarding costs and benefits (De Foe, 1841); advice that he said was generalisable to whole industries in their competition with offerings from other nations.

In conjunction with the above factors, attracting and maintaining the patronage of customers was dependent upon the contribution of the owner, shop-manager and “shop-boys”. Defoe unpacks the various roles that each worker was supposed to play: the owner of the business should make his presence conspicuous and his “shop-boys” should be used only in a supporting role, fetching and providing goods to customers, rather than assuming a central role in consumer relations. This is because they are not as motivated to ensure that the customer is satisfied, with the result being that they may lack “courtesy, civility and good manners” (Defoe, 1727/1987, p. 65).

Servants, Defoe remarks, may act like “saucy boys”, preferring to play and talk among themselves when customers enter the shop and largely ignore them until directly approached. It is this lack of attention to appropriate service – the competitive weapon by which the business can seek to differentiate itself (Christopher *et al.*, 1991) – that is problematised in Defoe’s work. He writes that some “shop-boys” have a tendency to talk to the customers as if “they cared not” whether they actually patronised the shop. They treated the prospective consumer as if “they had rather that you were gone”. The result of this is perhaps obvious, with the customer leaving the store fairly promptly and refusing to revisit in future: “I will go there no more, not I” (Defoe, 1727/1987, p. 109).

Drawing out the potential implications of this need to manage staff–customer relations, Defoe calls upon the manager/owner/shop-boys to control their “passions” when dealing with the consumer. This emotional control is important, as Defoe registers that customers do not always buy goods on their first visit to a store. Instead, they are likely to visit multiple times, examining the stock for its quality and suitability before they determine the products they intend to purchase. Certainly, some will not purchase anything at all, but the successful merchant should not be concerned by this or change their behaviour. Politeness and civility have to be the guiding principles for the retailer, and he must deal with customers who are sometimes rude:

It is his business to be ill used and resent nothing; and so must answer obligingly to those who give him an hour or two’s trouble and buy nothing, as he does who in half the time lay out ten or twenty pounds (Defoe, 1727/1987, p. 64).

The retailer has to remain composed: “A tradesman behind his counter must have no flesh or blood about him, no passions, no resentment” (Defoe, 1727/1987, p. 64).

What arguably Defoe is suggesting here is that impression management is an important feature of business–customer relations. Whatever trade they are in, whether “mercator or draper”, those employees who come into contact with the patron must be courteous, civil and possess good manners. Even if it is clear to the shop-manager that the customer is deliberately obstructive or difficult – a theme that resonates through the early marketing literature in particular (Leigh, 1921; White, 1927) – “he must at least appear not to see it” (Defoe, 1727/1987, p. 65). For Defoe, every employee in close contact with the potential customer must be a “part-time marketer” (Gummesson, 1991), and this is pertinent in an age where word-of-mouth communication was of primary importance:

He must not be affronted or anyway moved [...] nor in anyway show dislike or distaste; if he does he reproaches not only himself but his shop [...] and it is not to be imagined how, in this gossiping, tea-drinking age, the scandal that will run, even among people who had no knowledge of the first person complaining (Defoe, 1727/1987, p. 65).

It is through this composure that the retailer can secure present and future business (Defoe, 1927/1987, p. 70).

As he explains, the customer must be at the centre of the mercantile universe whose needs, wants and desires are the axis of his attention. The remarks that Defoe makes on this topic, add weight to the arguments made many times before by marketing historians regarding historical predecessors of the marketing concept. The marketing concept, as is well-known, is predicated on orienting all business activities around the customer, providing what they need and demand (Keith, 1960), assuming that it is profitable to do so (Houston, 1986). Historically, the practices associated with this conceptual architecture have been traced back through the twentieth (Hollander, 1986; Tadajewski and Saren, 2009), the nineteenth (Jones and Richardson, 2007; Tadajewski, 2008) and eighteenth centuries (Blythe, 2006; Fullerton, 1988), in fact all the way to Hellenistic Greece (Nevett and Nevett, 1987). With this in mind, it not surprising that Defoe signals his subscription to the ideal of making the customer central to business practice:

The sum of the matter is this: it is necessary for a tradesman to subject himself, by all the ways possible, to his business; his customers are to be his idols; so far as he may worship his idols by allowance, he is to bow down to them and worship them; at least, he is not [in] any way to displease them, or show any disgust or distaste at anything they say or do. The bottom of this all is, that he is intending to get money by them; and it is not for him that gets money by them to offer the least inconvenience to them [...] but he has to consider, that, as Solomon says. “The borrower is always the servant to the lender”, so the seller is the servant to the buyer (Defoe, 1727/1987, p. 71).

Consistent with this view, Defoe asserts that while customers frequently do enjoy the experiential aspects of the retailing environment, the “show” will only encourage them to visit the emporium initially[1]. For long-term customer relations, the spectacle must be supported by substance. While it is true that people will visit a shop because the environment is pleasantly decorated with “gilding and painting”, it is the more practical benefits that will ensure long-term “fame”:

It is the having a shop well fitted with goods, having a good choice to sell, and selling reasonable – these are the things that bring a trade, and a trade thus bought will *stand by you*

*and last*, for the fame of trade brings trade anywhere (Defoe, 1727/1987, pp. 182-183; emphases added).

Although Defoe discusses the formation of relational bonds with the potential or current customer, he is equally aware that this is only one relationship that the tradesman should cultivate. Equally important are those with fellow tradesmen and creditors.

Defoe is at pains to stress that networking should never be taken to the extreme that it becomes detrimental to the business. Socialising at the coffee shop or public house could ultimately be problematic if it started to encroach on the time they needed to devote to the management of their shop. Indeed, he highlights numerous cases where drunkenness led to a subsequent loss of trade. Despite registering this potential issue, he remains convinced that:

[...] tradesmen are always profitable to one another, as they always gain by trading together, so they never lose by conversing together; if they do not get money, they gain knowledge in business, improve their experience, and see farther and farther into the world (Defoe, 1727/1987, p. 35).

It is this relational spirit, that is maintaining positive and pleasant relations with other members of the same industry that Defoe proposes should guide business practice. To highlight this, his writing is infused with a deontological emphasis, with Defoe commenting that each retailer should be committed to distributive justice. They should always attempt to do “justice” to their fellow traders, by respecting the current market price and avoid underselling, as “to undersell is looked upon as an unfair kind of trading” (Defoe, 1727/1987, p. 160).

It is hard not to be struck by the emphasis that Defoe places on practitioners acting in an ethical and just manner:

Honesty is never out of season to a tradesman; but more essential when he is grown great and rich, than even at his beginning. At first we say, there is no fear of him, he dares not be a knave; his stock of credit being just in its rise, and the foundation but just laying, he cannot but know that the least unfair action exposes him at once, and he is blown up and gone (De Foe, 1841, p. 84).

He must treat fellow merchants well, customers equitably, especially the poor whose consumption habits Defoe sought to protect by arguing that the products favoured by the wealthy should be subject to the highest levels of taxation (Novak, 1962, p. 13). For those customers who had demonstrated their credibility in terms of timely payments, the tradesman was encouraged to provide them with goods on trust (De Foe, 1841, p. 30). In terms of his workers, merchants were advised to delegate important tasks to high quality employees such as the keeping of accounts (De Foe, 1841, p. 4). This obviously involved a degree of trust given how essential accurate records were if a debtor defaulted on their payment schedule, with the courts requiring an appropriate paper trail to determine their judgments.

In some cases, the tradesman might even go above and beyond what is expected. Defoe provides the example of a merchant acknowledging the receipt of goods even though the person selling them kept no records of delivery or purchase. The decent merchant should not take “advantage of the other’s negligence” (De Foe, 1841, p. 142). By treating everyone well, paying his bills and being honest, a tradesman can have a long and successful career:



[...] having prospered thus long, he has gained a reputation and character in the world; that he is deemed an honest, open-hearted, generous, fair-dealing tradesman; that everybody speaks well of him, loves to deal with him; and whether they get or lose by him, they are always pleased; that he treats the rich with good manners, and the poor with good language [...] he is a punctual paymaster [...] that he takes no unjust advantage [...] and scorns, in short, to do an ill thing, though he might gain by it; that his word is as sacred as his bond; that he never grinds the face of the poor, but pays for his work cheerfully and readily, and is content to let poor men live by him [...] in a word, that he is a fair, downright, honest man; God has blessed him, and ever body gives him a good word (De Foe, 1841, pp. 86-87).

Given his background as a bankrupt Defoe was well-aware that reputation and character judgments were tenuous, they could easily turn from positive to negative. As such, he cautions even the successful merchant about ensuring that all relations were kept positive, right up to the day that they decide to close their business for good. The fact that they were not likely to trade with people again did not mean that politeness and civility should be jettisoned. In a citation worth reprinting because it touches upon issues of distributive justice, honesty, long-term exchange relations and reputational issues, Defoe proposes to the retiring merchant that they should strive to ensure that they leave the business community with a good impression of themselves:

[...] by leaving off quietly, and going out of trade in a calm [manner], I mean that he should do generous and kind things by the world at parting; not exacting the utmost penny with severity, where it cannot be had without distress; not doing hard things by any man, which, at another time, he would not do upon the score of further trade; and tear mankind to pieces, with this expression, What do I value this obliging him? I shall get no more by him, and therefore I will have my money [...] But [...] those that do it, will reproach him with incivility and ingratitude, after long, fair, and friendly usage, and after having gained many thousands or hundreds of pounds by them [...]. As nothing is of more value to a tradesman, while in business, than his credit, so nothing can be more valuable to him at his going out of business, than his reputation; to trade fairly and leave off handsomely finishes a tradesman's scene of business, and finishes it the most to his advantage, and in the best manner he can desire, and he goes off with applause (De Foe, 1841, pp. 142-143).

But he was not naïve enough to assume that all members of the marketplace would act in a manner commensurate with the social good. Some might be focused on their own advantage and not pay for goods received. They might deny they had requested them at all (De Foe, 1841, pp. 36-37). So, mutual benefit and honesty was not always the order of the day. The marketplace was also a domain of conflict (Tadajewski, 2012). Indeed, he outlines the factors most likely to lead merchants to prioritise their benefit and financial remuneration irrespective of the cost to others, whether retailers or the ultimate consumer. He calls this a form of “trading tyranny” (De Foe, 1841).

### **Trading tyranny**

“Trading tyranny” was antithetical to his mercantilist perspective, as it curtailed the circulation of funds around the market and undermined the stability of trading relations. His writings engage with both the trading tyranny of the wealthy and the subversion of trading relations by less affluent groups like peddlers (Novak, 1962). But it is against the background of his interest in the stability of the business environment (Novak, 1962), combined with his concern for those who, courtesy of bad economic luck, could end up on the breadline that his views become clear. He relates an instance where this circulation is short-circuited by an avaricious wealthy merchant (a D.E. of

Northamptonshire). By contrast to his merchant neighbours who lack the financial reserves to operate outside of the traditional channel network with its provision of credit and assistance, this wealthy merchant goes directly to the production source, buying the product cheaper than is possible via the circuitous distribution mechanisms. This means he is able to sell the products in his store for less than his retailing brethren who eventually end up going out of business. For Defoe, this was a profoundly unhealthy circumstance because of its effects on different parts of the channel:

[...] the channel of trade is turned, the steam is cut off, and all the families that were employed [...] are cut out of their business, and turned loose in the world to get their bread some other way, or perhaps want it. And what is all the benefit which is made by this spoil upon trade? Only this, to make one covetous man rich; and that squire D.E., of Northamptonshire, may get his suits of clothes so much a yard cheaper; which is of no great concern for him [...]. This is cutting off the circulation of trade; this is managing trade with a few hands; and if this practice, which is indeed evidently begun, was come to be universal, a million people in England, that now live handsomely by trade, would be destitute of employment, and their families, in time, want bread (De Foe, 1841, pp. 93-94).

By contrast to an adversarial relationship, Defoe underlines the need for fair dealing. This made commercial sense. Cheating other merchants might mean they respond in kind. In addition, he emphasises the “justice” involved in all marketplace endeavours:

[...] he cannot, without seeming to undersell, his neighbour-shopkeepers, to whom there is justice due in trade, which respects the price of trade, which respects the price of sale; and to undersell is looked upon as an unfair kind of trading (Defoe, 1727/1987, p. 160).

Despite his plea for marketplace justice, “trading tyranny” can arise for a number of reasons. Less problematically, it might be a function of a new, young merchant, trying to secure business by pricing their goods very low. This attracts customers in search of a bargain at least in the short term, even though the logic driving the new merchant is that this pricing strategy will help foster longer-term relations with his market. Defoe indicates that this was a dishonest method of securing custom. But it was not only the merchant being deceptive in this situation (i.e. he will not maintain the low prices). Defoe avers that customers effectively practice a form of deception in that they lead the tradesman to think they will become long-term patrons when their purchasing behaviour was opportunistic, with the consumer willing to play their part in ruining the trader (De Foe, 1841, p. 104).

Defoe, however, is more concerned with the already wealthy merchant who desires to enrich himself at the cost of his industry colleagues. His explanation of the tactics used by this rich merchant would fall under the umbrella of a “hardball” strategy: “Hardball players pursue with a single-minded focus competitive advantage and the benefits it offers – leading market share, great margins, rapid growth, and all the intangibles of being in command” (Stalk and Lachenauer, 2004, p. 64). Avarice, he contends, can have very unhealthy effects on industry structure, driving out producers and retailers whose participation did have desirable social effects through employment and so forth. Specifically, he reflects upon the negative social influence of a rich merchant deciding they were going to price their goods very competitively to corner the market for particular items. As he puts it:

It is certain that a rich well thriven tradesman may be a blessing to the public, as he is a credit to it; and he may carry on a great trade without being a hindrance to others, especially if he will

preserve the title of a fair and generous tradesman, that is, be willing to let other men live by him, and live with him, and trade. But if, on the other hand, he sets up to be an engrosser in trade [i.e. buying up the market supply of a particular good] [...] and runs down his neighbours, he is not indeed an honest man; for he is far from doing as he would be willing other men should do by him (De Foe, 1841, pp. 85-86).

This wealthy merchant hurts those less able to meet his competitive terms:

Nor does the mischief end here; he is not content to run down the poor tradesmen who live near him, by underselling, but he does the same in its kind by all the manufacturers whom he employs; for he will buy nothing but with the utmost grinding and screwing, beating them down to the lowest pitch of living, and even below living, till they are so far from letting a tradesman or workman live under them (De Foe, 1841, p. 104).

There are ways in which the retailer can deal with more typical competitive conditions. A retailer, he asserts, can ensure that he is not disadvantaged by accumulating as much information about market conditions as possible, including the various qualities of goods available at multiple price points. If they do not undertake basic market research, it is probable they will pay over the odds. In Defoe's parlance, they are "bubbled" with the warehouse salespeople revelling in their "triumph over his ignorance when he is gone" (Defoe, 1727/1987, p. 11). Having acknowledged this, Defoe follows his remark with a note of optimism, stating that even in the competitive climate of the eighteenth century there are retailers and wholesalers who do not take advantage of their customers, especially if they are more honest and conscientious than "most of the tradesman of this age seem to be" (Defoe, 1727/1987, p. 28). Nevertheless, there are a variety of other factors that can puncture trusting relations between the merchant, their suppliers and customer base. The next section deals with each in turn.

### **Puncturing trust, reaffirming honesty and heading towards dissolution**

To further buttress trust in the marketplace, Defoe offers normative guidance. He talks about counterfeit money which impinges on issues of trust-relations with customers and stakeholders, he engages with reputation and product quality and finally credit.

Acknowledging that there was a great deal of counterfeit currency in circulation, Defoe notes that not only is the passing of counterfeit currency illegal but equally "dishonest and knavish" (Defoe, 1927/1987, p. 170). He is particularly scathing on this issue, explaining that the exchange of counterfeit money for products or services is highly unethical and detrimental to general business practice: "that piece of money is no more than an instrument to deceive others" (Defoe, 1727/1987, p. 172). To deal with this issue, Defoe suggests that the tradesman destroy any such monies. While he will lose the face value of the currency, the merchant will be providing a "good service to the public" (Defoe, 1727/1987, p. 172). In addition, there is a potential marketing value to taking this currency out of circulation. The retailer can display it in their shop, thereby emphasising their commitment to honesty and fair dealing. This practice accentuates the fact that the tradesman is reliable, dependable and honest, giving the consumer another reason to frequent the establishment.

His second object of attention relates to reputation. As Egan registers, those interested in pursuing a relationship marketing approach must maintain their reputation. Reputation, Egan (2004, p. 102) asserts, "matters, and in particular the historical trustworthiness of parties following previous interactions". In recognition of the importance of reputation for continued customer patronage, Defoe draws attention

to the various tactics that the unscrupulous merchant might utilise. These include “every false gloss put upon woollen [...] [products], by hot-pressing, folding, dressing, tucking, packing, bleaching” (Defoe, 1727/1987, p. 173). In equal measure, such practices as the use of false lights, “artificial side-window[s], sky-light[s], and trunk-light[s] [...] made to show the fine Hollands, lawns, cambrics [...] to advantage” can also be used to “deceive the buyer” (Defoe, 1727/1987, p. 173). In contrast, those activities intended “to make the goods show what they really are, and nothing else” are perfectly acceptable (Defoe, 1727/1987, p. 174), anything else presents an illusion of product quality which will be falsified by experience.

Trust–relations also figure prominently in Defoe’s discussion of credit and the relationship of the retailer to their creditors. Credit represents “the choicest jewel the tradesman is trusted with” (Defoe, 1727/1987, p. 237). It is a jewel that must be retained and this is no easy task. As such, the main questions that should occupy the retailer are:

What is the man to do to preserve his credit? What are the methods that a young tradesman is to take, to gain a good share of credit in his beginning, and to preserve it and maintain it when it is gained? (Defoe, 1727/1987, p. 239).

The answer to this question is obvious for Defoe:

Two things raise credit in trade [...] 1. Industry. 2. Honesty [...] nothing can support credit, be that public or private, but honesty; a punctual dealing, a general probity in every transaction (Defoe, 1727/1987, p. 239).

Honesty is important because if the retailer breaks his promise to deliver interest payments or violates his credit agreements, he will quickly garner a reputation as “a knave, and you will not need forbid any man to trust him” (Defoe, 1727/1987, p. 239).

On the other hand, if a retailer sees his business failing and attempts to forewarn creditors, this honesty is likely to be repaid in kind. Defoe’s comments in this regard were not consistent with his personal experience, as he was haunted by a number of particularly tenacious creditors for over thirty years, leading him to go into hiding during the final years of his life. Perhaps, therefore, there is an element of wishful thinking in Defoe’s suggestion that admitting defeat in business endeavours promptly, before the losses become too great, was likely to be met with respect (West, 1998):

[...] you will certainly be received by your creditors with compassion, and with a generous treatment; and, whatever happens, you will be able to begin the world again with the title of an honest man – even the same creditors will embark with you again, and be more forward to give you credit than before (Defoe, 1727/1987, pp. 59-60).

Put slightly differently, the tradesman had to ensure that they managed their relationships with pertinent stakeholders even when their business was heading towards dissolution.

### Conclusion

The experiences of Daniel Defoe and his business practices provide the reader with a cautionary tale. He was fascinated by business, engaged in a great many different endeavours, but failed to adhere to much of the advice that he included in *The Complete English Tradesman*. He often over extended himself, undertook very risky investments, failed to maintain the accounts that he believed were essential to successful business

management, went bankrupt, was imprisoned for his debts and ultimately was chased by creditors until the end of his life. Fortunately for Defoe, he was gifted in terms of writing political pamphlets which enabled him to live a reasonably privileged life. Moreover, powerful political supporters helped free him from debtors prison on multiple occasions, providing him with the funds to start his business enterprises afresh (West, 1998). None of his business activities were a success, so it seems paradoxical that he was able to pen such a rational and reasonable practitioner-oriented text like *The Complete English Tradesman* that contains insights that resonate with many contemporary ideas in marketing thought today.

To connect the dots as it were, let us return to the key ideas underwriting relational thought.

As was explained, all activities undertaken by a firm or retailer were intended to cement positive relations with the customer. In Defoe's work, it was the provision of credit that bound the consumer to the retailer or wholesaler. All parties involved had to ensure that the moral and legal obligations to pay bills on time and in full were met. So, what we see here is a partial engagement with relational theory. What we mean by this is that the relations were based upon trust and commitment (Anderson and Narus, 1990), but were backed up by the weight of the legal community. This means that they deviate slightly from the ideal-type arguments offered by relationship marketing scholars who link this perspective with non-contractual interactions (Saren and Tzokas, 1998). However, in practice, it is doubtful whether companies engaging in relational approaches rely purely on moral and ethical obligation, refusing recourse to the legal community if circumstances dictate it.

It was noted that relationship marketing is often viewed as a development of the marketing concept, seeking to extend the commitment to satisfying customer needs, wants and desires into the long-term through customer retention (Brown, 1998; Tadajewski and Saren, 2009). Defoe engaged with very similar ideas, depicting the customer as the "idol" of the merchant. Their needs, wants and desires had to be satiated. This was only possible if they were provided with goods and services that met their requirements, ideas that Defoe encouraged his reader to appreciate. Connected to this, he registered that the selling environment had to be pleasant, with service staff who were approachable, civil and customer-oriented. This focus on consumer service chimes with the proposals offered by prominent relational thinkers (Gummesson, 1994a, 1994b) as does Defoe's suggestion that his tradesman engage in a form of "audience analysis", tailoring their communications to the needs and interests of their target market. Communication, as Hunt *et al.* (2006) appreciate, is central to fostering and affirming company–consumer connections. Perhaps most importantly, Defoe also explained that if all of the above factors were in alignment, then customers would seek out the retailer and return to the store again and again. This reference to consumer retention is consistent with a relational axiology (O'Malley and Prothero, 2004).

Equally, however, relationship marketing is not solely about beneficial and healthy relationships. There is an emergent literature that engages with the dark side of relationship formation and dissolution (Tynan, 1997). Defoe's text charts a variety of attempts to subvert existing trade relations which had detrimental effects on the industry as a whole. These were arguably types of relationships, just not the typical "win-win" descriptions found in the relational canon (Tadajewski, 2009b). In short,

Defoe provides us with an insight into both streams of relational discourse, the light side and dark side.

In this paper, we have only scratched the surface of Defoe's business ideas, but the topics we have explored all support the contention that many of the themes associated with relationship marketing were features of the eighteenth century business landscape as it was painted by Defoe.

#### Note

1. The store had to be appropriately furnished. Defoe is somewhat cautious in this regards, stressing that business people should not waste their funds extravagantly outfitting their retail environment. Whatever location is chosen, it should be airy, suitable for purpose and always busy. The latter helped reaffirm that the tradesman was apparently successful, with his products and services in high demand (Stevens, 1977).

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#### About the author

Mark Tadajewski is a Professor of Marketing at Durham University. He is the co-editor of the *Journal of Marketing Management* and an associate editor of the *Journal of Historical Research in Marketing*. Mark Tadajewski can be contacted at: [mark.tadajewski@durham.ac.uk](mailto:mark.tadajewski@durham.ac.uk)

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