Chapter 4

THE ANALYTICAL FRAMEWORK FOR MARKETING*

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My assignment is to discuss the analytical framework for marketing. Since our general purpose here is to consider the improvement of the marketing curriculum, I assume that the paper I have been asked to present might serve two functions. The first is to present a perspective of marketing which might be the basis of a marketing course at either elementary or advanced levels. The other is to provide some clue as to the foundations in the social sciences upon which an analytical framework for marketing may be built.

Economics has some legitimate claim to being the original science of markets. Received economic theory provides a framework for the analysis of marketing functions which certainly merits the attention of marketing teachers and practitioners. It is of little importance whether the point of view I am about to present is a version of economics, a hybrid of economics and sociology, or the application of a newly emergent general science of human behavior to marketing problems. The analytical framework which I find congenial at least reflects some general knowledge of the social sciences as well as long experience in marketing analysis. In the time available I can do no more than present this view in outline or skeleton form and leave you to determine how to classify it or whether you can use it.

An advantageous place to start for the analytical treatment of marketing is with the radical heterogeneity of markets. Heterogeneity is inherent on both the demand and the supply sides. The homogeneity which the economist assumes for certain purposes is not an antecedent condition for marketing. Insofar as it is ever realized it emerges out of the marketing process itself.

The materials which are useful to man occur in nature in heterogeneous mixtures which might be called conglomerations since these mixtures have only a

*This paper was originally printed in Delbert, Duncan Ed. (1958) Proceedings: Conference of Marketing Teachers from Far Western States Berkeley, University of California, pages 15-28.
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random relationship to human needs and activities. The collection of goods in the possession of a household or an individual also constitutes a heterogeneous supply, but it might be called an assortment since it is related to anticipated patterns of future behavior. The whole economic process may be described as a series of transformations from meaningless to meaningful heterogeneity. Marketing produces as much homogeneity as may be needed to facilitate some of the intermediate economic processes but homogeneity has limited significance or utility for consumer behavior or expectations.

The marketing process matches materials found in nature or goods fabricated from these materials against the needs of households or individuals. Since the consuming unit has a complex pattern of needs, the matching of these needs creates an assortment of goods in the hands of the ultimate consumer. Actually the marketing process builds up assortments at many stages along the way, each appropriate to the activities taking place at that point. Materials or goods are associated in one way for manufacturing, in another way for wholesale distribution, and in still another for retail display and selling. In between the various types of heterogeneous collections relatively homogeneous supplies are accumulated through the processes of grading, refining, chemical reduction and fabrication.

Marketing brings about the necessary transformations in heterogeneous supplies through a multiphase process of sorting. Matching of every individual need would be impossible if the consumer had to search out each item required or the producer had to find the users of a product one by one. It is only the ingenious use of intermediate sorts which make it possible for a vast array of diversified products to enter into the ultimate consumer assortments as needed. Marketing makes mass production possible first by providing the assortment of supplies needed in manufacturing and then taking over the successive transformations which ultimately produce the assortments in the hands of consuming units.

To some who have heard this doctrine expounded, the concept of sorting seems empty, lacking in specific behavioral content, and hence unsatisfactory as a root idea for marketing. One answer is that sorting is a more general and embracing concept than allocation which many economists regard as the root idea of their science. Allocation is only one of the four basic types of sorting all of which are involved in marketing. Among these four, allocation is certainly no more significant than assorting, one being the breaking down of a homogenous supply and the other the building up of a heterogeneous supply. Assorting, in fact, gives more direct expression to the final aim of marketing but allocation performs a major function along the way.

There are several basic advantages in taking sorting as a central concept. It leads directly to a fundamental explanation of the contribution of marketing to the overall economy of human effort in producing and distributing goods. It