Toward a Theory of Macromarketing

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Abstract
Macromarketing has not received the pedagogical attention and support it deserves because it lacks a well-accepted theory. This paper attempts a theory of macromarketing based on the concept that purpose of macromarketing is, or ought to be, the development and maintenance of a harmonious relationship between marketing and society. A harmonious relationship requires both goal convergence (the what aspect) and process convergence (the how aspect) in any relationship. The paper suggests five determinants of goal convergence between marketing and society: shared vision, convergent policy, cultural unity, mutual education, and common cause. It also suggests five determinants of process convergence between marketing and society: win-win value creation, networked organization, mutual interdependence, mutually accepted practices, and frontline information systems. The role of macromarketing as a bridge between marketing and society is to research and practice goal and process convergence.

Résumé
Le macromarketing n’a pas reçu l’attention pédagogique et le soutien qu’il mérite parce qu’il n’a pas défini dans une théorie bien acceptée. L’article propose une théorie du macromarketing fondée sur le concept que le macromarketing a ou doit avoir pour objet le développement et le maintien de relations harmonieuses entre le marketing et la société. Toute relation harmonieuse exige à la fois une convergence de buts (l’aspect “objectif”) et une convergence de procédés (l’aspect “méthode”). Entre le marketing et la société, l’article décrit cinq facteurs déterminants de convergence de buts: vision partagée, politique de convergence, unité culturelle, éducation mutuelle et cause commune. Il décrit aussi cinq déterminants de convergence de procédés: création d’une valeur gagnant-gagnant, organisation en réseau, interdépendance, pratiques réciproquement acceptées et systèmes d’information de premier plan. Le rôle du macromarketing est de faire passer le marketing et la société dans la recherche et la pratique de la convergence des buts et de la convergence des procédés.

Despite its obvious relevance (Boulding, 1957; Chandler, 1977; Silk, 1974) and increasing importance (Amdt, 1981, 1983; Kolter, 1987; Sheth, 1991), macromarketing has failed to be in the center of the stage of marketing thought (Sheth, Gazdter, & Garrett, 1988).

A number of explanations are possible and provided. The first and probably the most realistic explanation is the competing paradigm hypothesis. It states that competing conceptualizations, such as buyer behavior theory and strategic planning, grabbed the attention of marketing scholars at the expense of macromarketing. Another explanation, equally realistic, suggests that the inherent advocacy position of macromarketing school of thought (the conscience of marketing practice) generates less appeal for scientific enquiry and objectivity. A third explanation is that it is too broad (comprising social exchange) and too institutionally oriented (governments and businesses) for a discipline which is basically narrowly focused (market exchanges) and individually oriented (customers and suppliers). A fourth explanation is that macromarketing suffers from methodological (definition and measurement) deficiencies, especially when examined from the traditional logical positivist perspective. While there is some truth to this criticism, it is not a sufficient explanation, since other disciplines, notably mathematics, astronomy, and theoretical physics, are all incapable of being subjected to empirical observation to verify their inferences.

The fifth explanation (and one that we strongly endorse) is that macromarketing has not gained its due attention and following because it lacks a well-accepted conceptual framework or theory. It is too episodic, differ-
fused, and nonfocused, similar to a high-quality journalistic endeavor. Review of a recent bibliography compiled by Fuk (1990) reinforces this viewpoint. This is not a criticism of macromarketing, but simply an observation—and it is not unique to macromarketing. Similar experiences have been observed in many other social sciences, including sociology, political science, anthropology, and, more recently, international business, and business strategy. In fact, it is interesting to observe how business strategy is being perceived as a discipline now that it has accepted, practitioner-developed methodological procedures, such as the PIMS, and conceptual frameworks, such as the Business Screen and Business Portfolio Analysis (Day, 1990; Keelin, Mahajan, & Vardaras, 1990).

What macromarketing needs, therefore, is either methodological excellence (comparable to managerial marketing) which is acceptable to the traditional logical positivist focus of the discipline (Venkatesh & Dholakia, 1988), or conceptual elegance (comparable to buyer behavior) to match its relevance and importance (Zinkhan et al., 1990).

This paper is an effort to develop a conceptual framework of macromarketing which (hopefully and if accepted) will enable macromarketing to be firmly established as a distinct school of marketing thought.

Domain of Macromarketing

We will offer a distinct perspective on macromarketing, in terms of its definition, purpose, and process, before developing a conceptual framework of macromarketing.

Definition. Macromarketing refers to the understanding, explanation and management of the relationship between marketing and society. It is a bridge where marketing and society meet, exchange, and interact with each other.

Purpose. The purpose of macromarketing is to create and maintain a harmonious relationship between marketing and society. Therefore, macromarketing is the study of those activities and processes which create and maintain a harmonious relationship between marketing and society.

Process. The process of creating and maintaining a harmonious relationship between marketing and society is bilateral (horizontal) and requires balancing the self-interest of business with the public interest needed to society. It requires understanding of the "what" aspect and the "how" aspect of the relationship between marketing and society.

This paper differs significantly from earlier attempts at defining macromarketing in several ways (Barr, 1997; Dixon, 1997; Hunt, 1981; Hunt, 1997; Nelson, 1988; Slater & Muniz, 1979).

First, in our definition, the unit of analysis is the institution and not the aggregation of individuals representing the institution. Therefore, it represents institutional goals, aspirations, and accountability. The distinction between macromarketing and macromarketing made here is in terms of organizational versus individual units of analysis. To that extent, macromarketing is primarily a study of interorganizational behavior, and its methodology of research cannot be based on assessment of individuals in organizations typically utilized in marketing research.

Secondly, the focus of macromarketing is, or should be, the relationship between marketing and society—its quality, evolution, and intensity. To that extent, macromarketing is a bridge between marketing and society. Furthermore, it is a bilateral (horizontal) relationship of mutual interdependence, in contrast to the hierarchical (vertical) relationship often suggested in systems perspective (Dixon, 1984).

Finally, macromarketing is not simply a descriptive or positive science, but also a prescriptive or normative science, similar to economics. It includes actionable institutional common, control, and coordination processes to organize and coordinate the relationship between marketing and society. To that extent, it is subject to the political processes of resource dependence, conflicts, and power inherent in any bilateral relationship.

Why the Relationship Between Marketing and Society Is Acrimonious

Historically, the relationship between marketing (business in general) and society has been acrimonious instead of harmonious. There are a number of explanations. First, the self-interest of marketing is presumed to be the antithesis of public interest, especially among Western European thinkers. Thus, the establishment of conflict between interest guidelines and organizing watchdog processes to ensure that self-interest will not jeopardize public interest; and if it does, that business will pay punitive damages to discourage future occurrences.

Secondly, there is mutual mistrust between marketing and society. It is presumed that governments, as agents of the society, and business managers, as marketing representatives, cannot be trusted, as they have a tendency to exploit organizations for their personal gain.

Thirdly, we really don't know what to regulate and how to regulate marketing's institutions. This has often led to the debates between Adams Smith's belief in the invisible hand of market processes and C H a r d e r y's strong conviction that we need a visible hand to guide market behavior. For example, advertising, product labeling, information disclosure, product safety, pricing practices, and distribution.
channel arrangements are primarily regulated based on episodic and issue-based experiences, and not on a well-defined national or societal policy. Furthermore, the enforcement of rules and regulations is highly contextual, and therefore depends on business advocacy and public opinion. For example, the recent debates on the safety of breast implants, or earlier debates on the safety of the Corvair car and the marketing of infant milk formula in less developed countries, reflected the appropriate sentiments of opinion leaders of their times.

Finally, and probably the most common reason for this acrimonious relationship between marketing and society, both engage in the relationship on an episodic reactive basis, rather than on a proactive basis. For example, governments have passed legislation on child labor, minimum wages, hiring and firing practices, product safety, consumer protection, and environmental protection, after major problems have been brought to their attention. Similarly, businesses, in times of economic crises, pressured the governments for protectionism, tax incentives, and financial bailouts, after they could not compete in the open market, or after mismanaging institutional resources. This has often led to finger pointing, accusations, and exploitative concessions from both parties. Recent examples include the Bhopal disaster in India, the Alaskan oil spill, the bailout of savings and loan and banking institutions in the United States, and now Japan bashing.

Developing and Maintaining the Relationship Between Marketing and Society

The purpose of macromarketing is, or should be, to develop and maintain a harmonious relationship between marketing and society. In any relationship, there are two fundamental dimensions which determine the type of relationship one is likely to observe between two entities. They are goal convergence and process convergence. Goal convergence focuses on the "what" aspect of a relationship and process convergence focuses on the "how" aspect. If the goals and processes of the two entities are convergent, it is likely to result in a harmonious relationship (minimal conflict, good cooperation, and mutual trust). The following table summarizes different types of relationships (see Table 1).

If the relationship suffers from goal divergence but enjoys process convergence, it is called a misunderstood relationship. On the other hand, if it suffers from process divergence but enjoys goal convergence, it is called a mismanaged relationship. Finally, when it suffers from both goal and process divergence, it degenerates into an acrimonious relationship.

The acrimonious relationship between marketing and society, therefore, is probably due to lack of convergence with respect to goal (self-interest versus public interest) and process (regulation versus free market mechanism). The rest of this paper will describe a ten-point model which is suggested as a way to improve goal convergence and process convergence between marketing and society, resulting in a more harmonious relationship.

The basic assumption of the conceptual framework presented in this paper is that you need both goal and process convergence. Hence,

\[
HR = \frac{GC \times PC}{GC}
\]

where, \(HR\) = Harmonious Relationship between marketing and society;
\(GC\) = Goal Convergence between marketing and society; and
\(PC\) = Process Convergence between marketing and society.

Goal Convergence Model

Goal convergence between marketing and society can be achieved by any one of the following five processes:

1. **Shared Vision.** This refers to a common goal about the future which motivates the two entities to work together in the present. For example, in a marriage, the shared vision is often investment in the future generation, namely the children. Both marketing and society need a shared vision agreed upon through the political process of give and take in a democracy. In our opinion, quality of life, customer satisfaction, and continuous quality improvement are good examples of shared vision.

   *Proposition 1.* The greater the shared vision between marketing and society, the better the goal convergence.

2. **Convergent Policy.** This strategy with which to carry out the agreed upon shared vision is equally critical toward goal convergence. This is reflected in the society's economic, social, personal, and global policies. For ex-
channel arrangements are primarily regulated based on episodic and issue-based experiences, and not on well-defined rational or societal policy. Furthermore, enforcement of rules and regulations is highly contingent, and therefore depends on business advocacy and public opinion. For example, the recent debates on the safety of breast implants, or earlier debates on the safety of the Corvair car and the marketing of infant milk formula in less developed countries, reflect the appropriate sentiments of opinion leaders of their times.

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The amorphous relationship between marketing and society, therefore, is probably due to lack of convergence with respect to goal (self-interest versus public interest) and process (regulation versus free market mechanism). The rest of this paper will describe a ten-point model which is suggested as a way to improve goal convergence and process convergence between marketing and society, resulting in a more harmonious relationship.

The basic assumption of the conceptual framework presented in this paper is that you need both goal and process convergence. Hence,

\[ \text{HR} = \frac{G'}{G' + P} \]

where,

- \( G' \): Harmonious Relationship between marketing and society;
- \( G \): Goal Convergence between marketing and society;
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| Table 1: Determinants of Relationships in Macromarketing |
|-------------|----------------|----------------|
|             | G'              | G' + P          |
| **Goals**   |                 |                 |
| Convergent  | Misunderstood   | Harmonious      |
|             | Relationship    | Relationship    |
| Divergent   | Acurraneous     | Mismanaged      |
|             | Relationship    | Relationship    |

*RCIA / CIAS, 9 (2), 154-161*
ample, does the society have an economic policy (growth, employment, export, etc.) to carry out its shared vision? Similarly, what are the rights and obligations of the individual citizens, and how do they relate to the shared vision? In recent years, Western Europe seems to have developed a convergent policy through its economic integration (ECSC).

Proposition 2. The greater the convergence of policy between marketing and society, as evidenced by the economic, social, personal, and global policies of the two entities, the better the goal convergence between marketing and society.

3. Mutual Education. Goal convergence can be also enhanced if marketing and society learn about each other's functions, roles, and responsibilities. Often it is the perception bias and not reality, that distorts goal convergence. In the international context, this has been widespread between communist and capitalist nations, between Muslims and Jews, and between the North and the South. It is equally true between marketing and society, presumably because of the inherent belief (despite Adam Smith) that self-interest and public interest are incompatible. Educating each other about the inner workings of the institutions may, at least, reduce the perceptual bias about the prevalent reality. In other words, society must be educated in the fundamentals of marketing and marketing in the fundamentals of public policy. And this should be as widespread and early in education as possible (Bartons & Jenkins, 1977).

Proposition 3. The greater the mutual education of marketing and society, the better the goal convergence.

4. Cultural Unity. Homogeneity of culture enables goal convergence at the grassroots level. It provides the context. Presumably a culturally united society has more shared beliefs with respect to roles and responsibilities of its institutions. It is often cited as a competitive advantage of Japan, Germany, and Scandinavian countries, and, at one time, the United Kingdom. It is often cited as a weakness of India, Canada, and the Soviet Union. Cultural unity refers to identification with the nation rising above place of origin, religion, and language. To that extent, a society may be highly diverse in its ethnic mix, but still culturally united. This is often the case in the United States, despite its label as a nation of immigrants. On the other hand, Arab nations tend to be culturally less united, despite more homogeneity with respect to race, religion, and language.

Proposition 4. The greater the cultural unity, the better the goal convergence between marketing and society.

5. Common Cause. Does the society face a common cause or can it create one? This is another contextual process, and some of the common causes may be global in scope. Examples include environmental protection, education, infrastructure, space exploration, and volunteering. A common cause is a long-term journey where neither entity knows how to reach the destination, and, therefore, requires bilateral or multilateral (horizontal) problem solving without prior prescriptions. History tells us that enlightened empires and rulers often resorted to focusing on, or even creating, common threats and superordinate causes to unite a nation. Examples include the crusades, the pyramids, and the Taj Mahal. Until recently, the threat of communism or capitalism was used to bond people together in the free world. World War II, and more recently, the Gulf War, are cited as additional examples for bonding business and society. Global warming and rebuilding the communist nations are converging common causes. Kennedy (1967) believes economic and military interests have been historically intertwined when a nation's wealth was threatened either from within or from without.

In a society, therefore, goal convergence between marketing and society may occur after a major crisis. For example, loss of global competitiveness is currently generating more goal convergence between government policy and business policy in the United States and in Europe.

Proposition 5. Goal convergence between marketing and society will emerge when there is a common cause or threat faced by both entities.

In summary, goal convergence between marketing and society is a function of five processes: shared vision, convergent policy, cultural unity, mutual education, and common cause. Some of these are prescriptive and therefore manageable in nature, while others are more descriptive and therefore contextual in nature.

More formally, it can be expressed as:

\[ GC = \sum_{j} X_j + e \]

where, \( GC \) = Goal Convergence;

\( X_j \) = Relative contribution of jth process toward goal convergence;

\( e \) = error term.

Process Convergence Model

If the goal convergence model is focused on the "what" aspect of the relationship between marketing and society, the process convergence model focuses on the "how" aspect of the relationship. Therefore, another domain of macromarketing as a bridge between marketing and society is process convergence. We have discovered five methods which can enhance process convergence between marketing and society. They are discussed below.

6. Win-Win Value Creation. How can marketing and society create value for their stakeholders (consumers, employees, owners, and citizens) without making a trade-off between self-interest and public interest? Value crea-
information systems (FIS). For example, marketing crisis created by the Tylenol poisoning was managed by both entities with speed and quality because of the deployment of technology (barcodes, scanners, 800 number, etc.). This minimized finger pointing, bad publicity, and spread of the marketing disaster. On the other hand, the Shiopral crisis generated a major disaster because there was a lack of information technology infrastructure.

Proposition 10. The better the deployment and utilization of frontline information systems, the better the process convergence between marketing and society.

In summary, process convergence can be achieved and enhanced by win-win value creation, mutual interdependence, networked structure, mutually accepted practices, and frontline information systems.

Some of the determinants of process convergence may not be measurable, at least in the short run. These include networked structure and mutual interdependence. Therefore, short term managerial action can be achieved through other processes (win-win value creation, mutually accepted practices, and frontline information systems) within the context of the given. However, in the long run, all five determinants of the process convergence model are prescriptive and, therefore, capable of managerial/policy intervention.

More formally we can state this as follows:

\[ \text{PC} = \sum \delta \beta_j + \epsilon \]

where:

- \( \text{PC} \) = Process Convergence;
- \( \beta_j \) = Relative contribution of \( j \)-th process toward goal convergence;
- \( \delta \) = Determinant \( j \); and
- \( \epsilon \) = error term.

### Comparative Aspects of Macromarketing

Cultures and countries vary significantly in their relationship between marketing and society. In some countries, both institutions seem to have a harmonious relationship, whereas in others, they seem to be engaged in an acrimonious relationship. It is possible to utilize the ten-point model to audit how good the relationship is between marketing and society in one country, relative to others.

In Table 2, we have generated four hypothetical but plausible scores, for Japan, the United States, France, and India. Each score reflects an assessment on a ten-point scale where one is the lowest and ten is the highest achievable score.

We have plotted the four countries based on whether the sum score on goal and process convergence is above or below the cut-off point of 25, as the median score on each dimension.

### Table 2

<table>
<thead>
<tr>
<th>Countries</th>
<th>Japan</th>
<th>France</th>
<th>U.S.</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shared Vision Converged Policy</td>
<td>9</td>
<td>7</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Cultural Unity</td>
<td>8</td>
<td>8</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>Mutual Education</td>
<td>6</td>
<td>6</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Common Causes</td>
<td>8</td>
<td>6</td>
<td>4</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Goal Convergence</th>
<th>40</th>
<th>34</th>
<th>19</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Win-Win Value Creation</td>
<td>8</td>
<td>2</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>Mutual Independence</td>
<td>9</td>
<td>4</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>Networked Structure</td>
<td>92</td>
<td>6</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Mutually Accepted Practices</td>
<td>9</td>
<td>4</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Frontline Information System</td>
<td>5</td>
<td>2</td>
<td>4</td>
<td>1</td>
</tr>
</tbody>
</table>

| Process convergence | 40 | 14 | 31 | 11 |

| Total Score | 80 | 48 | 50 | 21 |

India is likely to be acrimonious because its scores on both goal convergence and process convergence are below the median level. This suggests that macromarketing as a school of marketing thought will be of considerable relevance in India. The relationship between marketing and society in the United States scores high on process convergence, but low on goal convergence. This is likely to be manifested in a lot of misunderstanding between the two institutions, including mistrust and suspicion in each other's motives. In the United States, macromarketing can be very useful in enhancing goal convergence. On the other hand, France is rated above the median on goal convergence, but below the median on process convergence. It suggests that in France the key problems may be related to the "how" aspects of macromarketing; the latter can improve the relationship between marketing and society by focusing on process convergence. Finally, Japan scores above the median.
on both goal and process convergence. The role of macromarketing in Japan will be to sustain the harmonious relationship between marketing and society.

<table>
<thead>
<tr>
<th>Classification of Countries on Comparative Macromarketing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goal</strong></td>
</tr>
<tr>
<td><strong>Convergent</strong></td>
</tr>
<tr>
<td>(Mistrust, Relationship)</td>
</tr>
<tr>
<td><strong>Process</strong></td>
</tr>
<tr>
<td>(Mistrust, Relationship)</td>
</tr>
</tbody>
</table>

Summary and Conclusion

In this paper, we have suggested why macromarketing has not resolved the attention and admiration it deserves, despite its relevance and growing importance. The main explanation is the lack of a theory of macromarketing. We have attempted to develop a theory of macromarketing based on the concept that the purpose of macromarketing is to develop and maintain a harmonious relationship between marketing and society. A harmonious relationship between two entities requires that there should be both goal convergence ("what" aspect) and process convergence ("how" aspect) in any relationship. The domain of macromarketing, therefore, relates to the "what" and the "how" aspects of the relationship between marketing and society. The paper suggests five determinants of goal convergence (shared vision, convergent policy, cultural unity, mutual education, and common cause) and five determinants of process convergence (win-win value creation, networked structure, mutual interdependence, mutually accepted practices, and integrated information systems). Finally, the paper suggests a comparative analysis of macromarketing for different cultures and countries, and illustrates it with hypothetical but plausible ratings of four countries (Japan, France, United States, and India).

References


