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The sociological basis of marketing

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Overview

This chapter claims that marketing is a basic social activity, and shows how the discipline of marketing has borrowed from and been influenced by sociology. Also, the sociological influence on marketing has probably been more profound in Europe than in the US.

The similarities between the basic characteristics of marketing and sociology are illustrated and it is demonstrated that marketing is essentially a societal activity which has borrowed significantly from sociological thinking. Marketing demands that consumers are considered not only as individuals, but also in terms of the groups in which they exist – for example families, social classes, and indeed the wider society around them – taking into account their status, lifestyle, culture and so on. Then marketing must look at relationships within these groups: networking, conflict and power all have a bearing on the marketing approach to be adopted. Furthermore, sociology can be drawn upon to enlighten the marketer on socialization and learned behaviour. Consideration is also given to how a sociological approach might influence the marketing of the future.

Introduction

Marketing has long been recognized as a 'borrowing' discipline, in particular from the social sciences (Cox, 1964), and is itself claimed to be a social science discipline (Hunt, 1991). The historical roots of marketing are embedded in classical economics. Citation analysis to determine the influences of other disciplines on marketing also shows extensive borrowing from (among others) sociology (Goldman, 1979). An interesting observation is that there has been a considerable mutual influence between economics and sociology as reflected in the sub-discipline of economic sociology (for excellent overviews, see Smelser (1963) and Granovetter and Swedberg (1992)). However, so far marketing has only had a modest influence on sociology. The borrowing consists of concepts, theories and models, and methods and techniques for doing research. Particularly important is the conceptual borrowing. Concepts are the building blocks of any theory, model or hypothesis. The concepts and how they are used (and related) guide and direct. They give focus and largely determine what is captured.

As will be demonstrated in the following, the borrowing from sociology has had – and still has – a considerable influence on marketing thinking. The emphasis here is primarily on the concepts (and perspectives) borrowed from sociology and how they have influenced marketing thinking as reflected in major marketing textbooks. The main reason for using marketing textbooks as a mirror of the sociological influences is that textbooks reflect what is taught and disseminated, and thus capture important aspects of the sociological impact on marketing thinking (and practice). Marketing – as other disciplines – has changed and developed over the years. This is also reflected in changes in the borrowing from other disciplines (e.g. sociology) over time.

The chapter proceeds as follows: first, characteristics of marketing and the discipline of sociology are emphasized. In this section it is also demonstrated that marketing is a societal activity. Similarities in marketing and sociological reasoning are also discussed. Then the dominant focus in marketing thinking and practice, and how this has influenced conceptual borrowing and use is discussed. Next, specific concepts and ideas borrowed from sociology are emphasized. A distinction is made between concepts and ideas primarily used to characterize individuals, groups and the larger society, and contributions taking relationships between social actors directly into account, as well as contributions focusing on change. Finally, characteristics of the borrowing from and influences of sociology on marketing are summarized and future influences from this discipline (sociology) on marketing are indicated.

Marketing and sociology

Marketing activities have a long history. Through thousands of years man has transacted goods to satisfy needs and enhance standards of living. As a scientific discipline, however, marketing is young with its origins at the turn of the twentieth century.

Marketing as exchange

Marketing takes place in a societal context. The core of marketing as a scientific discipline relates to exchange between social actors, e.g. individuals, groups or organizations, or as claimed by Hunt (1983: 129): 'marketing (science) is the behavioural science which seeks to explain exchange relationships'.

(Social) exchange requires

- the presence of (at least) two parties
- that each party has something to offer that might be of value to the other party
- each party is capable of communicating and delivering
- each party is free to accept or reject an offer
- each party believes it is appropriate or desirable to deal with the other party (Kotler, 1984: 8).

Exchange as phenomenon is, however, a huge area of inquiry, and has been extensively dealt with in sociology and other disciplines. Exchange theory consists not just of one, but several theories. A distinction is often made between individualistic and collective approaches to the study of exchange. Different modes of exchange have been identified as well, such as the market mode (i.e. exchange through markets), the reciprocal exchange mode (which can be thought of as gift exchange between members of a network with reciprocal obligations), and the redistributive mode of exchange, (i.e. exchange based on some principle of sharing, e.g. blood donations, (Polanyi, 1944)). More lately there has been an emphasis on value creation (see e.g. the definition of marketing by American Marketing Association from 2004). However, exchange between actors is seen as a prerequisite for value creation.

For a long time, marketing has primarily been associated with the market mode of exchange, where the market is often thought of, in a neoclassical sense, as a large number of exchange partners, and where market prices yield the necessary information and incentives. The idealized market mode of exchange is considered impersonal (as reflected in neoclassical economics), or, as emphasized by Polanyi, 'it is important to emphasize the abstract and impersonal nature of market exchange' (Polanyi, 1944: 5). In modern societies, reciprocal and redistributive exchanges are also taking place. Forty years ago Codere even claimed that the proportion of market exchanges to all exchanges taking place is declining (Codere, 1968: 57).

Marketers have devoted substantial effort to studying and understanding exchanges. One of the first marketing scholars to recognize the limitations of 'faceless' transactions (i.e. exchange outcomes) in understanding markets and marketing was Wroe Alderson, recognized for his influential contributions on marketing thinking. He introduced the notion of the 'organized behavior system' (Alderson, 1950) to capture the fact that the various actors operating in the market are more or less connected (as reflected in the recent emphasis on 'relationship' marketing). Alderson thus recognized the benefit of sociology,

and claimed: 'The initial plunge into sociology is only the beginning since the marketing man must go considerably further in examining the functions and structures of organized behaviour systems' (Alderson, 1957:12).

Sociology

Sociology is one of the major social sciences. The term 'sociology' was invented by Auguste Comte, and first published in the fourth volume of his *Cours de philosophie positive* in 1838, even though the ancient roots of the discipline can be traced back, to among others, Plato and Aristotle. The term (sociology) has two stems, the Latin *socius* (companion) and the Greek *logos* (study of), and literally means the study of the processes of companionship. The term 'sociology' can be (and has been) defined in various ways, for example as proposed by Giddens, 'sociology is the study of human life, groups and societies' (Giddens, 1993).

A key point in the sociological perspective is that man does not operate in a vacuum, but is embedded in the surrounding social context. The individual forms and holds expectations about others, and because he or she is assumed to behave purposefully, expectations about others are taken into account. This basic point of departure has a distinct parallel in marketing. Marketing activities take place in a societal context. Exchange requires the presence of and access to others. Since man started transacting goods and services thousands of years ago, the importance of 'others' has been recognized. Sellers have tried to identify potential buyers, their needs and how they make evaluations. Buyers learn about sellers and their product offerings. Through word of mouth, their own experiences and other sources of information, buyers' expectations towards sellers are shaped and influence their behaviour as well.

The individual-in-context is a human being interacting with her or his social environment. The sociological perspective tries to encompass the acting person and the acting group. The acting person is a specific human being who pursues goals, interprets experiences, responds to opportunities and confronts difficulties. As an individual-in-action he or she does not necessarily stay within neat boundaries of specialized activity, nor does he or she always conform to conventional expectations. For example, the seller may cheat, the buyer shoplift, and the marketing entrepreneur may 'break the rules', change the 'social game' – and become successful.

Social organization

To capture the social influences in a society, sociologists study how it is organized. In doing so they often make use of the general term, *social system*, emphasizing the interdependencies and interactions among social actors. The same underlying idea can easily be traced in marketing, e.g. as reflected in 'distribution systems', 'system sales', 'relationships' and 'networks'.

In their study of social organizations sociologists also distinguish between different levels, for example micro-level (individual and group) and macro-level or social

order. Concepts used and phenomena focused on vary across levels (Collins, 1981). There are, however, interactions and interdependencies between the various levels. Changes at the macro-level may influence expectations and behaviour at the micro-level and vice versa. For example, the automobile has dramatically changed the mobility of the individual (consumer), which has influenced shopping behaviour – and the structure of the distribution system, as reflected in the dramatic changes in the retail trade. A drop in individual fertility, for example influenced by a pessimistic outlook for the future, may add up to dramatic changes in demand for specific goods or services. Such demographic changes are (among others) studied by sociologists – and experienced by marketers. Markets have also been an arena for sociological inquiry, generating substantial insights which in turn have also been of importance for the marketing discipline (for an overview, see Lie, 1997).

Our examples so far show that there are close parallels between sociology and marketing unrecognized in most contemporary marketing textbooks. In what follows the focus will be on the main concepts borrowed from sociology, how they are used and why they are used that way.

Marketing focus and scientific borrowing

The present writers view the borrowing from other disciplines as purposeful behaviour, that is the borrowing is done to obtain something, for example to understand the functioning of markets and/or to improve marketing practices. On the other hand what is borrowed, and how the borrowings are used are heavily influenced by the dominant focus of the borrowing discipline, in this case marketing.

The term 'marketing' has been used with at least three different meanings (Arndt, 1980):

1. marketing as a management orientation or discipline
2. marketing as a science
3. marketing as an ideology.

According to the stated purpose, that is to capture the influence of sociology on marketing thinking, as reflected in major textbooks, primarily the first meaning of the term (marketing) will be emphasized.

As a management orientation or discipline marketing can be – and has been until now – primarily considered a *business* discipline. In spite of efforts to apply marketing thinking to the public sector, and in non-business and non-profit settings, there is little doubt that most marketing thinking and activities relate to business firms.

Any business firm specializes and offers a more or less limited set of products (services). The firm is dependent on its surrounding environments, in particular on its market(s), that is on actual and potential customers. For the firm to survive and prosper a sufficient number of customers must be willing to buy its products

		Sellers	
		Few	Many
Buyers	Few	(a)	(b)
	Many	(c)	(d)

Figure 7.1 Number of sellers and buyers

(services) at prices which at least cover costs. Even though a business firm can survive some losses, in the long run costs must be covered in order to stay in business. Surplus profit which will create optimism, attract admiration and allow for investments, and so on, is – of course – considered advantageous.

The number of buyers and sellers varies across markets, and the products and services offered are multiple. Modern marketing as reflected in the majority of (American) textbooks primarily deals with *mass-marketing*. Most textbooks are influenced by the underlying (but implicit) perspective that the market frequently exhibits a situation where a few firms sell their products and services to many customers (primarily individuals and households as reflected in cell (c)) in Figure 7.1.

In such markets with a great many customers, there is little room to pay attention to the individual buyer. This is particularly so for low-priced items, where the contribution from the individual buyer is lowest and allows for modest individual attention only. In such cases the market is often considered an ‘aggregate’ of individual customers to which the firm tries to offer its products (or services). Deighton (1996), however, shows how advances in modern information technologies allow for the individualization of mass markets and thus adjust to and serve what Alderson once labelled the heterogeneous market, that is the consumers held different preferences (in contrast to homogeneous preferences as assumed in neoclassical economics). Marketing situations as reflected in the other cells are also taking place. An important point, however, is that the situation as depicted in cell (c) reflected – until now – the dominant perspective on marketing thinking and influenced the borrowing from other disciplines.

Cell (a) in Figure 7.1 reflects the prototypical ‘small numbers’ market. In such markets the numbers of sellers and buyers are few. The actors are highly visible, and each customer really counts. The growing emphasis on relationships and networks primarily relates to small numbers and industrial markets, even though such approaches are highly relevant in consumer markets. When the focus is on relationships and networks the presence of others is also directly brought into account, and thus the social aspect of marketing. The growing emphasis on relationships and networks has also contributed to a growing emphasis on sociological aspects by marketers.

Marketing is – as noted above – primarily a business discipline. Business firms are headed by managers. In the marketing literature managers are conceived as active individuals (or groups) who, it is assumed, make wise decisions to reach the goals and influence the destiny of the firms they manage.

Due to the firm's dependence on its market(s) it is of crucial importance for the marketing manager to identify and understand actual and potential customers as the basis for designing and implementing successful marketing strategies. This need to identify, understand, and thus in mass markets, to 'profile' customers in order to become effective can be traced in marketing's borrowing from sociology as reflected in most marketing (and consumer behaviour) textbooks.

Concepts and ideas

This section focuses on the main concepts and ideas borrowed from sociology. The section is organized as follows. First, concepts and ideas to capture the characteristics of individuals, groups and larger social segments are described. Contributions focusing respectively on relationships between actors, and contributions directed towards change are then discussed.

Individuals, groups and the larger society

Role

An important sociological concept is (social) 'role', which can be conceived as 'the bundles of socially defined attributes and expectations associated with social positions' (Abercombie et al., 1988). For example, the role of 'mother' carries with it certain expected behaviours irrespective of the woman's feeling at any one time. Therefore it is possible to generalize about role behaviour regardless of the individual characteristics of the people who occupy these roles. The concept of role is sociologically important because it reflects how individual activity is socially influenced and thus follows regular patterns. It should also be noted that sociologists employ roles as 'building blocks' to study various social institutions, for example families and organizations (to be discussed later on).

In social life an individual may occupy several roles, for example the role of mother or father, university professor or marketing manager. The number of roles occupied may vary considerably between people. The number of roles occupied by an individual need not be static, as the individual may acquire new roles (and leave others). An individual may also perceive two or more roles to be in conflict. For example, the role of employee, perhaps requiring frequent and lengthy travel, can come in conflict with the parental role of father, associated with expectations of spending time with his child(ren).

The concept of role is a true sociological concept as it implies social relationships. For example, the role of 'husband' is primarily relevant in a household setting, in the

presence of a 'wife'. The role concept has been used and has influenced marketing in various ways. The prototypical expectations associated with various roles, for example 'mother', and 'working woman', have been used to identify and profile target groups as the basis for designing appropriate marketing approaches. The frequently quoted roles of 'influencer', 'decider', 'user' and 'gatekeeper' in the organizational (industrial) buying literature have been used in a similar way as the basis for who (and how) to target, as has the focus on 'husband' and 'wife' in the study of family (households). This is a somewhat 'one-eyed' perspective on how the concept of role has been translated into marketing as relationships between actors (e.g. between sellers and buyers) which are crucial in marketing. Some researchers have, however, looked outside the narrow role of the individual as buyer and consumer and addressed consumers as 'real people' who must balance simultaneously multiple role demands, which has contributed to a deeper understanding of consumption in everyday life. However, as noted by Wallendorf (1978), so far only a fraction of the potential of role theory has been exploited in a marketing context.

Status

In any social system (e.g. group, organization or society) one may distinguish between different social positions (compare the discussion of social roles). Such positions can also be rank-ordered, implying that positions may be lower, higher or equal in status. Sociologists have long studied how status is achieved. Often a distinction is made between ascribed (e.g. by heritage) and achieved attributes as a basis for status (e.g. education or sports performance). The concept of status has directly (and indirectly) influenced marketing thinking. For example, the observation that things (and behaviours) may symbolize status has been extensively used to develop, introduce and communicate products. In other words, marketers have exploited sociological insights by relating status to consumption alternatives, as reflected in Levy's seminal article, 'Symbols for sale' (1959), as well as designing strategies to get access to new markets.

Norm

The term 'norm' refers to social expectations about correct or proper behaviour. Thus norms imply the presence of legitimacy, consent and prescription. When norms are *internalized* they are learnt and accepted as binding the social values and guidelines of conduct relevant to the individual, or her or his group, or wider society. Internalized norms are central for social order. Deviations from norms are punished by sanctions.

The sources of norms can be found in established values, law, expectations and accepted behaviours. Often (in most cases) norms are not written, but are learnt through socialization. Norms may also be more or less specific. For example, specific norms may prevail with regard to specific role behaviours.

For marketers it is important to know the norms in the marketplace in order to behave appropriately. In marketing the concept and knowledge of norms are extensively used as input in market research to get adequate information about target groups. For example, prevailing norms may be barriers to the acceptance of new products. By knowing the norms the marketer may adjust to, or even contribute to, a change of norms. Mason Haire's well known 'shopping list' study is an example.

When instant coffee was introduced several decades ago, the acceptance rate of the new product was modest. The shopping list study exposed a sample of housewives to one of two shopping lists. The shopping lists were identical, but for one item, coffee. One list contained 'instant coffee', while the other contained the brand name of a well-known regular coffee. The respondents were asked to describe the shopping person. Housewives (who were in the majority at that time) tended to describe the shopper behind the list containing instant coffee as 'lazy', 'not a good housewife', while women working outside the home described the shopping person as 'smart', 'modern', 'effective', and so on. Apparently the new product was conceived to be in conflict with existing norms of being a good housewife. This knowledge was successfully used in designing marketing strategies to alter this aspect of the prevailing 'housewife norm'. As norms may vary across societies (and social segments), an understanding of prevailing norms represents a true challenge when expanding internationally. More recently marketers have also studied how norms may influence the governance of seller-buyer relationships.

Groups

Social groups are collectives of individuals who interact and form social relationships. A distinction is often made between *primary* and *secondary* groups. The former are small groups, defined by face-to-face interaction. The household (nuclear family) and the clique may serve as examples. Secondary groups are usually larger in number, and each member does not necessarily directly interact with every other member. Examples are unions and associations where the members (at best) interact only with a subset of other members, and where most of the communication is formalized, for example through newsletters. Sociological insights regarding groups have influenced marketing thinking. For example, the family (household) can be conceived as a primary group, and plays an important role in marketing thinking, primarily as a buying and consuming unit. A common observation is that firms' (organizations') buying is usually made by a group, rather than a single individual. This has led to the notion of 'the buying group' or 'buying centre', heavily influenced by sociological group insights. The focus among marketers has been on the role (position) of the buying group, identification (or prediction) of who is included, their tasks and activities, and on their relative influence in purchasing situations, as a basis for designing effective marketing strategies.

A third form of groups is *reference groups*. In forming their attitudes and beliefs, and in performing their actions, people will compare or identify themselves with other people, or other groups of people (reference groups). People can make references both to membership and non-membership groups. Reference group knowledge has influenced marketing thinking. In particular these insights have been applied to relate products or brands to groups to whom it is assumed they will appear attractive. Research findings have demonstrated that reference group influence can be made both at the product category level (particularly for expensive goods) as well as at the brand level. For example, brands of perfume, clothes and equipment are often associated with (distant) attractive reference groups (e.g. movie stars or sports idols). Specific information about the actual reference group(s) of the target group is needed when designing marketing strategies.

Family (household)

The notion of family (household) is extensively used by marketers. In most cases marketers use the notions of 'family' and 'household' interchangeably, indicating the Western perspective that family of a kind (i.e. the nuclear family) often coincides with households (i.e. the unit of dwelling). The family (household) is often considered as an important primary group. The family (household) can also be considered as an important social *institution*. The term (social institutions) refers to established patterns of behaviour, or as defined by Nicosia and Mayer, 'a set of specific activities performed by specific people in specific places through time' (1976: 67). Sociological insights regarding families (households) have in particular been used by marketers to study the relative influence of spouses (and also children) in buying decisions, but also as a basis for studying buying decision processes and how households (families) allocate their scarce economic resources and time.

Family life-cycle

The sociological term 'life-cycle' is used primarily to describe the development of a person through childhood, adolescence, mid-life, old age and death. The concept does not refer to purely biological processes of maturation, but to the transition of an individual through socially constructed categories of age and to the variations in social experiences of ageing. Even though life-cycle is a dynamic concept, the main focus in marketing has been to classify people according to *stages* in the life-cycle, and – in particular – to characterize buying and consumption at the various stages. Such insights have been used to profile target groups and predict future market developments.

Community

Communities or communes come in many forms, for example villages, sections of cities or other groups with something in common (e.g. the domestic lifestyle in the kibbutz). Traditionally communities are located in a discrete geographical area. However, more recently, since the internet has grown in importance, marketing has borrowed the concept (idea) of community and transferred it to a space where actors interact electronically. Examples are online consumer and brand communities. A brand community is 'a specialized, non-geographically bound community, based on a set of structural social relations among addressees of a brand' (Muniz and O'Guinn, 2001: 415). Thus a brand community shares characteristics with traditional communalities, that is consciousness of kind (shared identity), shared traditions and rituals, and moral responsibility.

Social class and lifestyle

In most (all?) societies individuals are ranked hierarchically along some dimension, for example, wealth, education, prestige, age, or some other characteristics (see discussion of status above). Such rank-ordering is the basis of social class, referring to strata of that rank-ordering, for example, the 'upper', 'upper-middle', 'lower-middle' classes and so on. In Western societies wealth, education and prestige (among other things) are important characteristics to determine social class membership. In particular Bourdieu's work related to social class and

lifestyle has had an impact on marketing thinking (Bourdieu, 1984). Extensive research has shown that members of the various strata or social classes tend to have common characteristics, for example similar consumption patterns and values. For instance, research findings demonstrate that the middle classes spend more on housing and the home, they save more, spend substantially more on education, books and the arts than do the lower classes. (For a detailed description of findings regarding class differences, see Berelson and Steiner (1964). Marketers have primarily used such insights to characterize consumption patterns across social classes in order to identify and characterize target groups and segment markets.

The way people live, their consumption patterns and values vary across social strata (and groups). Such differences in lifestyle are *visible* indicators of class position. In sociological research the lifestyle concept has been related to broad classes, for example to distinguish between rural and urban, and urban and suburban forms of social life, as well as age segments and specific interest groups. In marketing, the lifestyle concept has a more psychological orientation, with an emphasis on identifying specific lifestyles based on detailed mapping of consumption activities, media habits, attitudes and opinions.

Culture

Culture has for long been intensively studied by anthropologists and sociologists. Culture is a multidimensional and complex phenomenon, and for decades there has been an ongoing debate about what is meant by the concept; for example, in 1952 Kroeber and Kluckhohn reviewed 164 definitions of culture. It is commonly assumed that culture includes patterns of behaviours and values, that culture is learned and shared with other people, and influences not only how one behaves, but also how one expects others to behave. How culture can be best understood and how to explain the functioning of culture, have, however, changed over the years. For example, many anthropologists now prefer the term 'enacted' (instead of learned), which recognizes that people don't just passively accept culture, they actively create it. Swidler (1986) in her penetrating analysis sees culture as shaping a repertoire, creating a 'tool kit' of habits, skills and styles from which people construct 'strategies of action' (1986: 273). The acquisition of a repertoire of skills, habits and styles reflects that how to behave in a deliberately rational (goal-directed) fashion can be learned and that this knowledge is context bound, with the cultural context influencing what is conceived as relevant.

Marketing has for long recognized the importance of culture and has extensively borrowed research findings from anthropology and sociology. For example, culture can be characterized according to its *context of communication*, often dichotomized as 'high' versus 'low' (Hall, 1976). Many foreign cultures are characterized as 'high cultural contexts', exhibiting a dependence on non-verbal, 'hidden' insights of communication in contrast to low cultural contexts, relying more on explicit verbal communications and symbols. Such insights have been used to explain market failures and to prepare the marketer when crossing borders. Another finding from cultural research is that the cultural *distance* may vary considerably in importance

for marketers when considering new markets to enter. Other aspects from cultural research adopted and used by marketers are differences in media-structure and use, the importance of language and symbols, and variations in specific cultural values and the culture associated with consumption. Cultural knowledge has been used to characterize and choose markets, design adequate marketing strategies, and to understand and improve international negotiations. Also, the culture of consumers related to the consumption of market-made commodities and marketing activities has attracted substantial interest in the last decades (Arnould and Thompson, 2005). (The following chapter contains an extended discussion of these ideas.)

Sub-culture

This term refers to a system of values, attitudes, behaviours and lifestyles of a social group which is distinct from, but related to, the dominant culture of a society. In sociology the concept has been of most use in the study of youth and deviancy. In marketing the concept has primarily been adopted and used to study the buying and consumption activities and lifestyles of specific social groups, for example, teenagers. Such insights have primarily been used as the basis for target group descriptions and thus to improve marketing activities and performance.

The idea of sub-culture has also been applied to understanding consumption, defined as a distinct sub-group of society that self-selects on the basis of a shared commitment to a particular product class, brand, or form of consumption. An example is the study of the specific culture among owners of Harley-Davidson motorcycles by Shouten and Alexander (1995). In such a study the unit of analysis is changed from the individual acting unit to the relationship between actors.

As noted above, many sociological concepts (and elements of theories) have been borrowed, primarily as tools to identify and characterize target groups in the effort to improve marketing performance. Thus – even though the concepts are borrowed from a discipline concerned with social relationships – the unit of analysis in the marketing use of these concepts has been the individual acting unit (Zaltman and Wallendorf, 1977).

Marketing has also borrowed and applied sociological concepts which in a true sense capture aspects of social relationships. This has in particular been the case in situations other than mass-marketing, for example in industrial markets where the numbers of buyers are often limited (cf. cells (a) and (b) in Figure 7.1).

Relationships, power and conflict

Relationships

A relationship takes place between (at least) two actors, and the *dyad* is frequently used as the unit of analysis. To be a relationship it has to last (at least for some minimum time). A purposeful relationship assumes some flow of activities. The relationships can be of various kinds and focus on exchange of goods, information, money, and so on.

The importance of relationships has for long been recognized in disciplines like sociology and anthropology and business, but has until recently received scant

attention in the marketing literature. A shift in focus is now apparently taking place, as reflected in the growing focus on and interest in 'relationship marketing' (Webster, 1992). An interesting observation is the rather late interest in relationships and networks in American marketing thinking in spite of the fact that such ideas have been dealt with by European marketing scholars for more than four decades.

A common observation in industrial marketing is that buyers and sellers tend to enter into rather long-term relationships, that is they tend to transact not only once, but perform re-occurring transactions. There are several reasons for doing so. For example, it takes time, skill and economic resources to identify, negotiate with and adjust to exchange partners. Such efforts can be conceived as (partly) transaction specific investments easing future transactions. Relationships between exchange partners ease interaction and flow of information, thereby reducing transaction costs and thus explaining why they (relationships) last. Relationships may, in addition to economics, convey and be influenced by social values and concerns, as reflected in the notion of 'embeddedness' (Granovetter, 1985). More recently the role and functioning of relationships have escalated in marketing.

Any transaction or relationship is guided by a *contract*, either explicitly or implicitly. There is a vast literature on contracts by researchers from several disciplines. Sociologists have primarily been preoccupied with the importance 'social contracts', which can deviate from legal contracts. Marketers now focus to an increasing degree on various types of contracts, in particular with the purpose of structuring and monitoring relationships (Macneil, 1980).

Relationships vary in strength. Strong relationships are valuable and give access to various resources, for example support. However, weak relationships more easily allow for new information of importance for innovations (Granovetter, 1973).

Network

The notion of 'network', often used to describe systems of relationships between actors, has a long tradition in sociology and anthropology. More recently there has been an increasing use of the network approach to understand the functioning of markets, and how – through their networking activities – firms may acquire resources, competence, gain access to technologies, and achieve competitive advantages. The influential role of modern information and communication technologies (ICT) – in particular the internet – has influenced network thinking, especially electronic networks and types of such networks, for example what has been termed 'electronic tribes', their functioning and how they can be studied. It is claimed that the internet is a new social room where 'weak ties' of importance for diffusion of ideas, opinion and meanings are established. Marketing, to an increasing degree, adopts sociological concepts to capture the new reality created through the internet, which also influences marketing practices.

Relationships and networks imply reciprocity, that is the implicit norm to do things for each other. A central premise is that relationships and networks may be valuable, as reflected in the term '*social capital*'. Coleman (1988) in his penetrating analysis has shown the use of social capital, that is that the value embedded in relationships and networks may give rise to human capital. The idea of social capital has been borrowed and exploited by marketers and applied to activities that enhance the success rate in new product development.

Conflict and cooperation

When social actors exhibit purposeful behaviour, for example to gain market share or to make money, the interests of social actors may come into conflict. For example, competition can be seen as conflict over the resources or advantages desired by others. Insights regarding the causes of conflicts, and factors and mechanisms influencing conflict development and solution are important for marketers and have been applied in several ways, for example to understand and solve conflicts between marketing and other functions, and conflicts between members of the distribution channel (for an interesting discussion, see Levy and Zaltman, 1975).

Conflict is closely related to *competition* addressed both in sociology and marketing. However, both sociology and marketing address *co-operation*, implying that potentially conflicting interests are turned into mutual ones. The potential benefits from cooperation have been studied intensively. In marketing, cooperation has been related to cooperation in new product development, brand alliances, new market entrance and more. A related phenomenon *co-optition*, that is how actors simultaneously handle conflicting and mutual interests, has for long been addressed in sociology. The idea of co-optition has more recently been adopted by marketers, in particular how actors can simultaneously do business and be friends.

Power

The study of power has a long tradition in sociology. There are several distinct perspectives of power, and the concept has been defined in many ways, for example, 'the probability that a person in a social relationship will be able to carry out his or her own will in the pursuit of goals of action, regardless of resistance' (Weber, 1946: 180).

The above definition implies that power is exercised by social actors, and involves agency and choice. Power is exercised over others and may involve resistance and conflict. Insights from sociological studies of power (and conflict) have, for example, been applied to understanding and improving the functioning of distribution systems. An interesting phenomenon is how modern ICT allows multiple consumers to interact, exchange experiences and meanings and form joint opinions. This has allowed the many formerly independent consumers in a weak position to change their power vis-à-vis producers, as reflected in the report 'Power at last. How the internet means the consumer really is king' (*Economist*, 2005). Thus, modern ICT allows consumers to interact and become a countervailing power, which may be indicated as a change in market situation from cell (c) to cell (a); (see Figure 7.1).

Learning and change

Socialization

This term is used to describe the process whereby people learn to conform to social norms, a process that makes possible an enduring society and the transmission of its culture between generations. Socialization has been extensively focused on in sociological research. In marketing – so far – the focus has primarily been on how children are socialized as consumers. However, the recent

focus on phenomena such as consumer communities and brand communities has directed the attention to socializing activities.

Social change

Sociologists have extensively studied how social systems (e.g. societies) change. This has important implications for marketing. The introduction of marketing thinking and practices to newly developing countries is, for example, assumed to enhance standards of living. A successful introduction of marketing thinking and practice will probably also imply dramatic social changes. Societal characteristics may hamper and/or alter the intended changes as well.

Even though marketing activities are conducted to bring about changes in a societal context, relatively few marketing studies have addressed the problem of social change (Levy and Zaltman, 1975). This is, however, changing. Marketers now to an increasing extent address how attitudes towards stigmatized groups may be altered, how marketing can be applied to change unhealthy behaviour (e.g. smoking) and to change eating habits to fight obesity, and more.

Diffusion of innovations relates to how innovations (e.g. new ideas, practices or products) are spread within social systems. This subject has been intensively studied by researchers from many disciplines, with a great impact from sociology (see Rogers (2003) for an overview). The diffusion of innovation literature has had a profound impact on marketing thinking, and researchers from the (marketing) discipline have contributed to this field as well. When studying diffusion of innovations, the innovation (e.g. a new product) represents something new to the potential adopter, but need not be a novelty in an absolute sense. For example, studies have demonstrated that some technologies take decades to be adopted. Diffusion of innovation is a true social phenomenon as it takes the social context directly into account. This becomes clear when looking at the elements in a diffusion process, that is: (1) the innovation, and (2) its communication (3) from one individual (social actor) to another, (4) within a social system (e.g. a society) (5) over time.

More than 30,000 studies related to diffusion of innovations have been conducted (Rogers, 2003). Research findings show that characteristics of the innovation influence both the extent to which and how fast an innovation is diffused. For example, the perceived relative advantage has been demonstrated to have a profound effect on the propensity to adopt an innovation. This very robust finding is, of course, of prime interest for marketers, and gives direction for marketing activities, for example, new product development.

A large number of studies demonstrates that the number of adopters over time follow an S-shaped curve. The time dimension for the total adoption process may, however, vary tremendously across innovations. Based on this observed pattern, adopters can be grouped according to when they adopt an innovation. Those adopting at an early point in time, 'innovators' (or 'pioneers'), and 'early adopters' have been found to differ in characteristics and use of information sources compared to later adopters. For example, those adopting at an early stage tend to be more interested in and know more about the actual innovation, and tend to be more willing to try something new compared to later adopters and non-adopters. Such findings are of prime importance for marketers when defining target groups

and designing effective marketing strategies. An important finding from diffusion of innovation research is that later adopters tend to seek earlier adopters' advice, and that mass-media information is diffused into the society via personal communication. Those adopting early and/or those who play a key role in personal communication of mass-media information are frequently termed *opinion-leaders*.

Findings from research on diffusion of innovation have influenced marketing in many ways, for example in marketers' search for, development and evaluation of new products, marketing research and the profiling of target groups, design of marketing communication strategies, positioning of products and the 'stretching' of the products' life-cycles.

Summary and future outlook

Marketing has borrowed extensively from sociology. A large proportion of this borrowing has been done in a mass-marketing context with the prime purpose of profiling target groups as a basis for designing more effective (mass-)marketing. Marketing (as other disciplines) changes. More recently the borrowing has changed to encompass the relationships between social actors.

An interesting observation is the rather modest borrowing from sociology to study change. This is surprising as marketing is primarily a dynamic phenomenon taking place in ever-changing social contexts; in fact a prime purpose of marketing is to bring about changes.

An additional observation is that the marketing discipline has primarily been preoccupied with transactions and exchanges falling within socially accepted norms, or even more restrictive, visible, socially accepted market transactions (Grønhaug and Dholokia, 1987). In most societies many (legal) exchanges are taken out of the visible, legal market, for example an exchange of services between neighbours. In addition, illegal exchanges occur. In several countries the 'black economy' booms and is estimated to constitute something in the range of 20–40 per cent of the gross national product. The distribution and marketing of illegal drugs, and the selling of stolen goods, are examples of deviant behaviours, but so far – in spite of their importance – they have received only scant attention from marketers. As noted by Zaltman and Wallendorf (1977) there are reasons to believe that the study of illegal exchanges can improve our understanding of marketing and its potential influence within legal and accepted social settings.

To summarize:

- Much of the borrowing from sociology has been used as a basis for characterizing and profiling consumers and target groups, that is the use of the concepts has been 'one-sided', overlooking their social relational intentions as reflected in the mother discipline. (This 'individualistic' perspective can probably also explain the predominant influence from individual psychology as reflected in any major textbook on consumer behaviour.)

- The borrowing from sociology has primarily been applied to legal, visible exchanges, that is only a subset of all marketing exchanges taking place. The extensive work in sociology on deviant behaviour has so far been almost neglected.
- The borrowed concepts and ideas have mainly been used as static descriptors and only to a modest extent utilized to capture the dynamics of and understand societal changes. This is also seen in scholarly empirical marketing research. In spite of the dynamic character of marketing – which involves time – the majority of empirical research is still based on cross-sectional research designs, or on experiments which capture only a limited time period between pre- and post-tests.
- However, to capture, adjust to and benefit from the ‘new social reality’ created by modern ICT – in particular the internet – marketing applies sociological concepts and thinking. Also, an interesting and important aspect is that ICT and access to a multitude of relationships and networks primarily relates to weak relationships or ties which ease access to novel information.

Recent developments and changes in marketing perspectives indicate that more focus will be placed on social aspects, emphasizing relationships between social actors. This trend is probably only in an early stage, and is likely to continue. The influence of sociology on marketing thinking will very likely increase in the years to come, and probably be manifested in the following ways:

- Previously borrowed concepts, for example, ‘role’, ‘status’ and ‘group’ will be applied to capture social dimensions as they were created to do, that is to capture aspects of relationships.
- The borrowing of concepts and ideas to understand relationships and networks, their initiation, changes, duration and termination, will increase dramatically in the years to come.
- The importance of the social context, and how it influences relationships and exchanges, will be more emphasized in future marketing thinking and research.

It is also believed that dynamics and change as emphasized in much of sociology will have a greater impact on thinking and research in marketing in the years to come.

Recommended further reading

Arnould, E.J. and Thompson, C.J. (2005) ‘Consumer culture theory (CCT): twenty years of research’, *Journal of Consumer Research* 31, March: 868–82.

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This book represents a penetrating analysis of various forms of social exchanges and offers important insights into marketing phenomena.

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- An important and very influential article, often quoted by marketers, which deserves to be read.
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- Considers marketing from a social system perspective, and focuses in a useful way on marketing as a cause of consequences of change, and inherent conflict.
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- Swidler, A. (1986) 'Culture in action: symbols and strategies', *American Sociological Review* 51: 273–86.
- This is a very thought-provoking book on the functioning of culture and its importance for marketers.
- Thompson, C.J. (1996) 'Caring consumers: gendered consumption meanings and the juggling lifestyle', *Journal of Consumer Research* 22, March: 388–407.
- Wallerdorf, M. (1978) 'Social roles in marketing contexts', *American Behavioral Scientist* 21: 571–81.
- A useful contribution regarding the potential of applying the role concept to marketing problems.

- Watts, D.J. and Dodds, P.S. (2007) 'Influentials, networks, and public opinion formation', *Journal of Consumer Research* 34, December: 441–58.
- Zaltman, G. and Wallendorf, M. (1977) 'Sociology: The missing chunk or how we've missed the boat', in B.A. Greenberg and D.N. Bellinger (eds) *Contemporary Marketing Thought 1977: Educators' Proceedings*, Chicago, IL: American Marketing Association, pp. 235–8.
- This paper identifies important topics neglected by marketers, and discusses how sociology can be useful.)

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