



Legends in Marketing

SHELBY D. HUNT

Series Editor
Jagdish N. Sheth

4

Volume Editor
James R. Brown



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Volume 4

CHANNELS OF DISTRIBUTION

Volume Editor

James R. Brown, Ph.D.

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Barry Berman, Ph.D.

Rajiv P. Dant, Ph.D.

Patrick J. Kaufmann, Ph.D.

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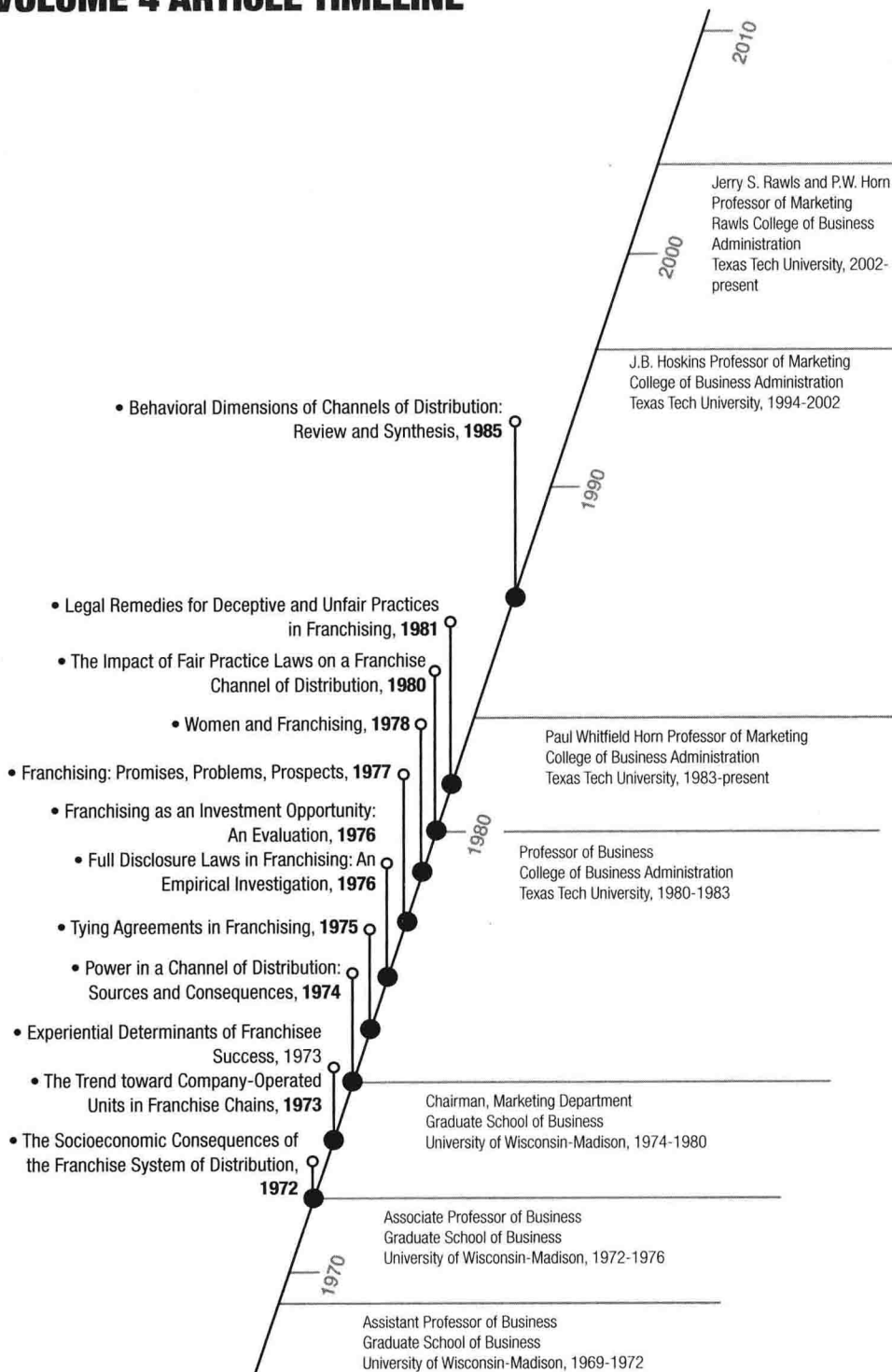
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SHELBY D. HUNT

Shelby D. Hunt is the Jerry S. Rawls and P.W. Horn Professor of Marketing at the Rawls College of Business, Texas Tech University, Lubbock, Texas, USA. A past editor of the *Journal of Marketing* (1985–87), he is the author of numerous books, including *Foundations of Marketing Theory: Toward a General Theory of Marketing* (2002), *Controversy in Marketing Theory: For Reason, Realism, Truth, and Objectivity* (2003), and *A General Theory of Competition: Resources, Competences, Productivity, Economic Growth* (SAGE Publications, 2000). One of the 250 most frequently cited researchers in economics and business (Thomson-ISI), he has written numerous articles on competitive theory, strategy, macromarketing, ethics, relationship marketing, channels of distribution, philosophy of science, and marketing theory. Three of his *Journal of Marketing* articles won the Harold H. Maynard Award for the “best article on marketing theory.” His 1994 *Journal of Marketing* article “Commitment and Trust,” with Robert M. Morgan, was the most highly cited article in economics and business in the 1993–2003 decade (Thomson-ISI). For his contributions to theory and science in marketing, he has received multiple other distinguished awards.

VOLUME 4 ARTICLE TIMELINE



Legends in Marketing

As a post doc Research Fellow at Columbia University while writing the book *The Theory of Buyer Behavior* (Wiley, 1969) with my mentor and professor, John A. Howard, I had spent two full years in the stacks of Columbia University Library, reading in awe, classic books in psychology, philosophy, economics, sociology, and anthropology. I was always fascinated with history since my undergraduate days and especially with the biographies of philosophers, scholars and advisors to kings and monarchs. I was curious about how they developed their thoughts; what made them challenge existing wisdom; and the context or circumstances which made them propose alternative perspectives or explanations.

What impressed me the most through this experience was the realization that knowledge is recursive: what we discover today was also discovered yesterday but forgotten just like the ancient civilizations in Machu Picchu, Egypt, India, and China. The old monuments and ruins were overrun by vegetation and buried in forests or swallowed by floods, only to be rediscovered by archeologists and anthropologists. Just as we are in awe of ancient civilizations and marvel at how advanced our ancestors were in organizing civic societies and synthesizing extant knowledge in either scriptures or in mythologies, I am always in awe of insightful concepts, discoveries, experiments and synthesis of knowledge by well respected scholars. Furthermore, often their best writings are not just in top tier journals but also in symposia, monographs and chapters in specialized books. Often their books become textbooks for graduate students because of their unique perspectives or research findings. In fact, most of the best known scholars are more remembered by their books and not for their papers.

The breadth and depth of knowledge I gained in those two years at Columbia University was simply invaluable in writing *The Theory of Buyer Behavior*. This was also the case in my other academic books including *Marketing Theory: Evolution and Evaluation* (Wiley, 1988) and *Consumption Values and Market Choices* (Southwestern, 1991).

I followed that tradition in my doctoral seminars at the University of Illinois in Consumer Behavior, Marketing Theory and Multivariate Methods, by assigning and encouraging doctoral students to read classic writings, many of them out of print and

therefore not easily accessible, unlike today. Similarly, I continue to encourage doctoral students to read and review old literature to gain perspectives for their doctoral dissertations and research papers.

The genesis of *Legends in Marketing* comes from these experiences as a doctoral student, post-doc Fellow and doctoral seminar leader. There are world class thinkers and researchers in marketing, who, over their four to five decades of scholarship, have generated knowledge which is both deep and broad. However, it is scattered in different publications, some of them out of print and not digitized. What if we could assemble and organize this knowledge into volumes and make them available both in print and online? Hence, this series called *Legends in Marketing*.

The mission of *Legends in Marketing* is to:

1. Compile and organize decades of published academic research of a world renowned marketing scholar into six to ten volumes.
2. Ensure that his or her legacy is widely disseminated to the next generation of marketing scholars especially from emerging markets such as Africa, China, and India as well as from the transition economies of ex-Soviet Union including Russia, Eastern Europe, and Central Asia.
3. Preserve this knowledge as a Legacy in marketing.

Each Legend selected compiles and organizes his or her published works from academic journals, conference proceedings, chapters of books and any other source of publication. While this is not a census of all the Legend's writings, it includes a vast majority of his or her lifelong contributions over several decades which can be organized into six to ten volumes.

For each volume, the Legend selects a Volume Editor (VE) who is familiar with the Legend's publications in that specific area. The VE in collaboration with the Legend organizes the selected publications into a Table of Contents with thematic sections of the Volume. The VE also writes an Introduction to the Volume which traces the origins of the focal area, how the Legend has impacted that area and how the field is likely to evolve in the future.

The VE also invites three contributors who comment on how the Legend's work has impacted the field and them personally. Finally, the VE interviews the Legend to get his or her latest views and reflections on the published works.

I went through this process for my own writings with the extraordinary assistance from Balaji C. Krishnan, who agreed to be the Set Editor, resulting in eight volumes which SAGE (India) published in early 2010.

The first set of nine Legends who have agreed to be featured are:

Shelby D. Hunt	Kent B. Monroe	Naresh Malhotra
Richard Bagozzi	Philip Kotler	Yoram Wind
Paul Green	V. Kumar	Gerald Zaltman

Both SAGE (India) and I are very pleased with the strong interest and enthusiasm about the Legends in Marketing Series from faculty, doctoral students, and academic libraries, especially from emerging markets. I am especially pleased that each Legend is also passionate about this project. Our plan is to continue the Series each year by adding five to six additional Legends in Marketing. This is a very gratifying labor of love.

Jagdish N. Sheth, Series Editor
Emory University

Legends in Marketing:

Shelby D. Hunt

There are very few marketing scholars who are as versatile, precise, and knowledgeable as Shelby Hunt. In marketing theory, you have to study his writings just as in earlier days, we all, as doctoral students, had to study Robert Bartels and Wroe Alderson. Shelby is what I refer to as a deep generalist. He is incredible in his depth of knowledge in philosophy of science and theory construction. At the same time, he is a generalist who can develop and articulate theories across different marketing domains ranging from the nature and scope of marketing to macromarketing to relationship marketing, and most recently, developing a respected and thoughtful general theory of marketing anchored to relative advantage.

Just like other Legends in Marketing, Shelby Hunt is exceptional in three skills. First, it is about what he has to say. It is insightful and thorough. Second, it is about how he says it. His style makes the subject matter easy to understand, concise, and to the point. Third, he knows how to frame the situation or the context. In fact, in my interview, he told me that it takes him several iterations and sheer hard work to write the first two or three paragraphs of an article. Once this is done to his satisfaction, the rest of the content flows naturally.

Shelby decided to become an academic as early as his freshman year in engineering at Ohio State University. One day there was a knock on his door. A fellow student in the 200-plus-student chemistry class that he didn't even know, asked him to be his tutor. He realized right then and there that he had a knack of explaining difficult material in ways that everyone can understand. This made him realize that he may be a good educator. Since then he has never looked back. When I asked him if he had second thoughts about the academic career spanning over four decades, his answer was a definite NO; he has no regrets. He has won virtually every academic award bestowed by the marketing discipline.

His advice to younger scholars: Be very efficient; don't waste time; and write down what works and what does not work for you. He is really puzzled by today's reduced teaching load in order to increase research productivity. For example, when he started

his academic career at the University of Wisconsin-Madison, he taught five different courses with five different preparations in his first three years. It never occurred to him that it was a lot of teaching. According to him, if you have curiosity to learn new things, you don't think of teaching as a burden. In fact, the best way to learn is to teach!

Shelby has no plans to retire unless some unexpected health-related issue interferes. He truly enjoys what he does. He was born into a family that owned a shoe store business and he learned how to sell in his youth. What may be a loss to the family business has been a great gift to the marketing discipline!

I have known Shelby Hunt for more than 40 years. We usually meet at academic conferences throughout the year. Sometimes we are asked to be on the same panel. I admire his writings and have personally benefited from his books and papers.

Jagdish N. Sheth, Series Editor
Emory University

Volume Introduction: Shelby Hunt's Contributions to Research on Channels of Distribution—An Introduction

James R. Brown

Kmart Corporation Chair in Marketing
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Shelby Hunt has contributed heavily to research on behavioral issues facing marketing channels, especially in the early years of their empirical investigation. His contributions began with a comprehensive study of franchising undertaken with Urban Ozanne in the early 1970s (Ozanne and Hunt, 1971). This study led to a number of important papers on franchising, in particular, and channel relationships, in general. This volume includes 12 of those papers. This volume also includes commentaries on this body of Professor Hunt's work by five prominent scholars in marketing. These scholars assess the impact of this body of Professor Hunt's work on subsequent research and policy-making.

The purpose of this essay is to introduce this volume by broadly classifying these papers and explaining, from my perspective, their influence on the domain of marketing channels. Another purpose is to provide a brief overview of the five commentaries. Before turning to Professor Hunt's work, I would like to thank him for entrusting me to edit this volume.

Franchising

The chief topic of much of his early work in marketing channels (also known as channels of distribution) dealt with the institution of franchising itself. A useful overview of this work appears in his assessment of franchising's promises, problems, and

prospects (Hunt, 1977). Among the topics addressed were the advantages and disadvantages of franchising (Hunt, 1972; Hunt and Jackobs, 1976), the role of previous experience in franchisee success (Hunt, 1973b), and the role of women in franchising (Hunt, 1978). Testing the ownership redirection hypothesis (i.e., the trend toward company-owned units) in Hunt (1973a) was an early important study of marketing channel organization. Not until the popularization of transaction cost economics in the mid-1980s did marketing scholars study the organization of marketing channels to a great degree.

In addition to the institution of franchising, this volume includes Professor Hunt's studies of the legal aspects of franchising. As the commentators note, the key themes of this work are full disclosure laws (Hunt and Nevin, 1976), tying arrangements (Hunt and Nevin, 1975), and fair practices in franchising (Nevin et al., 1980). Nevin et al. (1981) summarized state and federal laws that regulated the sale and operation of franchises at that time; they also predicted future legislation in this area. As noted in the interview with Professor Hunt, this stream of research was instrumental in passing the Federal Trade Commission's 1978 "Franchising and Business Opportunity Ventures" trade regulation rule, which pertained to franchise disclosure requirements and prohibitions.

Channel Relationships

Following El-Ansary and Stern (1972), the Hunt and Nevin (1974) article on the sources of power in franchisor-franchisee relationships was the second empirical paper to address power in channels of distribution. At the time of its publication, marketing researchers were beginning to operationalize their underlying theories of behavior in distribution channels. Hunt and Nevin (1974) represented a giant step forward for theory-based, empirical channels research and provided additional momentum for this nascent research area.

Indeed, empirical research on the behavioral issues of power and dependence as well as conflict and satisfaction in marketing channels continued to grow for nearly 20 years. In the midst of that growth period, Professor Hunt and his colleagues undertook a comprehensive qualitative review of research on marketing channel behavior, emphasizing the theoretical and empirical development of such notions as bargaining, conflict, cooperation, power, performance, channel member roles, channel member satisfaction, and political economy (Hunt et al., 1985). This review provided a useful picture of behavioral channels research at that point and suggested directions for future research in this area.

Behavioral channels research then shifted gears, emphasizing other behavioral aspects of marketing channels, especially trust and commitment. And, Shelby Hunt played no small role in lubricating this shift with his seminal paper on trust and commitment co-authored with Robert Morgan (Morgan and Hunt, 1994). A separate

volume in this series deals with Professor Hunt's stream of research on relationship marketing.

Commentaries in this Volume

Five distinguished marketing scholars have generously agreed to provide commentaries on Professor Hunt's research in the volume. They are in order of appearance: Adel I. El-Ansary (University of North Florida), Patrick J. Kaufmann (Boston University), Rajiv P. Dant (University of Oklahoma), Barry Berman (Hofstra University), and John R. Nevin (University of Wisconsin-Madison). Their insightful contributions to this volume are greatly appreciated.

Adel El-Ansary in his "Shelby D. Hunt's Contributions to Scholarship in Marketing Channels" takes a macro approach in assessing Professor Hunt's research on marketing channels. First, he provides a historical context about research on distribution in marketing. Next, Professor El-Ansary categorizes Shelby Hunt's research in a broad conceptual framework of marketing channel management that includes the channel environment and strategy, channel structure and organization, technical and behavioral aspects of channel management, and channel performance. This framework provides a rather unique and insightful perspective on Professor Hunt's research on channels of distribution.

"Some Thoughts on Shelby Hunt's Work in Franchising" is the title of Pat Kaufmann's commentary on Professor Hunt's research in this volume. Professor Kaufmann sees this research as reflecting three main areas: reasons for and implications of franchising, laws impacting franchisor-franchisee relationships, and a context for understanding behavioral issues in distribution and marketing channels. He then assesses the impact of Professor Hunt's work in these areas some 30 years later.

In his essay entitled "A Man before His Time...", Rajiv Dant advances the argument that the issues facing franchising identified by Shelby Hunt in the early-1970s through the early-1980s persist today. In this way, Professor Dant sees Shelby Hunt's work as prescient. Within his commentary, Professor Dant lays out in tabular form a highly useful, systematic review of Shelby Hunt's franchising research. He also includes in his review the seminal Ozanne and Hunt (1971) report to the U.S. Small Business Administration on franchising, which served as the basis for Professor Hunt's research on franchising.

Shelby Hunt's research on legal issues in franchising is the subject of Barry Berman's essay entitled, "Commentary on Shelby D. Hunt's Research on Legal Issues in Franchising." Professor Berman provides a précis of Shelby Hunt's research on full disclosure, tying agreements, and fair practices in franchising. In addition, Professor Berman describes current legislative and litigation developments on these issues. He concludes that these issues, studied by Professor Hunt nearly 40 years ago, are still of concern today.