



# Legends in Marketing

SHELBY D. HUNT

Series Editor  
Jagdish N. Sheth

9

Volume Editor  
O.C. Ferrell





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# Legends in Marketing

## **SHELBY D. HUNT**

**Series Editor**

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### **Volume 9**

## **RESOURCE-ADVANTAGE THEORY THE DEVELOPMENT PERIOD**

**Volume Editor**

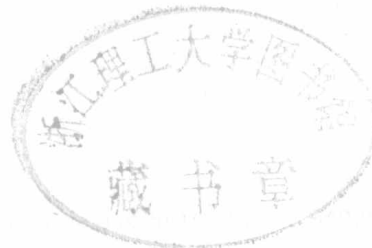
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**SHELBY D. HUNT**

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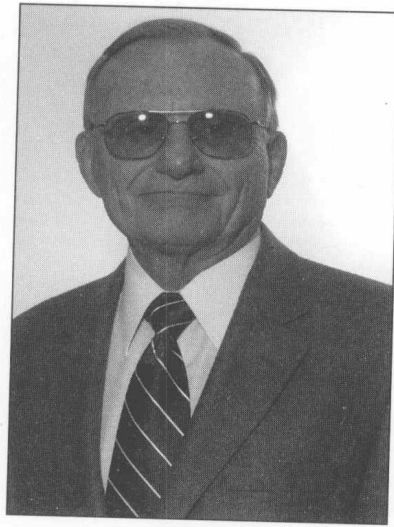
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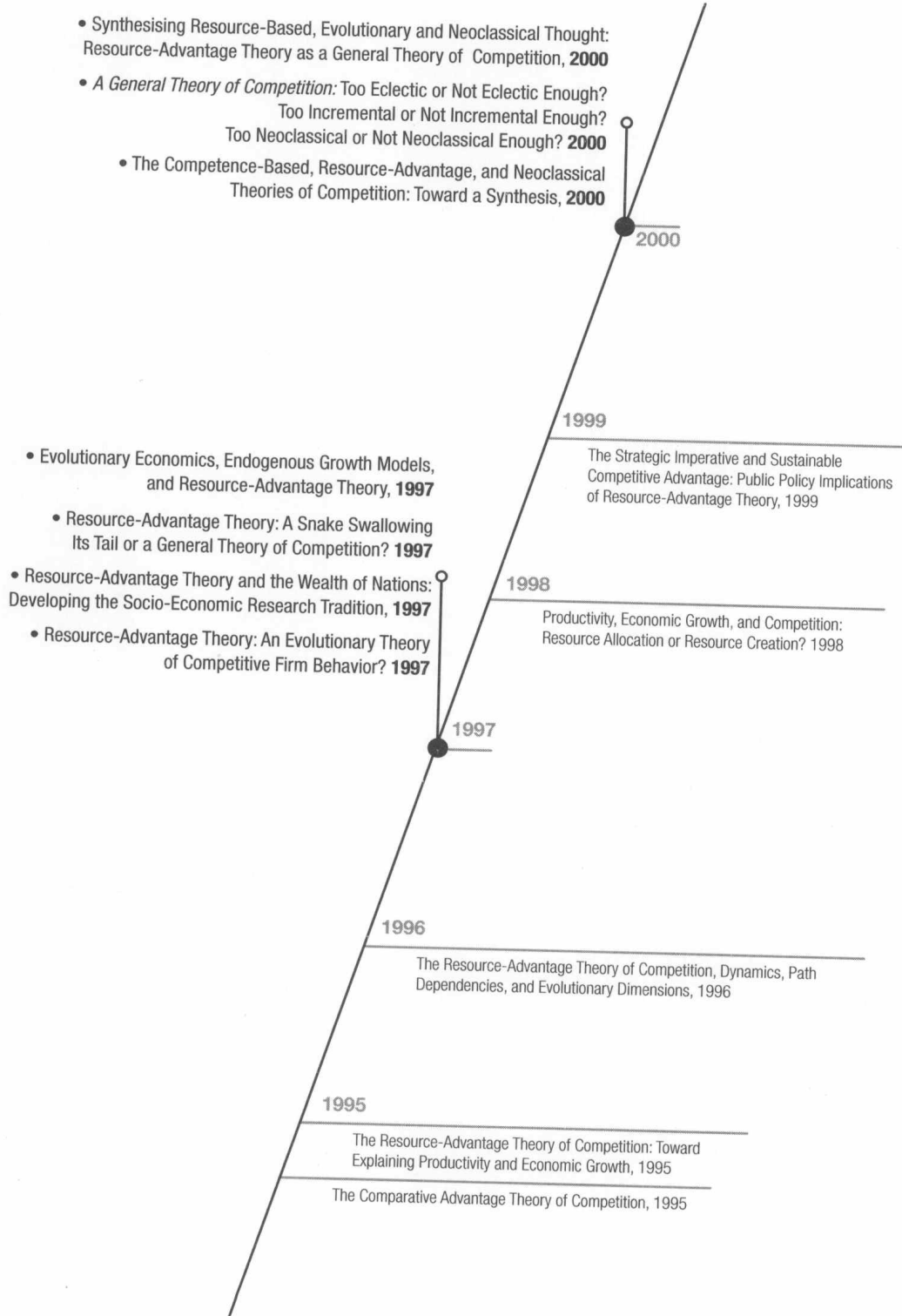




**SHELBY D. HUNT**

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 9 ARTICLE TIMELINE



# Legends in Marketing

**A**s 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: An Introduction to Resource- Advantage Theory— The Developmental Period**

**O.C. Ferrell, Ph.D.**

Bill Daniels Professor of Business Ethics  
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I am honored that Shelby Hunt has asked me to edit Volume 9, entitled *Resource Advantage Theory: The Developmental Period*. The articles covered in this section constitute the foundation of Resource Advantage (R-A) Theory. This volume should be placed in the context of his extensive body of work in the areas of marketing theory, philosophy of science, ethics, marketing strategy, and competition. There is no doubt that Shelby's development of *Modern Marketing Theory: Critical Issues in the Philosophy of Marketing Science* (1991) was the philosophical reference for his foundational development of R-A Theory during this time period. Shelby's groundbreaking work in creating a general theory of marketing ethics (1986) was an exercise that helped to prepare him for a much more complex theory development exercise creating the R-A Theory. I have had the opportunity to know Shelby for nearly four decades (he even served as my department chair one summer while I attended the University of Wisconsin). I have read most of his articles and traced his development as the premier thought leader in the field of marketing. Over the last 35 years, his leadership has evolved beyond marketing, management, economics, and to other social sciences. In 2003, he was recognized as one of the 250 most "highly cited" economics and business researchers in the world by Thomson-ISI. I view the R-A Theory to be his capstone contribution.

In this overview, I will lay out some of the foundational concepts of R-A Theory and pose some questions that will hopefully stimulate a dialogue. It is obvious that



Shelby had an excellent background in neoclassical economic theory (including a minor in economics and a Ph.D. at Michigan State University), and this became the foundation for developing a theory to explain competition and comparative advantage, the value of marketing strategy, as well as macro and public policy implications of R-A Theory. When R-A Theory is compared with neoclassical perfect competition theory, it more clearly explains productivity and economic growth. One of the major contributions of R-A Theory is that it can be applied to so many facets of business, including the economic system, and society. Much of my research has been in the area of marketing ethics theory and research. R-A Theory embraces concepts that help explain organizational ethics and social responsibility as well as trust from a resource advantage perspective.

### **An Overview of Resource-Advantage Theory**

I will draw most of the following descriptions of R-A Theory from the following articles: "The Comparative Advantage Theory of Competition," (Hunt and Morgan, 1995); "The Resource-Advantage Theory of Competition," (Hunt, 1995); and "The Resource-Advantage Theory and the Wealth of Nations: Developing the Socioeconomic Research Tradition," (Hunt, 1997). Most of the theory in marketing strategy has been fairly narrow and straight forward, focusing on customers as the key to business success. Marketers have advocated market orientation (MO) as the key framework for driving marketing and business performance (Narver and Slater, 1990). In addition, other strategic frameworks such as relationship marketing have been developed and tested as other forms of customer-focused strategy (Berry and Parasuraman, 1991). There is no doubt that marketing has been an applied area of thought development rather than an advanced theoretical and philosophical discipline. The idea of developing a new theory of competition, one that has advantages over neoclassical theory, is not something that is in the traditions of marketing theory development. The last marketer to drill so deeply into an understanding of competition, strategy, and marketing's place in our economy was Wroe Alderson (1957). Our discipline, more recently, has been driven by theories of consumer behavior and the adaptation of quantitative methods to develop empirical insights that have strategy implications.

R-A Theory draws on resource-based theory of the firm from the strategy literature (Barney, 1991) and marketing competitive advantage and industrial-organizational economics frameworks (Bharadwaj et al., 1993). The theory also borrows from the theory of competitive rationality from Austrian economics (Dickson, 1992). The theory of differential advantage, as discussed by Alderson (1957, 1965), contributed significantly to the comparative advantage theory of competition (Hunt and Morgan, 1995).

It is significant that Hunt acknowledges the contributions of Alderson, particularly his theory of differential advantage of competition. In *Planning and Problem Solving*