



Legends in Marketing

SHELBY D. HUNT

Series Editor
Jagdish N. Sheth

10

Volume Editor
Dennis B. Arnett





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Jagdish N. Sheth, Ph.D.

Volume 10

RESOURCE-ADVANTAGE THEORY THE RESEARCH TRADITION PERIOD

Volume Editor

Dennis B. Arnett, Ph.D.

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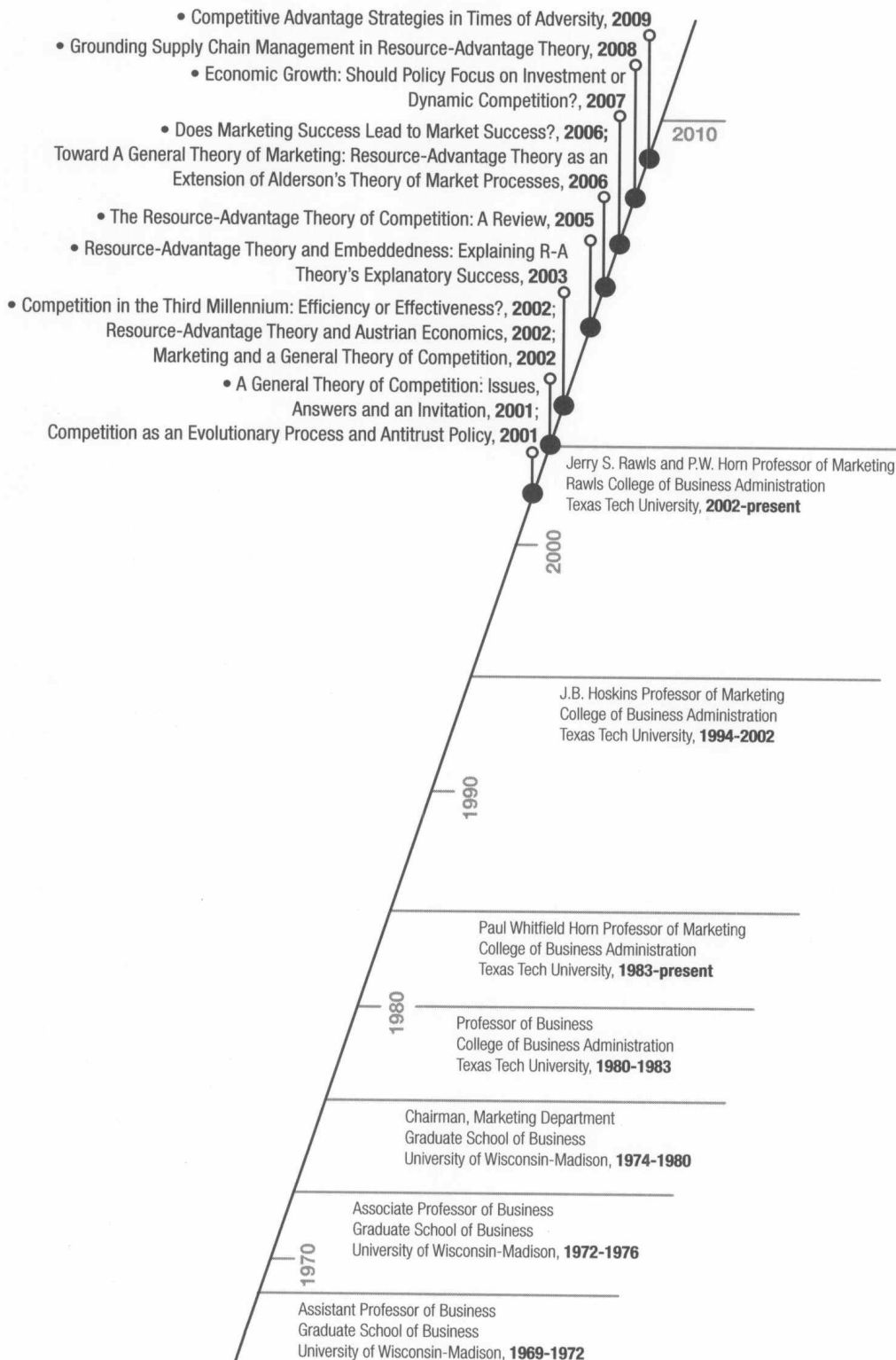
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SHELBY D. HUNT

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 10 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
Richard Bagozzi
Paul Green

Kent B. Monroe
Philip Kotler
V. Kumar

Naresh Malhotra
Yoram Wind
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 Research Tradition Period

Dennis B. Arnett

John B. Malouf Professor of Marketing
Rawls College of Business
Texas Tech University

When I found out that Shelby Hunt was being honored in SAGE's Legends in Marketing series I was not surprised in the least. Over the years, he has worked relentlessly to not only develop his own research program but to also aid his colleagues in the development of their research endeavors. In addition, he has strived to improve the marketing discipline as a whole. As demonstrated by the volumes in this series, his work has spanned many important areas of marketing and, unsurprisingly, he has had considerable influence over the development of those areas.

Personally, I have benefited considerably from knowing Shelby. My first interactions with him were as a student in his MBA marketing course at Texas Tech University. At the time, I was mainly concerned with keeping up on my reading for the next exam. I certainly never thought that some fifteen years later, I would have an office down the hall from him. That same semester, Dr Anil Menon, who was then an assistant professor at Texas Tech University, convinced me to apply to the Ph.D. program. I was accepted and became a student in the program the next semester. I was in Shelby's macromarketing course and his marketing theory seminar. Later, I became his teaching assistant and then, after I finished my coursework, he consented to become the chair of my doctoral dissertation committee. Although I learned a lot of things from Shelby in the classroom, the most important lessons were communicated outside the classroom. The hours spent going over manuscripts, discussing reviews, talking about the review process, and informing me about how departments, colleges, and universities function were where I learned how to be a college professor and a researcher. After my

graduation, we began to work together on a number of research projects and, through those collaborations, have enjoyed numerous publishing successes together. When an opportunity arose for me to return to Texas Tech University as a faculty member, he, along with other members of the Texas Tech faculty, graciously made it possible for me to return to my alma mater, which meant a lot to me. More recently, he has served as my faculty mentor—guiding me successfully through both the tenure and promotion process. I continue to rely on him for advice and guidance. The lessons I have learned through my many interactions with Shelby have taught me how to be a better teacher, researcher, colleague, and academician. I owe a lot to Shelby. I can honestly say that I would not be where I am today without his teachings.

Dr Hunt has achieved so much over the course of his career. He has received numerous accolades for his contributions to the marketing discipline. However, I believe that the development of the resource-advantage theory of competition (hereafter, R-A theory) is, by far, the most monumental. It is destined to become his legacy. The development of a general theory of competition is an incredible undertaking, not only because of the complexities involved in developing such a theory, but because of the difficulties encountered throughout the publishing and dissemination process. Although, as evidenced by the major contributions of people like Robert M. Morgan and the other authors, who have contributed to the theory's success over the years, he did not achieve this feat alone, Dr Hunt has been the major driving force behind the continued development and success of the theory.

The process involved in trying to publish a new general theory of competition is often more involved than those dealing with other topics. For example, reactions from reviewers often fall into three categories: (1) scholars who agree with the theory and, therefore, support efforts to publish works using it; (2) scholars who show complete apathy toward any theory of competition and, therefore, do not understand why a general theory of competition is needed; and (3) scholars who seriously doubt the need for any new theory of competition because they believe existing theories are adequate and, therefore, do not understand the need for "another" theory of competition. In addition, many researchers' beliefs regarding competition are *deeply* entrenched in existing theories of competition (e.g., neoclassical perfect competition). These scholars fiercely defend their view of competition. As a result, they react to new theories with extreme skepticism and, at times, outright hostility. Over time, Dr Hunt, with the aid of many co-authors, has methodically chipped away at the many obstacles and roadblocks that have been put in the publishing path of R-A theory and has successfully built a solid foundation for a fruitful research tradition. As you will notice, I had the pleasure to be co-author, with Dr Hunt, for four of the articles that are featured in this volume. I hope that my experiences with those endeavors will provide some insights into this period in the theory's development.

Introduction

For some readers, the title of this volume may evoke a question, what is a "research tradition?" Laudan (1977: 84) defines it as "a set of assumptions: assumptions about

the basic kinds of entities in the world, assumptions about how those entities interact, assumptions about the proper methods to use for constructing and testing theories about those entities." Laudan's concept of "research tradition" is often seen as an important alternative to the concept of "research programme" put forth by Lakatos (1970). Without getting too deep into the philosophy of science literature, which is a topic of other volumes in this series, one of the major differences is that Lakatos (1970) argues that the core concepts (e.g., foundational premises and central tenets) of research programs should not be open for testing. Moreover, researchers should strive to build a "protective belt" of auxiliary hypotheses around them. The way that a successor theory replaces a predecessor theory is, not by disproving its core concepts, but by predicting "everything that its predecessor predicted, and in addition, some novel, hitherto unexpected facts" (Hunt, 2003: 154). In contrast, the core assumptions of a research tradition are testable and can be modified through time. (For a detailed discussion of this topic, see Hunt [2003].)

I think the distinction between "research tradition" and "research programme" is important. It helps define the nature of R-A theory and also to explain the various reactions that the theory elicits. The biggest challenge, when it comes to publishing a paper dealing with a new theory of competition, is overcoming people's existing training in economics. The problem is that, for many people, the only training they have ever had in competition theory comes in the form of mainstream neoclassical economics. Moreover, people tend to accept the logic and tenets of mainstream neoclassical economics without thought. As a result, they are often not to be open to other ideas regarding competition. This manifests itself in a research program-like attitude. That is, either consciously or unconsciously, they seem to form a "protective belt" (per Lakatos) around the neoclassical concepts they have been trained in.

In the review process, one can often see evidence of this research program-like attitude in many academic communities. R-A theory specifically calls into question the core tenets of the neoclassical theory of perfect competition. R-A theory provides a set of foundational premises that are more realistic than those of perfect competition (e.g., it eschews the notion that the firm has perfect information) and uses a descriptive approach to examine the process of competition. However, it seems that some reviewers are not open to the idea of examining the core tenets of neoclassical economic theory. Indeed, it is often difficult to engage them in a dialogue along those lines. By choosing the term research tradition, when talking about the current stage in R-A theory's development, Dr Hunt and others are making it clear that, though the core concepts of the theory should be used to guide future research, they are still open to discussion, empirical testing, and debate. Indeed, as Dr Madhavaram points out in his commentary in this volume, R-A theory has always been viewed by those of us who have worked on it as a "work-in-progress." There is an open invitation, in many of the articles dealing with R-A theory, for researchers to participate in the development of the theory (see, e.g., Hunt, 2001; Hunt and Arnett, 2001). As is clear in Dr Layton's commentary in this volume, the theory's foundational premises are not off limits for such dialogues. He provides an insightful re-examination of some of the foundational premises of R-A theory and introduces a new perspective. These types of