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Marketing Theory Commodity School 01. 11. 2012 [Sirket ad? n? yaz? n] Bahcesehir University, MA Marketing What is commodity school and what are strengths and weaknesses of that thought? Marketing theory has been discussed over years. Many theorists had tried to explain marketing thought since it was a separate field apart from economics. In order to indicate progress of the theory; Sheth, Gardner and Garret in the book of Marketing Theory Evolution and Evaluation compiled all schools of marketing.

They also argue how successful each thought is while developing, implementing and distributing of those schools. On that paper, it will be tried to analyze what commodity school is and what its strengths and weaknesses are according to Sheth, Gardner and Garret. Schools of thoughts are formed by two dimensions of a matrix. One perspective is interactive-noninteractive while the other is economic-noneconomic. In first dimension, for the noninteractive schools selling is the essential concept whereas relationship is main source for interactive schools.

In second dimension, for economic classification, the focus is economic variables such as production and distribution efficiency, prices of inputs and outputs, and consumer income levels. At the other dimension, participants of marketing activities cannot be explained by sole economic influence. It can be clarified by social and psychological factors that may affect the behaviour of marketing actors. With two dimensions of that matrix, commodity school is one concept of noninteractive and economic approach.

The commodity school concentrated on the physical characteristics of products and the related consumer buying habits for different categories of products. The most influential proponent of that school (Melvin Copeland) defined commodities as convenience goods, shopping goods and speciality goods based on durability. Copeland stated that convenience goods were those customarily purchased at easily accessible stores, when he recognized the want, the demand became clearly defined in his mind.

Copeland defined shopping goods as the ones the consumer desires to compare price, quality, style etc at the time of purchase. Final part of his classification is the ones that have some particular attraction for the consumer, other than price, which induces him to put forth special effort to visit the store. For speciality goods, brands are essential. Copeland’s theory can be seen most inspiring theory for commodity school of thought. Theorists after Copeland’s had tried to develop the definition of categories.

One of them was Leo Aspinwall who launched a classification system using five characteristics to differentiate three types of goods. Aspinwall named his three categories the red goods, the orange goods and the yellow goods based on replacement rate, gross margin, adjustment, time of consumption and searching time. Richard Holton asserted that Copeland’s definition of the categories of convenience goods, shopping goods and speciality goods needed to be revised. He emphasized that convenience goods and shopping goods can be defined accurately only from standpoint of the individual consumer.

According to Holton, for the individual consumer, convenience goods are those goods for which the probable gain from making price and quality comparison among alternative sellers is thought to be small relative to the consumer’s appraisal of the searching costs in terms of time, moneyand effort. Shopping goods then, are for the individual consumer, those goods for which the probable gain from making prices and quality comparisons among alternative sellers is thought to be large relative to the consumer’s appraisal of the searching costs in terms of time, money and effort.

However David Luck criticized Holton’s theory in terms of dynamics of consumer behaviour. He claimed that Holton excluded the speciality type of good from marketing theory. The next theorist Bucklin tried to explain the distinction between shopping goods and non shopping goods as a first point of differentiation. He classified that shopping goods are the goods whose suitability is determined through search before the consumer commits himself to each purchase. He subdivided non shopping goods as convenience goods and speciality goods based on their accessibility to substitutes.

Until Kaish emphasis, commodity school could not highlight psychological side of consumers. Kaish was the prior emphasis on the consumer’s shopping effort. He assured that consumers had different pre purchaseanxietylevel for convenience goods, shopping goods and speciality goods. To him, as goods complexity increases pre purchase anxiety level also rises as well. After all those contributions, Ramond and Assael asserted that firstly, product as a relation between physical ingredients and psychological responses; secondly, the product in terms of consumer actions and channel response must be defined.

In addition, Enis and Roering asserted that a classification scheme that incorporates both the buyer’s and the seller’s perspective holds the greatest promise for illuminating the exchange process. Finally, Murphy and Enis developed four commodity categories as convenience, preference, shopping and speciality products based on effort and risk dimension Enis-Roerig Commodity Classification System Buyer Expected Effort / Marketing Mix Differentiation HIGH Buyer Perceived Risk/ Product Differentiation LOWshoppingspecialityHIGHconveniencepreferenceLOW

The commodity school has revolted during the process that is summarized above. Many explanations and opinions are developed by the theorists. However, there is still unanimity for that school. Commodity categories are still tried to be defined clearly. It is still a dilemma if definitions should be physical properties of the good or on the behaviour of the consumers. If latter one is preferable, should the focus be on the consumer’s mental effort or on his physical effort. In addition, the specification of hypotheses becomes contingent upon the diversity and individual differences among consumers.

Beyond the potential variability among consumers, there is also the question of the possible change in any one consumer’s behaviour over time. Another point that cannot be clarified is how shopping effort is measured and, limited and considerable levels of the shopping are distinguished in terms of operational efficiency. The points that cannot be clarified during evolution process for commodity school are listed. Although there are dilemmas about structure, specification and testability, the commodity school enjoys some easiness of theory implementation.

Firstly, a researcher interested in commodity school could develop empirical simulations for the goods categories. Thanks to this simulation, he can modify marketing mix for a test product to determine whether market performance for the product could be enhanced. Secondly; commodity school is valid for consumer goods, industrial goods, services and social goods. In addition, it is adaptable in globalenvironmentthanks to consumer classification based on diverseculture, psychologyetc. Also, the commodity school cooperates with newtechnology.

At last but not least, specific forms of distribution and promotion should accompany various types of goods. To sum up, commodity school is the one that many theorists have tried to structure and strengthen it. Physical characteristic and consumer’s psychological tendencies have been main factors that theorists have considered. Although it has dilemmas about structure, specification and testability, it can succeed to develop empirical supports, to enrich product categorization and to simplify in communicating and implementing the theory. With the contribution of each theorist, it can be seen as one of the most robust school of marketing.