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BARTON A. WEITZ, EDITOR

JC Penney Professor of Marketing, University of Florida - Warrington College of Business Administration

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By

Edouard Novatorov, Ph.D

Professor, Department of management

National Research University

“Higher school of economics”

Russia

www.hse.ru

enovatorov@hse.ru

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ABSTRACT

The author deconstructs the prevailing controversial conceptualization of nonprofit marketing and concludes it rests on three principles: voluntary exchange, an open system organization, and self-interest motivation. Negative case analysis of these principles revealed that alternative principles were ignored in the social science literature. Based on a qualitative analysis a revised conceptualization of non-profit marketing was suggested which incorporated the principles of redistribution and reciprocity, the features of a closed model of formal organization, and public interest motivation. The critical theory approach to the study used non-empirical procedures that included negative case analysis. The paper presents results of negative case analysis.

Key words: non-profit marketing, negative case analysis, generalized exchange, reciprocity, redistribution.

Edouard Novatorov

Nonprofit marketing: negative case analysis

1. Introduction

Although the concept of non-profit sector marketing (Kotler, 1979; Kotler and Andreasen, 2008; Lovelock and Weinberg, 1978; Miller, 2010; Tam 1994) has been widely embraced by marketing academics, many scholars and managers in the non-profit field remain skeptical. Their skepticism was recognized by the commentator who observed: "marketing in the public sector has a love-hate evaluation" (Roberto, 1991, p. 81). Similar ambivalence has been expressed in the non-profit and public marketing literature (Havitz, 1988; Schultz, et al., 1988) and in related fields (Buchanan et al., 1994; O'Fairchellaigh et al., 1991, Vanden Heede & Pelican, 1995; Walsh, 1994). Skeptics of the appropriateness of the marketing concept in the non-profit field argued that its application distorted a non-profit organization's objectives, antithetical to its social service ethic, and invited inappropriate commercialization of non-profit services (Dustin and Goodale, 1997; Goodale, 1985; Godbey, 1991; Schultz, et al., 1988).

The intent of this paper is to deconstruct the prevailing conceptualization of non-profit marketing into a set of underlying principles; contrast these principles with alternative principles, and use the alternative principles as a basis for developing a superior conceptualization of non-profit marketing. To pursue these objectives the study employed a negative case analysis (Given, 2008; Kidder, 1981), also mentioned as deviant case analysis (Patton, 2001).

2. The Emergence of Broadened Marketing Proposition

Marketing is derived from the term market, and a market is characterized by a voluntary agreement of the terms of a sale between buyers and sellers. The terms of sale offer a quid pro quo that is supported by two functions--communications and exchange. In an open market place both buyers and sellers communicate and search for the best sale-purchase terms they can find and voluntarily exchange property rights on goods and services, using money to facilitate the exchange.

Voluntary exchange (market transaction) occurs in a competitive environment that is comprised of many sellers (organizations) where each seeks a competitive advantage in order to maximize their assets. Almost all competing organizations have two alternative strategies for responding to competitive forces: (1) an organization can seek to alter so it fits its offering; or (2) the organization can adjust its offerings to meet authentic customer needs. The former strategy is known as a selling orientation while the latter is known as the marketing concept. Although both strategies are guided by the desire to generate high levels of sales and profit, most marketers believe that a marketing orientation strategy is likely to be more successful in the long term for maximizing profit. A marketing orientation, or simply marketing, was defined initially as: “The process of discovery and translating customer wants into product and service specifications, and then in turn helping to make it possible for more and more consumers to enjoy more and more these products and services” (Hansen, 1957, p. 2).

Monieson (1988) noted that almost everyone in the marketing field accepted this definition until the late 1960s and early 1970s, when Kotler and Levy (1969) suggested that the marketing philosophy and marketing tools could be applied with equal effectiveness to the public and nonprofit sector contexts.

3. Conceptualization of Generic Marketing Concept

Kotler and Levy (1969) argued that public and nonprofit organizations such as police departments, park and recreation agencies, museums, public schools, and the like, performed "marketing-like activities whether or not they are recognized as such" (p. 11). Kotler and Levy attempted to redefine traditional notions of commercial marketing and to formulate generic definitions of product, target groups, and the other functions of marketing so these concepts could be applicable to the public sector. Their main thesis suggested that all organizations faced similar marketing problems, were involved in marketing processes, and that business marketing provide a useful set of concepts for solving these problems.

In a rejoinder to Luck’s (1969) critical comments on their article, Kotler and Levy (1969) proclaimed that the concept of a market transaction with its underlying mission of generating profit for businesses was not the defining characteristic of modern marketing. Rather, the ultimate goal of marketing was the satisfaction of consumer needs and the continual adjustment of product offerings to meet these needs. They argued that this process was universal and was found in primitive, socialist, and capitalist societies. They perceived the process to be based on the neutral and "general idea of exchange" which included commercial market transactions and noncommercial services delivered in return for the payment of taxes.

Inspired by the general idea of exchange emanating from the provocative theory of social exchange (Homans 1969), Kotler and his associates modified existing political communication and public advertising theories to formulate the marketing approach comprised of the "4 Ps" model, voluntary exchange, and the marketing philosophy of meeting customers’ needs (Bonoma and Zaltman 1978; Kotler and Zaltman, 1971).

In 1972, Kotler formulated his broadened, generic, and axiomatic concept of marketing that was conceptualized as being universal for any type of product or organization (Kotler, 1972). The generic marketing paradigm stated that there were three levels of marketing "consciousness." Consciousness 1 was business marketing concerned with market transactions. This was the traditional notion of marketing from its beginning until the early 1970s. Consciousness 2 was a broadened notion of marketing concerned with nonmarket transactions that do not require explicit payments. Consciousness 3 was those marketing activities that were directed to publics other than customers' markets in an organization's environment. All three levels of marketing consciousness shared the same core concept, the notion of transaction. Kotler (1972, p 49) asserted:

> "The core concept of marketing is the transaction. A transaction is the exchange of values between two parties. The things-of-value need not be limited to goods, services, and money; they include other resources such as time, energy, and feelings. Transactions occur not only between buyers and sellers, and organizations, and clients, but also between any two parties. ... Marketing is specifically concerned with how transactions are created, stimulated, facilitated, and valued." (emphasis original).

While some marketing educators agreed with the broadening marketing proposition (Nickels, 1974), some did not (Bartels, 1974; Bell and Emory, 1971; Carman, 1973; Luck, 1969; 1974; Tucker, 1974). In response to the emerging criticism, Bagozzi (1975) attempted to modify the generic concept of marketing further, by proposing three types of marketing exchange (restricted, generalized, and complex) and that they could exhibit three classes of meanings (utilitarian, symbolic, and mixed). Bagozzi (1975) saw the essence of nonbusiness marketing as being the concept of complex exchange, which he defined as "a system of mutual relationships between at least three parties [where] each social actor is involved in at least one direct exchange, while the entire system is organized by an interconnecting web of relationships" (Bagozzi, 1975, p. 33). This definition built upon the earlier work of Shapiro (1973) who argued that in contrast to a business concern, the nonbusiness organization had to work with a minimum of two constituencies: the public from whom it received funds and the public to whom it provided services. Bagozzi (1975, p. 39) believed that social marketing was "a subset of the generic concept of marketing" and the generic concept of marketing was a "general function of universal applicability."

4. Limitations of Conceptualizations

«Apologists» who were concerned with the conceptual identity of the marketing discipline, its proper boundaries, and its classical and traditional interpretation (Arnold and Fisher, 1996) initiated the controversy. Luck (1969; 1974) was the first apologist to attack Kotler and his associates (Kotler and Levy, 1969; Kotler and Roberto 1989; Kotler and Zaltman, 1971; Kotler, 1972). Luck argued that in the public sector there are no freely established terms of sale, and parties (e.g. churches, donors, voters, political parties, and so on) are not given any specific quid pro quo in their transactions. He believed that marketing should be limited to buying-and-selling interactions, and that applying this criterion to nonmarket situations leads to "confusion compounded" (Luck, 1974).

The Kotler-Luck discussion of the scope of marketing stimulated substantial additional debate. Dawson (1979), Fisher-Winkelman and Rock (1977), Spratlen (1979), and Lazer and Kelley (1973) advocated that the central value of marketing should revolve around social responsibility and humanistic concerns, instead of its traditional pragmatic and materialistic orientation and preoccupation with profit. Bell and Emory (1971), and Etgar and Ratchford (1975) stated that Kotler’s broadened conceptualization of marketing undermined the classical interpretation of marketing. Arndt (1978) argued that the marketing field should exclude churches, welfare agencies, and cultural organizations from its domain. He insisted that the conceptual foundations for public sector marketing should emanate from the political science and public administration areas. Bartels (1974) pointed out that if marketing is to be regarded as being sufficiently broad to include both public and for-profit organizations then it will, perhaps, reappear as a higher order discipline and under another name. Some have suggested alternative titles for this higher order discipline. The suggestions included “physical redistribution” (Bartels, 1974); “transactional sociology, persuasion, attitude change, social engineering, public relations, or government” (Tucker, 1974); “relationics,” "exchangeology" (Arndt, 1978); and “redistributive justice” (Monieson, 1988).

Bagozzi's (1975) extension of Kotler’s generic marketing conceptualization, which incorporated adaptations of social exchange theory and anthropological approaches, also came under attack. Critical commentators argued that Bagozzi’s adaptation of social exchange theory from sociology was inadequate, that he ignored critiques of exchange theory found in the social sciences; and that he annexed almost all of social science, especially social psychology, and claimed it as part of the marketing discipline (Blair, 1977; Ferell and Zey-Ferell, 1977; Ferell and Perachione, 1980; Robin, 1978).

In spite of the debates, Kotler’s notion of applying marketing logic to contexts beyond those of business situations was widely accepted by marketing educators (Nickels, 1974). Bagozzi’s (1975) articulation of a formal theory of marketing exchanges won an award as the most outstanding paper at the American Marketing Association’s (AMA) First Semi-Annual Theory Conference. Controversy over the issue was declared to be over (Hunt, 1976; Lovelock and Weinberg, 1978). The next decade, however, showed this declaration to be premature, as further constructive criticism was published by Capon (1981); Capon and Mauser (1982), Dixon (1978), Houston and Gasseneimer (1987), Nine (1994); Octen (1983), Pandya and Dholakya (1992), and Rados (1981).

For example, Dixon (1978) argued that Kotler's broadened conceptualization of marketing, and especially social marketing concept, assumed that management of a public or social organization could act independently from elected government representatives, and that organizations were able to determine equity standards of resource allocation relatively independently. According to Dixon (1978), such a conceptualization was as misleading as the Ptolemaic view of the universe that suggested the Sun revolves around the Earth. Dixon (1978) contended that an organization (the Earth) is subordinate to governmental policy (the Sun) established by elected officials, and that it is government who determines equitable allocation of resources in a society.

Rados (1981) elaborated upon Arndt's (1978) argument that "not all exchange is marketing" and took issue with Kotler and Bagozzi arguing, "not all marketing is exchange." Rados (1981) did not accept either Kotler's (1975) or Bagozzi's (1975) conceptualization of public and nonprofit sectors marketing. He challenged it from two perspectives. First, Rados recognized that the economic idea of voluntary exchange is appropriate for describing commercial transactions characterized by bilateral transfers of tangible or intangible resources between any two parties. He agreed with Kotler that the absence of any control over an individual who had a right to choose, and the inability of a firm to proscribe its products to customers, were the main characteristics of marketing behavior in any democratic society. However, Rados pointed out that in the same democratic society, the most popular method practiced by government to pay for delivered services through the action of its legislative or executive branches was force. This was exemplified by forbidding choices; making selected behavior or purchases illegal and limiting choices through bureaucratic decision rules that restricted the available options. For example, the US federal and state governments require car drivers to use seat belts and drive at a restricted speed; college students to take a prescribed number of courses and follow academic guidelines; and taxpayers to pay their taxes by a certain date. Failure to conform to such rules or laws leads to sanctions and punishments. It is difficult to argue these actions are implemented with a free will so "... the notion of voluntary exchange begins to go off the track" (p. 19).

The second concern expressed by Rados (1981) referred to what was being exchanged for what in noncommercial situations. Mercantile transactions are voluntary bilateral transfers of tangible and intangible resources such as money, goods and services between any two parties. What is being exchanged in such transactions is "rights, the property rights, specifically the exclusive right to [own] ... and the right to transfer that right to someone else" (p. 19). Rados contended, however, that nothing was being exchanged in noncommercial situations. The National Safety Council urges motorists to drive within the speed limit, not to consume alcohol, and to wear seat belts. However, "the driver gives nothing to the council, and the council gives nothing to the driver ... nor does the council seek command over resources as a result of its effort" (p. 20). Similarly, when donors contribute to the art museum or a charity they do not receive in return a "feeling of well being" as Kotler (1975) postulated. Rados argued that feelings are self-generating, cannot be stored and sent off upon receipt of a donation, and may not emanate from the act of donating to an art museum or charity organization.

Rados excluded force, legislative activity, therapy, wartime propaganda, and inability to refuse to pay taxes and the like from the marketing domain. Echoing the earlier critique of Arndt (1978), Rados concluded that "some marketing is exchange, but not all of it; [and] some exchange is marketing but not all of it" (p. 18). In contrast to Kotler, Rados interpreted marketing as a managerial technology for changing behavior. Marketing seeks to influence mass behavior. To achieve this goal, marketing uses two major methods: persuasive communication and adaptation to existing patterns of behavior. Using these methods "[marketer] A tries to get [customer] B to do his will, where B has freedom to act as he chooses" (p. 17).

It should be noted that Rados' interpretation of nonprofit marketing incorporated some contradictions. While dissenting with Kotler's postulations of exchange relationships in nonprofit organizations and rejecting the notion that feelings constitute exchangeable resources, Rados included Kotler's notion of exchange flows in nonprofit organizations where services and money are exchanged for "thanks" (pp. 12-13). It seems that Rados' work was directed towards finding a compromise with Kotler's position.

Reviewing and comparing Rados' (1981) and Kotler's (1975) interpretation of nonprofit marketing, Capon and Mauser (1982) challenged the appropriateness of the marketing concept in a public sector context. The conventional wisdom of marketing advocated by Kotler and his followers (Andreasen, 1995; Lovelock and Weinberg, 1978; 1984; Mokwa, Dawson, and Prieve, 1980; Mokwa and Permut, 1981) suggested that the core task of marketing is to satisfy the publics' needs and wants. Accordingly, the marketing concept (marketing philosophy) as defined in almost every commercial marketing text states that the satisfaction of customer needs is the justification for an agency's existence and its actions. Hence, alternatives to the concept of marketing—a sales orientation or a product orientation—are seen as inappropriate and likely to lead to a company's demise. The conventional task of marketing is perceived to be a continual adjustment of product or service offerings to meet customer needs (Kotler and Levy, 1969). In the public sector context, Kotler (1975) suggested that a sales orientation was indicative of an unresponsive organization, while a responsive organization would be characterized by a marketing orientation.

Capon and Mauser (1982) dispute this conventional view of marketing in the public and nonprofit sector contexts. They contrast business and nonbusiness organizations and argue that business firm and public sector organizations have different objectives. Business firms have a long run objective to survive and in pursuing this objective, firms can change their core mission as many times as it necessary for survival. Change of mission means either adapting the firm's products to match the external environment (the marketing concept) or adapting the environment to match the firm's product (the selling concept). Most marketers favor adapting the marketing concept, that is, changing a firm’s core mission, services, or target markets in order to best match its resources to environmental opportunities. For example, a commercially oriented recreation center could totally change its service offering, increase prices, reduce costs, target high-income market segments in a different geographical location, and abandon low-income local markets that were not contributing to the center’s long run survival objective.

Capon and Mauser (1982, p. 128) argue that this notion of satisfying customer needs and wants, or the application of the marketing concept in a public organization is "absurd ... as far as pursuing its core mission is concerned." They distinguish between extant and core missions of public and nonprofit organizations. The extant mission reflects the activities of public and nonprofit organizations that are designed to improve relationships with publics. For example, a church can provide scouting, women’s clubs, and soup kitchens to cement relationships with believers. A public university may modify its course offering to serve students better. A city park and recreation department may introduce new recreation services in response to citizens’ requests. The extant mission, and nature of activities associated with it, may change over time as relationships with publics improve or deteriorate. However, the core mission, which is more important than the extant missions, is less likely to change. Churches and political parties do not change their core religious doctrines and political philosophies. Public universities do not change the length of semester or core course requirements because some students want them shorter, fewer, or cheaper. Park and recreation departments do not provide highly profitable services such as casinos or striptease bars because these contradict their core social mission to deliver a healthy recreation opportunities. Rather these organizations attempt to persuade their members and publics to either adopt the core political, educational, religious, or community doctrines and philosophies, or request them to drop their membership with the organization.

Capon and Mauser (1982) argue that for nonprofit or public sector organizations, the appropriate behavior relating to the core mission is “persuasion to its point of view.” For other areas of activities and services defined by the extant mission, either a marketing or a sales orientation may be appropriate. A similar position regarding the role of marketing in public organizations was taken by Hutton (1996) who recommended reconsideration of the fallacious understanding of relationships between marketing and public relations suggested by Kotler and Mindag (1978). Comparing Kotler's definition of generic marketing with definitions of integrated marketing communications (IMC) and relationship marketing, Hutton (1996) found them to be almost identical and, that all of them were, "a definition of public relations, as it has been practiced by more enlightened organizations for decades" (p. 158). Hutton suggested that public organizations adopt a "separate but equal" model of relationships between public relations and marketing. Consistent with Capon and Mauser (1982), Hutton (1996) suggested that public relations was the appropriate vehicle for implementing persuasion and the core mission, while marketing was more appropriate for the extant mission with its focus on physical distribution, capacity utilization, new product development, and the like.

These critical works stimulated further discussion of the conceptual underpinnings of public and non-profit sectors marketing. Walsh (1994) accepted Rados' dissension with the notion of voluntary exchange in the public sector, as did Pandya and Dholakya (1992) who suggested as an alternative the institutional theory of exchange informed by Arndt's (1981) political economy theory of marketing systems.

The overall status of the public sector marketing concept and the whole idea of applying marketing principles to contexts beyond business situations in the marketing literature was perhaps best summarized by Kerin (1996, p. 6). In his comprehensive review of outstanding contributions published during the last 60 years in the *Journal of Marketing*, Kerin characterized the works of Kotler and his associates (Kotler, 1972; Kotler and Levy, 1969; Kotler and Zaltman, 1971) as "controversial."

5. **Negative Case Analysis**.

Because several opponents of non-profit sector marketing have persistently identified additional conceptual data that has been ignored in discussion of the public sector marketing concept, the negative case analysis was chosen in this study (Corbin, 2008; Given, 2008, Patton, 2001). Patton (2001, p 24) defines negative case analysis as: "This involves searching for and discussing elements of the data that do not support or appear to contradict patterns or explanations that are emerging from data analysis." Corbin (2008, p. 94) notes:

> "In qualitative analysis, data are usually grouped to form patterns (identified as constructs) with the expectation that there will be some degree of VARIATION within those patterns. However, either through the process of purposeful searching or by happenstance, it is possible to come across a case that does not fit within the pattern,

> however broadly the construct is defined. This case is usually referred to as a “negative case” because it seems contrary to the general pattern.”

Kidder (1981, p. 244) compares procedures of negative case analysis with statistical tests of significance. A goal of both methods is “to handle error variance." During negative case analysis all existing propositions, null hypotheses, or assumptions underlying theories or concepts, are tested and refined against alternative explanations until no or a minimum possible number of alternative explanations are left. Kidder (1981, p. 241) argues: "negative case analysis requires that the researcher look for disconfirming data in both past and future observations. A single negative case is enough to require the investigator to revise a hypothesis." This method is consistent with the Hegelian method of dialectic, which suggests that any proposed thesis should be countered by an antithetical proposition in order to achieve synthesis.

Application of negative case analysis in this study included two major elements. The first element dealt with a search for alternative concepts or disconfirming data. For example, if negative case analysis found that some concepts from the social science disciplines were borrowed to develop the public sector marketing concept (e. g. the concept of formal organizations from organizational theory, or the concept of social exchange from sociology), then these concepts (the concepts of formal organization and social exchange in our example) were analyzed and the existence of alternative conceptualizations was investigated in the social science literature. If alternative conceptualizations were found then they were studied and analyzed in the context of their usefulness for the non-profit sector marketing discussion.

The second step in negative case analyses was to investigate the potential for conceptual consistency among and between the existing and the revealed alternative concepts. For example, if alternative conceptualizations (deviant cases) of both social exchange theory and formal organizations were found, they could be compared with each other looking for possible consistency, connections, or links among them. For instance, did the same authors, in the same university, develop them at the same period? Do they share something, for example, the same fundamental premises? If links were found, they could be recorded and analyzed. In summary, the preliminary investigative research procedures were focused on "vertical" search and identification of disciplinary and conceptual sources, and the negative case analysis supplemented this analysis by investigating a "horizontal" search of alternative conceptualizations within a particular social science discipline.

The negative case analysis attempts to find out if researchers who developed the concept of non-profit marketing suppressed evidence. Kahane (1973, p. 233) contends that such actions can occur when a researcher "conceals evidence unfavorable to his own position." It does not necessarily means that a researcher on purpose hid or omitted evidence or alternative concepts.

As suggested by Douglas (1976) a researcher may have a diversity of reasons for suppressing evidence. Negative case analysis assists in avoiding the suppression of evidence by checking if alternative conceptualizations were considered and consequentially incorporated. Maxwell (1996, p. 90) noted that: “the most serious threat to the theoretical validity of an account is not collecting or paying attention to discrepant data, or not considering alternative explanations or understandings of the phenomena you are studying.” The conceptualization of non-profit sector marketing cannot be generic and universal if its originators purposefully or mistakenly ignored alternative explanations. The issue is analogous to public hearings and legal proceedings, where both offensive and defensive parties are given the right to be heard. In order to be fair, the negative case analysis focused on the evidence available and reported *prior to*, and not *after*, development of the concept of nonprofit marketing.

6. Results and discussion of Negative Cases Analysis

Negative case analysis found that alternative assumptions (negative cases) were available to those who introduced the public sector marketing concept. A search for negative cases and rival hypothesis revealed that those available were: (1) open-system and closed-system perspectives on formal organizations that could be operationalized using microeconomic or political system paradigms; (2) individualistic and collectivistic versions of social exchange theory; and (3) "formalist" and “substantivist” perspectives in economic anthropology with distinct views on the history of marketing exchange and types of economic analysis. The following subsections discuss the overlooked concepts in more detail.

6.1 A Closed-System Model of Formal Organizations

A search for rival hypotheses in the organizational theory literature suggests that formal organizations can be conceptualized not only from an open-system model perspective but also from a closed-system model perspective. Hall (1972, p. 49) summarized major differences between these two approaches:

> “The closed-system model views organizations as instruments designed for the pursuit of clearly specified goals, and thus directing organizational arrangements and decisions toward goal achievement and toward making the organization more and more rational in the pursuit of its goal. The open-system model views organizations as not only concerned with goals, but also responding to external and internal pressures. In some cases the open perspective virtually ignores the issue of goals.”

The closed-system conceptualization of organizations is an older perspective that stems from Weber’s classical analysis of bureaucracy. Weber (1946, p. 151) defined an organization as "a system of continuous purposive activity of a specified kind." This perspective suggests that an organization has a clear and explicit goal which determines its internal structure and the tasks undertaken to achieve this goal. Tasks are divided among members of the organization so that each member has responsibility for an area of activity that matches his/her competence. Decision-making in a closed-system organization is based on an established normative order and is manifested by clearly specified rules and a chain of command. Selection of members is based on an individual’s skills and technical competence. The person's membership with the organization is documented in the form of a written contract that delineates the individual’s duties and level of remuneration (Weber, 1946).

The open-ended or "natural-system" perspective on organizations emanates from a critique of the closed-ended system (Katz and Kahn, 1966, p. 26) and is based on the conventional microeconomic paradigm. This perspective puts lesser emphasis on an organization's concern with goals and greater emphasis on its responsiveness to external pressures: “The major misconception [of the closed-system model] is the failure to recognize fully that the organization is continually dependent upon inputs from the environment and that the inflow of materials and human energy is not constant.”

This perspective is based on assumption of scarce energy and resources. The main goal of the organization is perceived to be survival in a competitive surrounding environment that consists of other organizations that compete for the same resources. A need to survive, forces the organization to adapt to both controllable internal and non-controllable external forces. Therefore, it is conceptualized as a "natural system" which imports energy in the form of people and materials (input) from its external environment, alters it in some way (the throughput), and distributes it back to the environment (output). Survival dictates a "broadening of organizational goals" because the organization is dependent on what is imported to it, how it transforms inputs, and how the environment accepts the organization's output.

Finally, there has been an attempt in the organizational literature to develop a balanced model of formal organizations that encompasses elements of the both the open-system and closed-system perspectives. The major assumption of this perspective is that organizations have multiple conflicting goals and thus have to make strategic choices in response to internal and external threats. This perspective tries to control three major factors: individuals within an organization; the environment of the organization; and form of the organization. Individuals within the organization are seen as the mechanism through which environmental and organizational characteristics are shaped. The environment is considered as being unstable and varying from predictable to non-predictable. By choosing the best strategic choice-response to a changed environment, the organization attempts to fit itself to the changed environment and accordingly changes its form. That is why contingency and choice are major elements of this perspective (Hall, 1972).

The negative case analysis suggests that the open-system definition of an organization, in contrast to the closed-system definition, invites an organization-environment approach, which implies that an organization is engaged in exchange relationships with the competitive environment. (Yuchtman and Seashore, 1967). In such an approach, differences between the goals of formal organizations become less apparent since all types of organizations are concerned with the issue of survival through efficiently attracting and distributing scarce and valued resources, and ensuring there is a difference between accrued revenues and expenditures.

An open-system model interpretation of the four types of formal organizations classified by Blau and Scott (1962) suggests the generic nature of operational goals (Katz and Kahn, 1966), management functions (Kotler and Murray, 1975), and marketing applications (Kotler and Levy, 1969) for both public and private types of organizations.

The alternative Weberian closed-system definition of organizations emphasizes the critical role of clearly specified organizational goals that will result in different, not generic, operational tasks; management functions; and internal and external arrangements of organizations. From the Weberian perspective it is important to distinguish between profits organizations concerning with goal of survival and budget organizations concerning with bureaucratic goals. For example, a goal to maximize profit institutionalizes the existence of business organizations that are concerned with profit management. In the internal arrangements, subparts or units are accountable for the success or failure to attain this goal as well the whole organization. Therefore, management and accountability are decentralized, and responsibility is divided among the organization's parts without jeopardizing the unity of the total operation's achievement of the profit goal. Subordinates are empowered and have discretion to amend rules or regulations in order to keep their operations profitable (Von Mises, 1944). In the external arrangements, the profit goal directs decision-making relating to selection of the most profitable market segments for an organization.

However, similar to the Weberian separation of profit and bureaucratic organizations Von Mises (1944. p. v) notes that:

> "There are areas of man's activities in which there cannot be any questions of profit management and where bureaucratic management must prevail." Bureaucratic management is bound by law and budget and concerned with those areas where profit management cannot operate. Bureaucratic management means management in strict accordance with the law and budget, so bureaucratic organizations do what the law and the budget order them to do".

Accordingly, as Von Mises notes (1944, p. 45): "bureaucratic management is bound to comply with detailed rules and regulations fixed by the authority of a superior body. The task of a bureaucrat is to perform what these rules and regulations order him to do. His discretion to act according to his own best conviction is seriously restricted by them." Bureaucratic management requires very rigid internal and external arrangements. Internally, it implies detailed discretion based on bureaucratic procedures and codes of ethics such as, for example, the American Society for Public Administration (ASPA) Code of Ethics (Van Wart, 1996). Externally, the law and budget requires bureaucratic managers to serve members of the community equally, and without showing preference to one client over another.

The open-system model assumption about formal organizations fits well with the activities of business agencies and profit management. Business concerns are encouraged to compete for scarce financial resources with other business concerns in a competitive environment that is boosted by this economic development. However, the social exchange school by ignoring the closed-system model of formal organizations fails to acknowledge the difference between profit oriented and bureaucratic oriented management. Profit and bureaucratic organizations are situated in different economic and political environments. Public agencies often enjoy the status of monopolists with no need to compete and with relatively stable funding in the form of tax-support from the public-at-large who own these organizations. Von Mises (1944, p. 47) noted: "In public administration there is no connection between revenue and expenditure. The public services are spending money only; the insignificant income derived from special sources is more or less accidental." The main general goal common to most public agencies is effective implementation of the tasks established by the public at large, because of rigid compliance with detailed rules and regulations established by the authority or superior body that politically represents the public at large. However, the open-system interpretation of public agencies distorts the pursuit of such a goal and inevitably arouses conflict between the requirement to comply with detailed regulations and the need to generate revenue.

Negative case analysis suggests that the term "bureaucracy" does not necessarily have negative connotations, and the term "overbureaucratized" when used to characterize an organization does not necessarily imply an unresponsive organization as was suggested by the social exchange school (Kotler, 1975). Blau and Scott (1962, p. 45) in an introduction to their classification of formal organizations cautioned about this fallacy:

> "Note also that the criticism that an organization is "overbureaucratized" means quite different things in the four types of organizations. In the case of mutual-benefit associations, such as unions, overbureaucratization implies centralization of power in the hands of officials. Here it does not refer to inefficiency; indeed, bureaucratized unions are often ruthlessly efficient. But in the case of business concerns overbureaucratizion

> implies an elaboration of rules and procedures that impairs operation efficiency, and here the term is not used in reference to the power of management officials to decide on policies, since such managerial direction is expected and legitimate".

In other words, if business concerns are bureaucratized it means that they are unresponsive and there is an authentic need to move towards a de-bureaucratization process and higher responsiveness through application of the marketing concept, as the social exchange school suggests. However, if commonweal organizations are bureaucratized it does not necessarily mean that they are unresponsive and that there is an urgent need to implement the marketing concept. On the contrary, Blau and Scott (1962, p. 55) argue that "the maintenance of efficient bureaucratic mechanisms that effectively implement the objectives of the community" is the major task of commonweal organizations. According to Blau and Scott (1962), the de-bureaucratization of commonweal organizations (or Kotler's suggestion to apply the marketing concept to make them more responsive) may lead to commonweal organizations jeopardizing their ability to effectively implement community objectives.

6.2 Self-interest, Public Interest and "Coercion Mutually Agreed Upon"

Negative case analysis revealed the existence of alternative conceptualizations of motivation. Hardin (1968) formulated the limitation of self-interest motivation in the context of commonly held resources (commons) in his essay "The Tragedy of Commons." Hardin (1968) illustrated the tragedy of the commons by using the example with of a pasture fixed in size that is accessible to all the residents of a village. Motivated by self-interest all the villagers sought to maximize their own use of the pasture by grazing as many cattle as possible and expanding the size of their own herds. Since each villager followed the same logic, the tragedy occurs. Receiving personal benefits, villagers fail to recognize that all villagers will share the costs of the increased grazing. In other words, they fail to recognize that in the end the cumulative effect of their short run independent pursuit of self-interest will harm their collective interest. Without adequate and timely collective measures, the pasture will be destroyed. The example demonstrated that increasing demand on limited resources and a philosophy of unlimited access to commonly held resources eventually might lead to mutual destruction and harm.

Hardin (1968) argued that education efforts to prevent the tragedy of commons are not enough since there can be free riders who will take advantage of others' voluntary self-restrained actions. The solution suggested by Hardin to this type of problem is "mutually agreed upon coercion," agreed upon by a majority of the people affected through democratic voting procedures. Mutually agreed upon coercion may takes the form of a law, rule, regulation, fine, or a graduated tax. Such an approach, however, requires people and agencies that will be responsible for enforcement of these procedures: that is, bureaus and bureaucrats.

The limits of self-interest motivation in different non-economic contexts have been articulated conceptually and supported empirically in the social science literature. For example, the sociological literature introduced game The Prisoners Dilemma when two captured suspects are confronted with several alternatives for confession/non-confession and different types of punishments. A usual result of this game suggests that both suspects could receive minimum punishment if they co-operate with each other. However, each of them by following personal self-interest to minimize personal punishment inevitably harms each others' personal self-interest.

Nevertheless, Hardin's position was debated by libertarians who associate the word "coercion" with the word "anathema" and by representatives of the public choice solution in the public administration literature. Representatives of this school questioned if "the mutually agreed upon coercion" is really democratic and voluntarily agreed upon by a majority of citizens. Representatives of the public choice solution coined the term "free rider," arguing that there would be members of a community who would prefer to use common resources while others were paying for them. Public choice school advocates of the "user pays system" and "vouchers" seek to increase the discretion of individuals by compelling them to "vote with their feet" for levels of taxation and a need for certain government services.

The social science literature seems to give a balanced consideration of the self-interest and the coercion perspectives. The self-interest motivation was recognized in sociology, anthropology, and social psychology (Belshaw, 1965; Frazer, 1919; Homans, 1969; Thibaut and Kelley, 1959). The "coercion mutually agreed upon" perspective was also recognized by many as a legitimate principle for doing things appropriate for a democratic country. Writers, whose studies were cited by the social exchange school, characterized it either as a "visible hand," "quid pro without quo," "pure gift," "one-way transfer," "grant economy," "bureaucratic management" or simply "government" and "public administration."

For example, the philosopher Berdyaev (1948, p. 185) distinguished two motivational principles in regard to economic life: "One of them says: In economic life follow up your own personal interest and this will promote the economic development of the whole, it will be good for the community, for the nation, for the state … The other principle says: In economic life serve others, serve the whole community and then you will receive everything which you need for your life."

Similarly, the economist Von Mises (1944) referred to the same distinction as "two contrary methods of doing things" in a democratic society: "the private citizens' way and the way in which the offices of the government and the municipalities are operated." Von Mises termed them, "profit management" and "bureaucratic management." Another economist Boulding (1970), adapting from the philosopher Sorokin (1964) the distinction between compulsory and familistic types of social relationships, discussed the malevolence and benevolence types of motivation that underlie the threat and love integrative forces.

The anthropologist Sahlins (1965) distinguished between altruistically motivated transaction and subordination to central authority, as did Polanyi (1944) and Dalton (1971) who differentiated between politically or socially defined obligations and self-interest motivation. Finally, one of the definitions of government articulated by Abraham Lincoln recognized the limits of invisible hand and a need for bureaucratic management: "a legitimate object of government, … to do for a community of people, whatever they need to have done, but cannot do, at all, or cannot, so well do, for themselves—in their separate, and individual capacities" (cited in Shafritz and Russell, 1997).

Negative case analysis suggests that self-interest motivation fits well with the activities of business organizations or profit management. However, negative case analysis also suggests that there is a contradiction in the social exchange school's conceptualization of public sector marketing between self-interest motivation and the code of ethic practiced by public administrators. Contrary to the social exchange school interpretations, Blau and Scott (1962) argued that self-interest plays a limited role in the governance of nonbusiness formal organizations such as mutual-benefit associations, service organizations, and commonweal organizations. They contended that in the case, for example, of a mutual benefit association such as a labor union, self-interest condemns the organization: "If union leaders usurp the role of prime beneficiary and run the union as if they owned it for their personal benefit, the organization is condemned for no longer serving the proper functions of a labor union." (p. 44).

Service organizations are in a similar case. In service organizations, such as social work agencies, hospitals, some park and recreation agencies, schools and universities, the welfare of clients, participants, patients, and students is presumed to be the chief concern. This concern usually is cemented in codes of ethics adopted by professions as, for example, oaths, rules, or codes of ethic in the medical, military, law enforcement, and jurisprudence professions. These regulations are based on an assumption that while customers are able to look after their own self-interest in a store, the same customers often do not know what will best serve their own interest in relationships with professional service organizations.

For example, patients in a hospital may or may not want surgery intervention in their bodies. However, it is a doctor or medical professional who determines and decides for patients what is in their best interest and what is the best treatment for a particular health problem based on professional and ethical considerations. Similarly, clients who pay lawyers for legal advice may guess what is good in their case, but it is the lawyers who decide what is in the client's best legal interest on the basis of professional and ethical standards, and not considerations of personal gain at the expense of the client. Lawyers who personally gain at the expense of client interests are usually condemned by the bar association and deprived of their practice. Finally, in the example of a university used by Kotler (1975), Blau and Scott (1962, pp. 52-53) argue: "students are best served when professional educators determine what and how they are to be taught" and not when students themselves decide what and how they need to study. Blau and Scott (1962, p. 51) identified clear differences between the motivations of business and public decision-makers:

> "… while the businessman's decisions are expected to be governed by his self-interest--as epitomized in the phrase "caveat emptor"--the professional's decisions are expected to be governed not by his own self-interest but by his judgment of what will serve the client's interest best. The professions are institutionalized to assure, in the ideal case that the practitioner's self-interest suffers if he seeks to promote it at the expense of optimum service to clients".

In the Code of Ethics developed by the American Society for Public Administration (ASPA) (Van Wart, 1996) employees of public sector organizations are seen to "serve the public interest beyond serving oneself." The ASPA's guidelines are consistent with Blau's (1964) contention that public servants must "abstain from exchange relationships" with clients and serve the public interest in "detached manner" with personal "disinterest."

The presence of self-interest in the relation of clients with commonweal organizations inevitably leads to ethical and even legal conflicts. For example, Locke and Woicenshyn (1995) argue that the cynical egoism code that is commonly taught in business schools as the subjective expected utility (SEU) model is inappropriate for the character of social service because it advocates dishonesty "... if one feels like it, if it helps gratify one's immediate desires, and if the cost (likelihood of getting caught) is low" (p. 406). In the like vein, Blau and Scott (1962, p. 44-45) note:

> "Commonweal organizations, in sharp contrast, are not expected to be oriented to the interests of their "clients," that is, those persons with whom they are in direct contact. A police department, for example, that enters into collusion with racketeers fails to discharge its responsibility to the public-at-large and is no longer the protective organization it is assumed to be. Likewise, if policemen solicit bribes instead of enforcing the law, or the police commissioner runs the department to further his political ambitions, the public's position as prime beneficiary of the organization suffers."

6.3.Redistribution and Reciprocity Arrangements

Negative case analysis suggests that arrangement of formal organizations with environments can be explained from not only an exchange perspective, as suggested by the social exchange school, but also from the redistribution or reciprocity perspectives. The concept of redistribution, as well as the concept of reciprocity, was developed by those adapting a substantivist perspective in economic anthropology (Dalton, 1971; Polanyi, et al. 1957; Polanyi, 1944; Sahlins, 1965). This perspective attempts to analyze economic life in primitive and modern societies from three different approaches: reciprocal arrangements based on the symmetry principle; redistributive arrangements based on the centricity principle; and marketing exchange arrangements based on price-making markets.

Reciprocity implies a symmetrical sequence (AB/ BA) between just two partners or (AB/BC/CA/AC) between more than two fixed partners. Redistribution is centripetal movement of resources among many actors within a group upon one central figure followed by the action of that central figure upon the actors within the group in unison and repartition (BA/CA/DA/ and then A/BCD). Finally, marketing exchange is chaotic movements (A/BCD, B/ACD, and C/ABD) (Polanyi, et al., 1957, pp. vii-viii). This “sunbstantivist” perspective is different from the “formalist” perspective that recognizes only marketing exchange arrangements (Belshaw, 1965).

Substantivists theorize that redistribution is payment to, and disbursement by, a central political authority. It implies a hierarchically structured group and that there is a center of the group. The primary mechanism of redistribution is sharing. Members of a group pool their resources at a center, and this pooled or common resource is then shared among the group members according to commonly accepted distributive rule. The tax systems of industrial countries or payments to the chief in primitive societies are typical examples of redistributive arrangements. Sahlins (1965, p. 141) referred to redistribution as “pooling.” Pooling is “centralized movements: collection from members of a group, often under one hand, and redivision within this group … This is “pooling” or “redistribution” … pooling is socially a within relation, the collective action of a group.” The most important principles that characterize redistribution arrangements are centricity and the group membership rules.

Sahlins (1965) contrasted redistribution as a “within relation” with reciprocity as a “between relation”. Reciprocity is obligatory gift giving among kin and friends. Sahlins maintained that on a very general view “pooling” and “reciprocity” can merge. However, he believed that the course of analytic wisdom is to separate the array of economic transactions in the ethnographic record into two types because their social organization is very different. Sahlins noted that there is a popular tendency to consider between relations (reciprocity) as a balanced unconditional one-for-one exchange. However, referring to abundant ethnographic records, he recognized that reciprocity is rather a "whole class of exchanges, a continuum of forms." This continuum ranges from "the assistance freely given" or "pure gift" at one end of the spectrum and "self-interested seizure" or "appropriation by chicanery or force" at the other pole. Accordingly, Sahlins classified diverse forms of reciprocities as ranging from the "generalized reciprocity, the solidarity extreme," through the "balanced reciprocity, the midpoint;" to the "negative reciprocity, the unsociable extreme."

By generalized reciprocity, Sahlins understood "transactions that are putatively altruistic, transactions on the line of assistance given and, if possible and necessary, assistance returned." Ethnographic examples of such relationships include "sharing," "help," "free gift," and "generosity." By balanced reciprocity, he understood "the simultaneous exchange of the same types of goods to the same amount." Balanced reciprocity is more economic and less personal and ethnographic examples include "trade" and "buying-selling" that involve "primitive money." Finally, negative reciprocity is "the attempt to get something for nothing with impunity, the several forms of appropriation, transactions opened and conducted toward net utilitarian advantage." Ethnographic examples include such relationships as "haggling," "barter," "gambling," "chicanery," and "theft." Sahlins (1965) suggested that in most societies, "generalized reciprocity" is the norm within family relationships and "negative reciprocity" predominates in economic relationships outside the family in modern industrial societies. To explain other economic activities in society, such as payment of taxes and public services, Sahlins argued that a different analytical category and analysis was needed.

While Sahlins (1965) believed that it was wise to separate the array of economic transactions in the ethnographic record into two types (reciprocity and redistribution) because their social organizations are very different, Ekeh (1974), whose study was adopted by the social exchange school, used a different approach. Referring to Levi-Strauss's (1969) studies of kinship, Ekeh (1974) distinguished between direct reciprocity and generalized reciprocity.

Direct reciprocity characterizes relationships where actor A expects to be benefited directly by actor B, whenever A benefits B. Ekeh refers to this type of reciprocity as restricted exchange and notes that restricted exchange can take two major forms. Given only two parties, A and B, restricted exchange has the form A ⇔ B, and this is referred to as exclusive restricted exchange. Given several parties, for example, three individuals A, B, and C, restricted exchange has the form A ⇔ B ⇔ C and this is referred to as inclusive restricted exchange. Both types of restricted exchange based on direct reciprocity are characterized by the notion of *quid-pro-quo*, emotional load, attempts to maintain equality, tensions, distrust, frequent conflicts over fairness, instability, mechanical solidarity, and brittle relationships (Ekeh, 1974; Gillmore, 1987; Uehara, 1990; Yamagishi and Cook, 1993). Restricted or dyadic exchange is traditional economical exchange motivated by self-interest motivation and profit considerations. This exchange is characterized by Adam Smith's quid-pro-quo notion: "whoever offers to another a bargain of any kind, proposes to do this: give me that what I want, and you shall have this which you want" (Smith, 1850, p. 7).

Univocal reciprocity characterizes relationships that involve at least three actors and where actors do not benefit each other directly, but only indirectly. Ekeh refers to this type of relationship as generalized exchange that also has two forms. Chain generalized exchange has the form A => B => C => A, where, "=>" signifies "gives to." It is operated by chain univocal reciprocity when actors in the system are so positioned that they operate a chain of univocal reciprocations to each other as individual units. Net generalized exchange operated by net univocal reciprocity. Net univocal reciprocity denotes empirically observed situations where relationships can be individual-focused or group-focused.

In individual-focused exchange relationships, the group as a whole benefits each member consecutively until all members have each received the same amount of benefits and attention (ABC => D; ABD => C; ACD => B; BDC =>A). In a group-focused exchange, individuals give to the group as a unit and then gain back as part of the group from each of the unit members (A => BCD; B => ACD; C => ABD; D => ABC).

Generalized exchange produces a high degree of social solidarity among parties, and establishes trust and commitment. Ekeh (1974) believed that generalized exchange and univocal reciprocity generate collective rights and lead to concepts such as “payment of taxes” and "citizenship". Although Ekeh clearly formulated different assumptions underlying each type of reciprocity, serious limitations of his study were the focus on kinship relationships, and the failure to distinguish between “pooling” and “reciprocity.” Discussing individual and group-focused net-univocal reciprocities, Ekeh (1974, p.74) recognized:

> “Sahlins … makes a distinction between ‘pooling’ and ‘reciprocity’. What he refers to as pooling seems to be a combination of the two types of net reciprocity that I identify here … Although Sahlins’ conception of pooling appears insightful, it is doubtful that it is separate from reciprocity as conceived in net generalized exchange”.

Some studies, however, emphasize crucial differences between reciprocity and redistribution in the context of social policy (e.g. Brody, 1985). Thus, in the context of public policy and the public sector it is important to follow Sahlins’ type of analysis and to distinguish between reciprocity and redistribution.

This negative case analysis suggests that interpreting of a formal organization’s interaction with its environment as a voluntary exchange of values, fits well with business organizations and the profit management philosophy. Business and marketing scholars have commonly accepted this law of exchange. However, negative case analysis and a review of original sources (Blau, 1964; Blau and Scott, 1962) used by the social exchange school (Kotler, 1975a; Kotler and Murray, 1975) suggests some contradictions in the interpreting public agencies' interaction with their environment in terms of voluntary exchange. For example, contrary to the assertions of the social exchange school that adopted the Blau and Scott (1962) taxonomy of organizations, Blau (1964) denied that voluntary exchange was applicable to public organizations. The reason for his denial was the inherent conflict between bureaucratic rules of conduct and exchange relationships in these types of organizations. For example, when discussing service organizations, Blau (1964, p. 261) noted:

> "Professionals are expected to be governed in their work exclusively by professional standards of performance and conduct and not by considerations of exchange with clients. Although free professionals depend on fees from clients for their livelihood, the professional code of ethics demands that they do not let this fact influence their decisions and that these economic transactions do not affect the social interaction in which professional services are rendered to clients. The professional must refrain from engaging in reciprocal social exchange with clients lest his decisions be influenced by the exchange instead of being based only on his best judgment in terms of professional standards."

Discussing commonweal organizations, Blau (1964, p. 263) noted the existence of the same conflict between bureaucratic rules and exchange transactions citing the empirical studies that he and Scott used in their work on classification of formal organizations in 1962:

> "The situation of bureaucratic officials who provide services to clients is similar to that of professionals. Officials in a bureaucracy are expected to treat clients in a detached manner in accordance with official rules, and this requires that officials abstain from exchange relationships with clients, because exchange transactions would make them obligated to and dependent for rewards on clients. Even if it is only the gratitude and approval of clients an official wants to earn, his concern with doing so can hardly fail to influence his decisions and lead him to depart from official procedures. If officials become dependent on clients either for rewards they personally seek or for services of clients the organization needs, they must enter into exchange transactions with clients, which means that they cannot strictly follow bureaucratic procedures in their relations with client."

The absence of direct exchange relationships between nonbusiness organizations." and their clients based on the quid pro quo notion was a principal argument used by Luck (1969; 1974) against acceptance of the broadened marketing proposition and the social marketing concept. Luck (1969, p. 54) noted the existence of exchange relations of public organizations with their clients as a process of "corruptly committing illegal acts," which is consistent with Blau's (1964) position of a "departure from official procedures."

In response to its critics, the social exchange school attempted to use the notion of an indirect quid pro quo and to introduce concepts of indirect, restricted, generalized, and complex exchanges (Kotler and Levy, 1969b; Bagozzi, 1975) (see pp. 91-92 for definitions of these concepts). However, a closer analysis of these concepts revealed that this school still relies heavily on an exchange paradigm that ignores the “absence of exchange relations with clients” requirement as a fundamental condition in the functioning of public agencies. The results of negative case analysis suggest that consciously or unconsciously the social exchange school of marketing overlooked the main condition for governing the functioning of public organizations suggested by Blau (1964, p. 263):

> “An essential element of professional and bureaucratic detachment is the absence of exchange relations with clients. Exchange transactions create obligations that make it impossible to conform undeviatingly to professional or bureaucratic standards”.

Thus, the complex exchange concept has limited adequacy for conceptualization and explanation of public agencies’ interaction with their environment. It appears that the concepts of redistribution or reciprocity might be superior conceptual constructs for operationalizing and accounting for such interactions, because they recognize the “absence of exchange relations with clients” requirement to be crucial for bureaucratic management.

7. Conclusion

The results of the negative cases analysis undertaken in this study contribute to existent critical studies in several important ways. It links assumptions underlying the social exchange school of marketing with the assumptions of the Chicago school. Few attempts have been done in previous studies to trace the intellectual roots of the school and to identify this connection.

Negative case analysis results of this study show that the social exchange school of marketing is loyal to the methodological and epistemological traditions of the Chicago school. The social exchange school employed a reductionist methodology with minimal reliance on empirical testing and deviant cases. Because of such a methodological approach, the diversity of social concepts that can be found in the social science literature was reduced to fit the assumptions of the Chicago school.

The results of negative cases analysis demonstrated that the concepts adopted from social science were misinterpreted and biased, and were significantly adapted to fit the assumptions of the Chicago school. Analysis showed that most of these adaptations conflict with, and conceptually contradict, mainstream conceptualizations of public agencies in the organizational behavior and general public administration literatures.

The results documented the consistent efforts of the social exchange school to spread their confusing conceptualization of nonprofit marketing into different disciplines and academic publications where they found some support. Finally, the results introduce alternative concepts from the social science literature that have significant potential for explaining the organization, motivation, and internal and external arrangements of non-profit organizations with employees and communities.

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