MARKETING IN A DEVELOPING ECONOMY;
A STUDY OF THE DISTRIBUTION OF
JORcAR'S IMPORTS AND EXPORTS

BY

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THESIS

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I HEREBY RECOMMEND THAT THE THESIS PREPARED UNDER MY
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ENTITLED MARKETING IN A DEVELOPING ECONOMY: A STUDY OF THE DISTRIBUTION OF JORDAN'S IMPORTS AND EXPORTS BE ACCEPTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF DOCTOR OF PHILOSOPHY IN MARKETING

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CHAPTER I

INTRODUCTION

The problem of economic development has received worldwide attention since World War II. In general, growth theory takes the markets for granted and concerns itself with the problem of establishing criteria for market expansion. To accomplish his objective, the growth theorist tries to understand the nature and causes of the increasing market differences in income levels between developed and underdeveloped economies.¹ Then he presents a theoretical framework which serves, for those interested in the development and growth of their economies, as a frame of reference in the establishment of policies and plans for a sustained economic growth.

There has also been a growing worldwide consciousness of marketing practices and their importance in the expansion of markets. Before World War II, most marketing students had concerned themselves with the study of marketing practice in only one of the many socio-economic settings of the world, namely, a developed economy that provided a democratic, capitalistic environment for the practice of marketing. Since the middle 1950's, there has been an increased

interest shown by marketing students in marketing practices in various socioeconomic settings. This interest was brought about by the expansion of the United States' exports and increasing American investment overseas. The two developments were made possible by the great technological advances in transportation and communications. In 1959, the American Marketing Association recognized the efforts of scholars who were interested in marketing practice in the various cultural settings of the world by "appointing them as a standing committee of the association and by providing time for introducing the subject matter of comparative marketing at the annual meeting of the association."2

In line with this trend, this study presents the marketing of Jordan's major imports and exports. Specifically, it has a twofold purpose: (1) to integrate knowledge from the theories of economic development and the findings of students of marketing in developing countries in order to draw a theoretical framework for and hypotheses about marketing in these countries; and (2) to test the validity of these hypotheses in the case of the marketing of Jordan's major imports and exports.

Definition of Terms

Before going into any detailed presentation of the problem, it seems necessary to define some of the terms which appear throughout this study.

Marketing Practice. Is defined as the set of interacting business activities which deliver the want satisfying goods and services from the local or foreign producer to the ultimate consumer. In this context, marketing practices include the basic marketing functions of buying and selling as well as the facilitating functions of transporting, warehousing, and financing.

Comparative Marketing. Bartels used the term comparative marketing to mean "the idea of interpreting marketing in terms of its social setting." To him a study of marketing in different countries would be a study of marketing "viewed comparatively and not merely a study of marketing per se." Throughout this study, therefore, the term comparative marketing is used to mean the marketing practice in a given socioeconomic setting, as comparative marketing is first the depiction of the marketing practice in a given economy with emphasis on how it is being carried out by different marketing institutions such as wholesalers and retailers; and second, it is the interpretation of this practice in a given socioeconomic setting.

Monetary Unit. The Jordanian monetary unit is the dinar. In the study, this unit is abbreviated as J.D. The official exchange rate has been $2.40 to 1 J.D.

Weights. Jordan utilizes the metric system of measurement. The standard unit of measurement is the kilo which is equivalent to 2.24 pounds.

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3Ibid., p. viif.
4Ibid.
Land Measure. Land is measured by the dunum. The dunum is equivalent to .267 of an acre.

Limitations of the Study

This study of marketing of Jordan's major imports and exports is limited to the years 1952 to 1966. The reasons for the limitations are:

1. The Hashemite Kingdom of Jordan, as presently constituted, has existed since 1950. It comprises the former kingdom of Jordan, and the West Bank, that portion of Palestine bordering Jordan which was in Arab hands after the Arab-Israeli War ended in 1948. The complete annexation of the West Bank to Jordan was completed in 1952, which is the base year for this study.

2. Data on Jordan's economy after 1966 is not available because of the irregular state of affairs in Jordan as a result of the Arab-Israeli War in June, 1967.

Hypotheses

Many students of marketing and economic development have presented a number of hypotheses with regards to the general characteristics of the marketing systems in underdeveloped countries. These hypotheses are concerned, in general, with the prevalence of direct marketing in developing countries, the physical characteristics of the various marketing institutions as well as the functions that these institutions perform and finally the length and efficiency of the channels of distribution that are used in the marketing of goods in the developing countries.