

## Marketing Compound for Cooperatives - CMC: The 6P's of Cooperativism

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### Abstract

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The main objective of this paper is to identify the necessary adjustments to the theoretical framework of the marketing mix to cover the requirements of cooperative principles, and thus forming a theoretical framework of marketing mix specifically designed for the cooperative sector. This paper is highly theoretical the methodology is of interpretative character and it used the method of content analysis. One hundred and thirty monographs were identified (10 PhD and MBA monographs / and Mast and 120 articles in journals and conferences). Regarding the research, the interest of this project is to build theoretical categories that include the terms Marketing Compound and Cooperatives, based on the 130 papers identified in the inventory stage. The inventory papers were later categorized to understand how the authors use and apply the concepts together. This study used the Closed Grid methodology, by which some categories were defined a priori. The proposal is to elaborate the category system during the content analysis. Some grouping could also rise throughout the study, which would strengthen the definitions of categories. The theoretical foundations that support the conceptualization of the Marketing Compound applied to the cooperative system and that preserve the cooperative principles in its essence were built based on the categories identified.

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**Key words:** Marketing; Marketing Compound; Cooperative; Cooperation.

### 1. Introduction

How is the knowledge on a particular field built? Or else, when does the cumulated knowledge on this field allow it to be called science? Trying to understand how knowledge is built, Chevalier & Loschak (1980) explain that, for many years, objectivity and logic coherence of results, achieved by research and empirical experiments, were the sole promoting sources of knowledge. Serva, Dias & Alperspetedt (2010) point the failure of this proposal, claiming that neither theory nor scientific knowledge is just a reflex of a particular reality, but a system that questions and critically thinks about a particular reality. To the authors, this way of thinking can originate a school of thought or related studies, which can be part of a theory, approach or even a model. The authors believe that the most meaningful aspect in the knowledge building process would be the contributions that this new way of thinking could bring to epistemological development of knowledge and scientific knowledge. Focusing on Marketing, an area of Administration, what had a decisive impact to characterize it as a science were the Schools of Marketing Thought that, according to Sheth, Gardner & Garret (1988) subdivide into: Commodities, Functional, Interregional Trade Approach, Institutions, Functionalist, Marketing Management, Consumer Behavior, Activist,

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Macromarketing, Organizational Dynamics, Marketing Systems, and Social Trades. All in a temporal logic sequence of appearance, because of the second world war historical context, which had impact on the market, as the world suffered great destruction caused by military weapons. Trying to boost commercial activities, the USA government sought academic support to create mechanisms of stimulus to demand through marketing strategies. This opportunity triggered the discussion of marketing as a science. For example, in the view of Hunt (1976a), complementing Buzzel (1963), marketing should be treated as a science, that is, it should contribute to scientific knowledge, systematizing, explaining and predicting the phenomenon of its action on society.

The central idea of thinkers focused on developing Schools that could systematize scientific aspects that influence consumer's behavior and that could be able to even change the shopping habits and inspire new shopping wishes. The thinkers gathered around different approaches and, depending on the prestigious item of each School, the body of knowledge of Marketing started being built. However, shouldn't this theoretical referential suffer adaptations to be employed in different areas? The main aim of this paper is to identify necessary adaptations to the theoretical referential of Marketing Compound, to satisfy the demands of the cooperative principles, enriching the cumulated knowledge in this area with a specific application of Marketing Compound to cooperatives.

## 2. Theoretical Referential

### 2.1 The Cooperative Model: cooperatives and their principles

Looking at the history of cooperatives in Brazil, there are hints that the movement started with Wenceslau Belo, Cristiano Cruz, Carlos Alberto de Menezes, and Joaquim Inácio Tosta. However, the first Brazilian cooperative started its activities in 1891, by the name Associação Cooperativa dos Empregados da Companhia Telefônica de Limeira<sup>6</sup>. Later, another cooperative contributed to the initial mark of the cooperative model in Brazil: Cooperative Military de Consume de Camaragibe<sup>7</sup>, in Pernambuco state in 1895. The third cooperative started in the country was the Cooperative de Consume dos Empregados da Companhia Paulista (1897), in Campinas-Brasil<sup>8</sup>. (SILVA, 2001). Another important experience frequently mentioned in the Brazilian literature about the cooperative model refers to the constitution of the credit cooperative of the missionary priest Théodor Amstadt, who defended a helpful and cooperative movement. With his catechism, Father Amstadt convinced many people to the cooperative model and opened the first credit cooperative in Brazil in 1902, in Nova Petrópolis (CANSADO, 2014). Eleven years later, in 1913, there are reports of cooperatives of a fabric factory's work in Rio de Janeiro, under the leadership of Sarandi Raposo, who also starts the consume cooperative of the 'Arsenal de Guerra'<sup>9</sup>, also in Rio de Janeiro. In the same year, the consume cooperative of 'Empregados da Viação Férrea'<sup>10</sup> – COOPFER- was created in Rio Grande do Sul state, solidifying the presence of credit cooperatives in Brazil.

The appearance of the cooperative model can be seen as an answer to the present economic model, opposing it by its solidary mutual help that minimizes the mercantilist view and values work relations, as well as a fairer result distribution (SCHNEIDER, 1999). So, the cooperative appears with values based on cooperative philosophical tenets. Accordingly, Büttender (1995) emphasizes that the cooperative model promotes a refinement of the human being in their social, cultural, and economic dimensions, to provide better product and service quality with fair prices and to maintain the surplus value with the workers, once it eliminates the need of the middleman. Furthermore, it is also based on the concern with environmental issues to enable a sustainable and democratic world. After contextualizing the appearance of the first cooperatives in Brazil, this paper intends to show the wide range of the cooperative model operations. The Brazilian Cooperatives' Organization (BCO), (2010), rules the national actions of the cooperative sector. It organized the Brazilian cooperatives in thirteen (13) different areas: Agricultural; Consume; Credit; Educational; Special; Housing; Infrastructure; Mining; Production; Heath; Labor; Transport; Tourism and Leisure. Table 1 shows the distribution of cooperatives, cooperative members and employees per each area.

<sup>6</sup> Telephone Company Employees' Cooperative Association of Limeira (Brazil).

<sup>7</sup> Military Consume Cooperative of Camaragibe.

<sup>8</sup> Paulista Company Employees' Consume Cooperative.

<sup>9</sup> 'Arsenal de Guerra' is a military organization created in 1762 in Rio de Janeiro to fix, develop, and store military weapons employed in the defense of the country.

<sup>10</sup> Railroad Employee's Consume Cooperative

**Table 1: Cooperatives, Members and Employees in Brazil**

Area	Cooperatives	Members	Employees
Agricultural	1.597	1.015.956	164.320
Consume	122	2.841.666	13.820
Credit	1.034	5.725.580	39.396
Educational	300	61.659	4.286
Special	6	247	7
Housing	220	120.980	1.038
Infrastructure	130	934.892	6.496
Mining	86	87.190	187
Production	253	11.600	3.387
Health	849	264.597	92.139
Labor	977	226.848	1.929
Transport	1.228	140.151	11.862
Tourism and Leisure	25	1.696	18
<b>Totals</b>	<b>6.827</b>	<b>11.563.427</b>	<b>337.793</b>

Source: BCO (2013)

Pereira *et al* (2013) highlight that, in Brazil, the biggest challenge cooperatives face in the construction of their identities is the social and economic differentiation their members present when compared to companies which aim only at the profit of their shareholders. The authors stress that this differentiation enriches the cultural diversity in the country. Fleury (1983) identified that, inside agricultural cooperatives, there are different categories of producers, who shared the same ideals. In this sense, Pereira *et al* (2013) argue that there are groups inside particular cooperatives that aim at satisfying their own interests. Schneider (1999) states that the organizational success of a cooperative depends on the effort of their members and, to involve everyone in the mutual aid process, it is necessary that the members keep in mind the definition of the cooperative model principles:

- **Voluntary and open membership:** everyone can participate in the cooperative, once they agree with the cooperative social goals and possess technical capacity to it, independent of color, race, gender, religion or social or political class;
- **Democratic Member Control:** cooperatives are democratic, so members take active part in their management. They congregate to elaborate internal politics and make decision. Cooperative managers are elected by the members and each member has the right to one vote;
- **Member Economic Participation:** members contribute equally to the capital of the cooperative, and revenues, when superior to costs, are shared among members according to the work invested by each one or the utilization of services offered by the cooperative. In congregations, it is to be defined what to be done with eventual remnant money, which can be either reinvested in the cooperative or invested.
- **Autonomy and Independence:** cooperatives are autonomous societies, controlled by their members, so they can make deals with other organizations, once its autonomy and member control are preserved;
- **Education, training, and information:** it must be a permanent goal of the cooperative to promote education, training and information to members and staff. Those should include both knowledge concerning the cooperative model and technical knowledge related to the cooperative activity, contributing to the development of all as a whole
- **Cooperation among cooperatives:** it is important that cooperatives exchange knowledge, experiences and information among themselves to increase their economic and social activities potential and to strengthen the cooperative model;
- **Concern for the community:** cooperatives should worry with the well-being of their communities and work for sustainable development, convincing their members to approve policies that seek that goal.

Other authors also stress the importance of these principles, as well as the differences they present when compared to profit-aimed businesses. Among them are: Silva (2001), Veiga & Fonseca (2001), Cetto & Braga (2002), Cançado & Gontijo (2004), Crúzio (2005), Barroso & Bialoskorski Neto (2008), Procópio e Cançado (2011), Cançado *et al* (2012), Cançado & Vieira (2013), Silva *et al* (2014), and Cançado *at al* (2014).

Schneider (1999) claims that there was a great evolution to these principles in their concept and applicability over the year. The author states that it happened thanks to discussions and debates among cooperative managers and represents ants around the world. Cançado *et al* (2012) argue that the changes that occurred over the time represent support to the cooperative philosophy, that is, the changes support the characteristics of the model and weaken possible distortions that might come to happen. In Brazil, there is a specific cooperative law, Law 5.764/71, that states de principles as essential to Brazilian cooperatives (CANÇADO et all, 2012).Table 2 presents some questions that must be considered when rethinking the marketing compound concept to cooperatives.

**Table 2: Implications of Marketing Compound applied to Cooperatives**

<b>Cooperative principle</b>	<b>Implications of Marketing concept adjustments to cooperative model principles.</b>
Voluntary and open Membership	The concept of member is different from the concept of customer, client and, worker, because, further from these roles, the member has also the power of decision.
Democratic member control	Member are different from shareholders and owners because they have decision power, that is, they equally decide all the necessary actions to the continuity of the cooperative, without neither discrimination nor prejudice.
Member economic participation	Even if members invest different amounts of money to form the cooperative share capital, their decision power will be equal. The revenues will be proportional though.
Autonomy and Independence	The cooperative organization should be autonomous and independent. If it is not, other principles, the democratic membership, for example, are not viable.
Education, training and Information.	Knowledge and information must be taken to everyone without prerogatives or privileges. It makes a cooperative a democratic and participative organization.
Cooperation among cooperatives	Partnership among cooperatives is formed with the goal of strengthening the model, as well as consolidating a cooperation philosophy.
Concern for the Community	Cooperatives return part of what they receive to society, aiming at common social well-being, since they are in a social environment.

**Source: elaborated by the authors from the International Cooperative alliance (2015)**

Next section aims at presenting and conceptualizing the marketing compound based on the historical evolution of the concept, to better understand how it has evolved over time and what the different authors theoretical contributions are, to outline marketing compound to cooperatives.

## **2.2 Marketing Compound: Historical contextualization of the 4 Ps**

When approaching marketing through the scientific literature, one must include its central and fundamental concepts, like the marketing compound. According to Gonçalves Dias (2006), it comprises: Product decisions, in which the most important are those that identify new market opportunities that can be adjusted to provide more satisfiable offers than the competitors; Price decisions, based on the way the customer will demand the product, it has to satisfy the need of both customers and organization; Promotion decisions, which consist on strategies that will attract and keep customer to the shop environment; Finally, Place strategies, which consist of the way the company will distribute the product, as well as the marketing channels it will employ to reach its target public. Through the compound marketing history, notes point that its inspirations came from Culliton's proposals (1948). However, the employment of marketing techniques, like marketing mix, only started with Neil N. Borden (1965). Agreeing with this author's ideas, McCarthy (1978) came up with a structure that can be summed up in 4Ps, which he called Compound Marketing or Marketing Mix. Sometime later, Bagozzi (1975) emphasized the importance of working out a subject with focus on exchange behavior, for he believed that this theory could intermediate some conflicts that happens at the time of the transaction.

Thus, a concept mentioned in the literature and that became prominent was recommended by Jerome McCarthy (1978), inspired by Culliton's (1948) and Neil N. Borden (1965), called Marketing Mix, later 4Ps or Compound Marketing, by other authors. The way Marketing Mix became known in the literature is: Product, Price, Place and Promotion. According to Silveira (1992), the proposal has suffered changes over the years: Kotler (1984) proposed different 4Ps, which totally replace McCarthy's (1960), his system is composed of: *Probing*, the importance of market researches to satisfy the needs of the target market; *Partitioning*, which is the market segmentation that imposes to the organization the concern with different market segments; *Prioritizing*, which focuses on prioritizing customer groups whose interests are adherents to the organization's interests; *Positioning*, which is taken as a differential from competitors. There are other proposals derived from the 4Ps. However, none of them had the same relevance. Lautenborn (1990) believes the 4Ps represent the seller's point of view, with information related to the purchases of buyers. The author suggested that, instead of the 4Ps, the customer's 4Cs should be adopted, claiming the companies would have greater success than adopting only the Compound Marketing. The 4Cs are: *customer needs and wants*, *cost to the customer*, *convenience*, and *communication*.

Deciding which aspect of the 4Ps theory will be kept and which one will be adapted, this paper presents existing developments of the theory as an exhaustive investigation on marketing compound to the cooperative model. In the international literature, there are some other suggestions divided in two strands: the first, designed by Booms & Bitner (1982), adds three more Ps to the model, making it a 7Ps model— *Physical Evidence*, *Processes* and *People*. This model was studied by Berry (2011) and Zeithmal, Brown, Bitner & Salas (2014). Both analyzed this adaptation of compound marketing to the industrial sector, issuing services, which consider, according to the author's view, items that must be considered, like: intangibility, incorporeals, reputations, references, and even service provider facilities. The model proposed by Booms and Bitner (1982) adds to services characteristics like: inseparability, because services cannot be separated from suppliers, variability, which is related to each service provider, that is, depending on the provider the service can vary; perishability, that establishes a time to execute the service or it perishes, so non-used capacity will not be stored; simultaneity, service production and consume are simultaneous, it guarantees that, when the customer hires it, he or she also hires the way the service will be provided. The second strand adds one more P to the model: partnership. This idea is proposed by Londre (2009), who believes the partners – relationship articulation, conjoint partnerships, alliances, and judicial relations between two parts develop market strategies that strengthen business. Thus, in this direction, the author points as strategic alliances joint ventures. According to him, partnerships could be alternative strategies to conjoint alliances that go beyond joint ventures, as conjoint acquisitions, capital sharing, merging, and market transactions.

As stated by Kotler (2003), it doesn't matter how many Ps are adopted in a particular marketing mix, the question consists in determining the strategic planning of the compound marketing elements, so it can satisfy the needs of each organization. Thus, in this part of the paper it is not questioned the number of existing Ps in the literature, since the number will continue to vary as new research results on this subject come up. Accordingly, the present proposal focuses on identifying necessary Ps that satisfy the needs of the specific sector of cooperatives, considering it possesses its own doctrinal principles to be respected in this process.

To better understand the evolution of McCarthy's 4Ps over the years, it is necessary to mention international bibliographic research carried out by Amaral (2000) from 1975 to 1995, who considered the most relevant bibliographic sources on the subject. In this research, the author elaborated the table 3, as a result of the research of sixty documents, 37 journal papers and 23 book chapters and conference proceedings papers. The sources are labelled: P (journal paper), C (book chapter or proceedings papers). The research informs if the author redefines the 4Ps or if they propose any additions to the system.

**Table 3 Academic Productions on the 4Ps with modifications**

<i>AUTHOR</i>	<i>DATE</i>	<i>KIND</i>	<i>DENOMINATION OF 4Ps?</i>	<i>ADDS Ps?</i>
Weinslock	1976	C	NO	NO
Bellardo & Waldhart	1977	A	NO	NO
Dragon	1979	A	NO	NO
Edinger	1980	A	NO	NO
Moulton	1981	A	YES	NO
Condous	1983	A	NO	NO
Weingand	1983	A	YES	NO
Cronin	1984	A	NO	NO
Eisner, Joseph	1984	C	YES	NO
Mathews	1984	C	NO	NO
Simpson	1984	C	YES	NO
Virgo (A marketing approach...)	1984	C	YES	NO
Weingand (Marketing: its)	1984	C	NO	NO
Weingand(Marketing with a smile)	1984	C	YES	NO
Wood, Douglas	1984	A	YES	NO
Bell	1985	C	NO	NO
Cronin (Improving your)	1985	A	YES	NO
Freeman & O'Connell	1985	C	YES	NO
Fruitholf	1986	A	YES	YES
Leisner	1986	A	YES	YES
Warnken	1986	C	YES	YES
Weingand	1986	A	YES	YES
Wood, Elizabeth	1986	C	YES	NO
Weingand	1987	C	YES	YES
Char	1988	A	YES	NO
Montouri	1988	A	NO	YES
Strauss	1988	A	NO	NO
Dalton	1989	A	YES	NO
Norman	1989	A	YES	NO
Dean	1990	C	NO	NO
Eisner, Joe	1990	A	YES	?
Kinnell	1990	A	YES	NO
Lett	1990	C	YES	NO
Wright& Nicholson	1990	C	YES	NO
Cooper	1991	A	YES	NO
Gallacher	1991	C	NO	NO
Weingand	1991	C	YES	NO
Yales-Mercer & Seward	1991	A	YES	NO
Amaral	1991	A	NO	NO
Simpock- Vieweg	1992	A	NO	NO
Collins & Glyptis	1992	A	YES	NO
Kinnell & McDougall	1992	A	YES	NO
Dijkstra	1992	A	NO	NO
McCarthy	1992	A	YES	NO
Morgan & Noble	1992	A	NO	NO
Smith & Saker	1992	A	YES	YES
Walters	1992	C	YES	NO
Weingand	1992	C	YES	NO
Booth	1993	A	YES	NO
Lindquist	1993	A	NO	YES
Galvin & Keiser	1994	A	NO	NO
Rowley	1994	A	YES	YES
Weingand	1994	C	YES	NO
Dimick	1995	A	YES	NO
Keiser & Galvin	1995	C	YES	NO
Powers	1995	A	YES	YES
Weingand	1995	A	YES	NO

Source: Amaral (2000)

The author's research, summed up in table 3, revealed that some authors assume prominent position for they produce more about the subject, among them Cronin (1985), with three scientific productions, next comes Virgo (1984), with two proceedings papers. Another important contribution is the publication of a book and a journal article by Keiser & Galvin (1995). According to Amaral (2000), the remnant researchers either produced in partnership or produced only on text. In this direction, as the literature advances, one of the more traditional views is the one that defines the first element of compound marketing, the Product, as something offered to a particular target market aiming at obtaining its appreciation, being acquired, used or consumed, and as something that satisfies the needs and desires existing in the scenario. Some services can also be considered products, when they are hired during the acquisition of another product, for example, installation, delivery guarantees, after-sales services, assembling services, and credit. There are also aspects related to products that can be tangible or intangible, the first are those that the customer can touch and measure, for example, electric appliances, furniture and automobiles, the latter are those that cannot be seen by the customers' eyes, for example, thrust, satisfaction, customer treatment quality, and the purchasing experience. Thus, product innovation can be related to any of these elements.

The second variable of the compound marketing that deserves attention is the Price, that helps to aggregate value to the product (GOH & UNCLES, 2003) and that, at the time of acquisition, the organization can be compensated for all the effort of producing it. According to Sabherwal & Chan (2001) price can be defined as the amount of money that is demanded in exchange of the acquisition of the product or service in a commercial act. It can also be the sum of all monetary values employed by consumers in exchange of benefits provided by products or services. In the view of Lang & Kanetkar (2006), the price is one of the main elements in marketing compound, because it is the only one which generates revenue to the organization, compared to the other that generate costs, once the improvement of something demands investment. Another point of view points out the alternance of price, that is, competitors act as price regulator, because it determines when it rises or falls (MANNING & SPROTT, 2009). The third element that composes marketing compound is Promotion, that appear as a set of strategies to stimulate consume or simply to advertise a particular product or service being offered (LIBERMAN *et al*, 1999). Higgins' proposal (2002) is that promotion importance to marketing compound is restricted to the communication process. The author believes that the sales strengths to be more efficient, for narrowing relations in a way that easily suppress the needs of those involved in sales process. Other elements inside the communication process are public relations (GEORGE, 2000), which involve all the set of good relationships to a group of interested people to gain favorable publicity to the image of a company, building a more value organizational identity in the competitors' market. Communication also comprehends direct marketing, which is defined as an integration process between more than one advertisement media (PETRISON, 1997). It aims at finding satisfactory answers and, consequently, supply the diverse types of consumers' needs.

Finally, the fourth element of compound marketing is Place, or distribution. It consists in the path followed by the product or service until is use (RISCAROLLI *et al*, 2004). To the authors, the way of conducting products and services to customers is one of the great marketing strategies that need to be respected, because logistics is an essential part of the organizational marketing plan. Wilkie & Moore (2003) argue that customers seek conveniences, that is, to acquire more accessible products whenever they want and wherever they are. To the authors, factors that constrain and influence the choice of distribution system are: resource availability, geographic concentration of customers, goods classification, market potential, goods complexity, storage needs, among others. In the Promotion P, sales strategies, discounts, installments and stock burnings are employed in many situations; one of which would when the organization wants to renew stocks.

### 3 Methodologies

In this paper, methodology, aiming at redefining compound marketing to cooperatives, implied in researching the identification of theoretical categories to define compound marketing to cooperatives and to associate them to the cooperative model principles. Having this goal in mind, the concepts that form the compound marketing Product, Price, Place, and Promotion were tentatively harnessed to the cooperative principles. The time span of theoretical foundation was eleven years (2004-2014) and included specific scientific production that links the terms 'marketing' and 'cooperatives'. Thus, considering that data extraction occurred in a definite time span and the delimitation of the theme (compound marketing and cooperatives), this paper fits the role of researches called theoretical monograph, which can present relevant contributions according to its range and temporal boundary (ECO, 2000).

Methodology here is of interpretative nature, because it is base on interpretation or on meanings some authors make of compound marketing to cooperatives in their academic texts. The first step, as research of secondary data in an exploratory study, was to identify the existing literature on compound marketing in relevant journals, scientific conferences, and productions that approach both topics, compound marketing and cooperatives, conjointly. It also focused literature considered as classic in the marketing area to rethink the compound marketing concept applied to cooperatives. This way, one can see how researches currently understand marketing compound to cooperatives. Besides books, research on marking on cooperatives was focused on two kinds of works: thesis and monographs and papers on important events on business and marketing in Brazil, among them EnANPAD<sup>11</sup> and the Marketing biannual meeting of ANPAD- EMA, with texts from 2004 to 2014, totalizing 10,210 scientific texts researched. A summary of this research is presented in the nextsections.

### 3.1 Systematization Method of Published Texts on Compound Marketing in Cooperatives

To verify the originality of the proposed theme, it was carried out a survey of publishing about compound marketing in cooperatives, most of them in electronic version (e.g. CD-ROMS, and digital files. In this process, different tools and search engines were used with different settings). It allowed the analysis to be done paper by paper to include them or not in this research. In total, 10,220 texts were compiled (10 PhD theses and monographs, and 10,210 scientific papers. The theses and monographs were researched up to December 27<sup>th</sup>, 2014, date of elaboration of the original project of the research. The wider possible coverage of published texts on marketing in cooperatives was sought. In the case of EnANPAD texts, they are submitted during a defined period every year and, after the peer review, they are published by the time of the annual event that gathers researches of every administration area, including marketing. From this source, 9,581 texts were compiled. In the proceedings of the other event, specific on marketing - the Marketing biannual meeting of ANPAD- EMA-, 629 texts were compiled. Table 4 summarizes the sources investigated and texts compiled.

**Table 4: Sources of research data**

TEXT SOURCE	TIME SPAN	QUANTITY
EnANPAD	2004 a 2014	9.581
EMA (Biannual)	2004 a 2014	629
Theses and Monographs	until 2014	10
<b>Totals</b>		<b>10,220</b>

Source: Research Data

### 3.2 Published Papers Systematization

The survey was conducted on the EnANPAD texts with the aid of *Text Filterer* software (EDWARDSOFT, version 3.34). The software swept the papers with the two words, *compound*, *marketing*, and *cooperative*<sup>12</sup>, as queries. The words should appear in the same text at least once and not necessarily together. In this stage, the frequency of the words in the texts was analyzed, as well as the occurrence of terms were ranked by top-down frequency. Out of 9,581 texts analyzed, only 108 papers register the two terms together at least once, totalizing 1,13% of the texts. The second event investigated was EnANPAD-EMA, as mentioned in the previous section. Out of the 629 texts in the compilation of this event, only 12 had the two terms in the same text, or 1,9%.

The theses and dissertation investigation were found a Brazilian theses database kept by the Brazilian grad-studies department (CAPES<sup>13</sup>), that works under the Education Department of the country. As mentioned before, this survey was conducted on December 27<sup>th</sup>, 2014. The database is available in <<http://capesdw.capes.gov.br>>.

The search used the functions ‘subject’ with the option ‘phrase contains’ specified with the terms compound marketing, cooperative. Texts in three different areas were identified: 4 texts in Administration; 3 texts in Agronomy; and 3 texts in Production Engineering. All the 10 texts were monographs aiming at academic, 3 texts, or professional, 7 texts, master’s degrees. The data reinforce the need of this research, showing the scarcity of studies on compound marketing in cooperatives and its adjustment to this kind of organization.

<sup>11</sup> National Association of Business Grad-Students Annual Meeting.

<sup>12</sup> Portuguese for *compound*, *marketing*, and *cooperative*.

<sup>13</sup> <https://www.capes.gov.br/acessoainformacao/institucional>

So, the relevance of this research is the need of rethinking compound marketing in cooperatives, taking the cooperative model principles as guidance. Bardin (2011) explains that categorization is based on two constructive processes: inventory, in which data is separated, and classification, which consists of separating the elements and reorganizing them according to a defined system of categories. Next section presents the methodological option adopted to analyze the texts.

The analysis considered the data extracted from the bibliometric survey, that comprises 130 texts, described in the previous section. All of them were included in the categorization and elaboration of marketing compound to cooperatives. As pointed out in table 5, the texts were subdivided according to their respective sources and analyzed one by one to the achievement of this paper’s goals, by means of the literature review presented here.

**Table5: Texts used in the categorization**

TEXT SOURCE	TIME SPAN	QUANTITY
EnANPAD	2004 a 2014	108
EMA (Biannual)	2004 a 2014	12
Theses and Monographs	2010 a 2014	10
<b>Total</b>		<b>130</b>

**Source:** Research data on secondary bibliographic data

Next section presents the method employed in this research to data tabulation and the theoretical construction of compound marketing to cooperatives. To do so, it verified the correlation between the compound marketing concepts and their adherence to the cooperative model principles in each of the 130 selected texts. Then, the concept was classified in the closed grid system, according to Bardin (2011), which allows new adherences to categories as the texts are analyzed, as well as the reclassification of a concept to a different category by approximation. The initial categories, established *a priori*, are described in table 6: the 130 texts were analyzed one by one and pre-classified in these categories.

**Table6:Categories to the analysis of the selected texts on marketing to cooperatives**

Categories	DESCRIPTION
<b>Product</b>	Texts that treat the product conceptually, with some relation to cooperatives, proposing advances in the understanding of the term and/or criticizing. In these texts, compound marketing has a central dimension and is treated as a concept aimed at cooperatives or applied to them. That is, even if the text has characteristics of other categories under analysis, if the product is treated as a concept, focused on cooperatives, the text must be included in this category.
<b>Price</b>	That that relate price as the market regulating source and that somehow establish relation with cooperatives. Concept focused on payment choices, discounts, finance, and credit; it is also focused on product and services payments.
<b>Place</b>	Texts that relate the distribution channel, the way the product or service is received by the customer, and cooperatives. It offers a view of how the product is logistically distributed and the its path through middlemen until it gets to the customer.
<b>Promotion</b>	Texts that correlate cooperatives and promotions, as sales strategies and elements of strengths of sales to attract more customers and to sell more, advertisements, publicity, public relations.
<b>Compound Marketing</b>	Texts that comprise the term “compos to de Marketing”, but that don’t operate with any of compound marketing themes. Texts that don’t employ the maketing compound variables but treat it as whole instead.

**Source:** Elaborated by the authors based on the research inventory

#### 4 Results and Discussion

This section aims at thoroughly analyzing the texts identified with the proposed categories and the texts used the theoretical construction of this paper, aiming at identifying similarities and differences between the traditional compound marketing concept and the concepts adopted in this research that employs the compound marketing in cooperatives. It resulted in a proposal of the compound marketing to cooperatives -CMC: the 6Ps of cooperatives.

The analysis shows that authors adopt the same concepts of traditional marketing compound in academic texts on marketing to cooperatives. That is, the concepts that link compound marketing and cooperatives in the texts, like Product, Price, Place, and Promotion, are identical to those adopted to describe profit-aimed companies. This finding led the research to investigate if there any conceptual differences between the categories of analysis of traditional compound marketing and the categories applied to the cooperative principles, once the labels of the categories are same to both profit-aimed companies and cooperatives. The result was that when categories are used in texts about profit-aimed companies they point to concepts different from the cooperative principles, as showed in table 7.

**Table 7: Results of the texts research based on the cooperative principle**

<b>Cooperative principle</b>	<b>Contrasting profit-aimed companies to cooperatives by cooperative principles</b>
<b>Voluntary and open membership</b>	The concept found in most texts related to this concept shows it is not adequate to profit-based companies, because not everyone is technically or financially able to join a mercantilist company. It involves issues related to the availability of shares in the stock market.
<b>Democratic member control</b>	In mercantilist companies, management is mainly autocratic, that is, decisions flow top-down, the high administration decides everything. Power belongs to the capital, going against cooperative values, in which humanism should be the foundation democratic egalitarian collective decisions.
<b>Member economic participation</b>	In profit-aimed companies, money is the guide of participation in decision making, showing again great difference compared to the cooperative values, which treasures the democratic participation of members. Financial contribution to the capital of an organization is not crucial in a cooperative to the point of implicating the member participation in the decision-making process. In mercantilist organizations, it is the opposite.
<b>Autonomy and Independence</b>	There is no autonomy and independence in mercantilist companies. The texts pointed that when another organization, institution, or investor has economic participation, they gain voice in the organization and even decision rights, contrary to the cooperative model, in which decision keep centered in general congregations where every member democratically has voice and the right to vote.
<b>Education, Training, and Information</b>	In profit-aimed organizations, knowledge is a power source, that is, those who have more knowledge make more money, those who have more decision-making power are those who have more knowledge on the subject. It is different in a cooperative where knowledge is equally shared with everyone, as a source of collective education, avoiding the stimulus to competition among members.
<b>Cooperation among cooperatives</b>	There are alliances between some profit-aimed companies, which are built to increase earnings and to decrease costs of raw materials acquisition. This practice forces competition between partners, once they tend do keep the alliance only for the time it is profitable to the parts. On the other hand, partnership among cooperatives are built with the aim of strengthening the model and to consolidate the cooperation philosophy.
<b>Concern for the community</b>	Some mercantilist companies have social responsibility actions, but the investment on these actions often have financial interests and/or seek to improve the institutional image of the company. On the contrary, a cooperative is not concerned with taking advantage of the society. It focuses in actions that can improve the welfare of its members in the community they are part of, contributing to the welfare of the whole community.

**Source:** Elaborated by the authors, based on ICA<sup>14</sup> data (2015).

The theoretical categories investigated in the profit-aimed organizations Product, Price, Place, and Promotion have different connotations when applied to cooperatives. This reinforces this article aim of identifying specific needs related to compound marketing to cooperatives and of proposing a new model for this sector.

According to the goals of this paper, the conceptual proposal of compound marketing to cooperatives passes through important questions, as the principles and values of the cooperative model. This way, it aims at complementing McCarthy's 4Ps theory adding two more Ps to it, drawn from two main alternative models reviewed. The first one is Booms & Bitner (1982) that adds three new Ps to service marketing: Physical Evidence, Processes and

<sup>14</sup> International Co-operative Alliance

People. To the cooperative model, the People category will be adopted. The second one is Londre's model (2009) that enriches the first one with Partnership. So, the compound market model to cooperative is a merge of three models, resulting in: **Product, Price, Place, Promotion, People, and Partnership**. The addition of People is justified because cooperatives are valued as the main asset in cooperatives. It must be considered too that satisfying needs of people involved in the community is an important goal in a cooperative. Concerning Partnership, it is believed that no cooperative can survive without it, that is, cooperation among cooperatives, in which is clear the union between cooperatives to become stronger; besides, it is necessary to emphasize that partnerships allow cooperatives to commercialize its production more advantageously and to strengthen the cooperative movement. The 6Ps compound marketing model to cooperatives can summed up in table 8.

**Table8:Compound marketing to cooperatives**

<b>6 Ps</b>	<b>DEFINITION</b>
<b>Product</b>	Goods and services offered by cooperative members or cooperatives. They can be acquired by members or final customers. Cooperatives should market products by the lowest possible acquisition cost to grant members and customers the highest possible satisfaction.
<b>Price</b>	In the cooperative model, the fair pricing is a principle. It aims at providing a better and fairer life to member. In some cases, consume cooperatives can be considered local price regulators.
<b>Place</b>	All the cooperative range of action. Cooperatives have a social function, for employing a great number of people, and an economic function, for dealing with a great number of raw material suppliers.
<b>Promotion</b>	Promotions, when launched by cooperatives, are competition regulating sources. It influences the cooperative competitors to regulate the promotional market. As a cooperative isn't profit-oriented, its promotions are more appealing to customers.
<b>Partnerships</b>	Strategic alliances, like joint ventures and other cooperatives, are established to boost businesses and/or to strength the cooperative movement, as a way of survival and growth.
<b>People</b>	People are the cooperative base. A society is composed of people, not capital. Values as humanism, equality, and solidarity will be always the north for any cooperative.

**Source:** Elaborated by the authors.

According to the results, the CMC proposal, elaborated in this paper, has good potential to be considered in this knowledge filed, since it took considerable national and international literature review. All the conceptual possibilities of the theme were presented, but the proposal is the authors' view, based on theoretical foundation. Next, we present the concluding remarks of this paper.

## 5Conclusions

This paper aimed at identifying necessary adjustments to the theoretical referential of compound marketing to satisfy the demands of the cooperative model principles, proposing an exclusive model for this sector -CMC. To do so, it sought a new model of concepts that focuses on specific needs of cooperatives. The model is a result of content analysis. The study showed that the academic texts investigated don't take into consideration cooperative principles and values, when the texts are focused on the main compound marketing authors' view. However, the compound marketing concepts were adjusted to the cooperative principles and values: McCarthy's (1960) 4Ps model was enriched by two other contributions - Booms & Bitner (1982) and Londre (2009)-, generating the 6Ps of cooperatives. The goal of the paper was, thus, accomplished. Feyerabend (2007) remembers the diversity of paths when searching information sources. Science, he argues, approaches an eminently anarchic enterprise, in which the researcher's creativity is essential to define the paths that will be followed. Thus, it is not excluded here the possibility of missing some academic texts in the process of selecting them. Though this research is not finished, the contributions presented here, we understand, are advancement in the field, summed up the content analysis presented in this paper. Compound marketing to cooperatives can be defined as a set of marketing elements devised to satisfy the needs of both members and final customers, to achieve a cooperative value: collective welfare.

Once the 6Ps model is set, further work suggests visits to cooperatives to test the model and the establishment of an agenda of studies on the compound marketing to cooperatives. Advances on the study of theoretical categories can foster new research, for example, a descriptive statistical study on a representative number of cooperatives to confirm the categories and to, even, redefine them, considering that new studies can lead to new

theoretical elements to be applied on cooperatives. This paper is an initial contribution, based on collective texts published by the academic community, devoted to developing and share scientific knowledge on marketing, specially when it is aimed at the cooperative model.

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