

**NASON**

# **Macromarketing XXIV**

**Macromarketing and 21<sup>st</sup> Century Challenges:  
Sustainable Consumption and  
Ecological Challenges**

**August 12 -15, 1999  
Nebraska City, Nebraska**

**Hosted by:**

**Department of Marketing and  
Agribusiness Program**

**Nebraska**  
**UNIVERSITY OF NEBRASKA-LINCOLN**

College of Business Administration

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***Sustainable Consumption and Ecological Challenges***  
**Macromarketing XXIV**

Lied Conference Center, Arbor Day Farm  
Nebraska City, Nebraska  
August 12-15, 1999

Sponsored by:

University of Nebraska College of Business Administration

*Journal of Macromarketing*

American Marketing Association Marketing and Society Special Interest Group

Program Co-Chairs:

Thomas A. Klein, *The University of Toledo*  
Pierre McDonagh, *Dublin Institute of Technology*  
Andrea Prothero, *University College, Dublin*

Arrangements Chair:

Robert Mittelstaedt, *University of Nebraska-Lincoln*

**Thursday, August 12, 1999**

3:00-6:00 p.m.

Registration and Check-in

6:00-7:00 p.m.

Social Hour

7:00-8:00 p.m.

Dinner

8:00-9:30 p.m.

**Opening Session**

Opening Remarks and Introductions - Co-Chairs

Welcome and Housekeeping - Robert Mittelstaedt

Keynote Address:

"Marketing Management and the Challenge of Sustainability"  
Donald A. Fuller, University of Central Florida  
(Author of *Sustainable Marketing: Managerial-Ecological Issues*,  
Thousand Oaks, CA: SAGE Publications, 1999)

Should Dr  
paper

## **Friday, August 13, 1999, Afternoon/Evening**

12:20-1:30 p.m.  
Luncheon

1:30 p.m.  
Outing

## **Saturday, August 14, 1999, Morning**

7:00-8:00 a.m.  
Breakfast

8:00-9:30 a.m.  
**Session III - Government in the Marketplace**  
**Chair – Sanford Grossbart, University of Nebraska-Lincoln**

"Macromarketing Analysis of Government-Offered, Fee-Based Products and Services"  
*Stanley C. Hollander and Robert W. Nason, Michigan State University*

"The Conundrum of Intellectual Property Rights in Global Markets"  
*Alexander Nill, University of Nevada-Las Vegas*  
*Clifford J. Shultz, II, Arizona State University*

"Green Marketing: Seeking Competitive Advantage Under Stringent Regulation"  
*G. Scott Erickson, Marist College*

9:30-10:00 a.m.  
**Special Session - Meet the Editors**

Editor:  
Luis Dominguez, *Florida Atlantic University*

Section Editors:  
Marketing and Development - Clifford Shultz  
Global Policy and Environment - William. Kilbourne  
Marketing History – Robert Nason  
Quality of Life – Thomas Klein

10:00-10:20 a.m.  
Break

3:00-3:20 p.m.  
Break

3:20-5:20 p.m.

**Session VI - Ecological Challenges**

**Chair: William Kilbourne, Sam Houston State University**

"Constraints in Developing an Ecocentric Ecological Orientation: The Macro Contributions"  
*Andrea Prothero, University College-Dublin*

"Contested Rationalities in the Ecological Crisis"  
*William Kilbourne, Sam Houston State University*

"Macromarketing and Risk Society: Communications, Enactment, and the Politics of Sustainable Consumption"  
*Pierre McDonagh, Dublin Institute of Technology*

"The Possibility of Sustainable Consumption: Conceptual, Empirical, and Praxis Considerations"  
*Patrick Dolan, Dublin Institute of Technology*

**Saturday, August 14, 1999, Evening**

5:45-6:45 p.m.  
Free time

7:00 p.m.  
Picnic at the Barn

**Sunday, August 15, 1999, Morning**

7:00-8:00 a.m.  
Continental Breakfast

8:00-9:30 a.m.

**Session VII - Macromarketing in the Classroom**

**Chair: Stanley J. Shapiro, Simon Fraser University**

"Teaching Green Marketing: An Example of a UK Undergraduate Course Option"  
*Andrea Prothero, University College-Dublin*

"Marketing Education: A Foreign Language to Some Consumers"  
*Robert Rugimbana, University of Newcastle (Australia)*  
*Stuart Carr, Northern Territory University*

## **Reviewers**

We gratefully acknowledge the contribution of the following persons who reviewed papers submitted to the Twenty-fourth Annual Macromarketing seminar:

Barrett, John, Jr., The University of Toledo  
Beckmann, Suzanne, Copenhagen Business school  
Benton, Raymond, Jr., Loyola University-Chicago  
Carlson, Les, Clemson University  
Crane, Andrew, Cardiff University  
Davidson, Kirk, Mount Saint Mary's College  
Dholakia, Ruby Roy, University of Rhode Island  
Firoz, M. Nadeem, Montclair State University  
Fisk, George, Emory University  
Fitchett, James, University of Exeter  
Gentry, James, University of Nebraska-Lincoln  
Grunhagen, Marko, University of Nebraska-Lincoln  
Joy, Annama, Concordia University-Montreal  
Kilbourne, William H., Sam Houston State University  
Kumcu, Erdogan, Ball State University  
Lawlor, Katrina, Dublin Institute of Technology  
Nason, Robert, Michigan State University  
Nevett, Terrence, Central Michigan University  
O'Malley, Lisa, Cardiff University  
Ross, Christopher, Concordia University-Montreal

## SUSTAINABLE MARKETING -- AN OVERVIEW

Donald A. Fuller  
University of Central Florida

### ABSTRACT

A preponderance of evidence shows that our voracious appetite for goods and services has put us on a collision course with Mother Nature. Why? The consumption of goods and services (products) sets in motion a chain of resource conversions that generate waste and wasting; this is causing the pollution of ecosystems worldwide.

The logical solution is to make consumption a clean, waste-free process. Because this requires re-designing the fundamental ways and means of providing benefits to customers through products, marketing must be the core discipline involved in the shift to sustainable consumption practices. This shift must occur for business, not altruistic, reasons.

Many books on sustainability, strategic environmental management (SEM), natural capitalism, and related topics, dwell on broad strategic and philosophical issues. But, nothing of substance will change unless the underlying issue is directly pursued; that is, product systems are the problem -- therefore, re-invented product systems are the solution to pollution. With this in mind, *Sustainable Marketing* provides information about the intimate connection between day-to-day marketing strategy decisions and waste outcomes. Most important, marketing managers have to recognize that their dominant role in deciding product "form and function" also brings with it "ecological empowerment," that is, the ability to significantly alter a product system's ecological impact for the better.

*Sustainable Marketing* is organized around the plain vanilla "target market--> marketing mix" model of marketing management. It identifies the marketing mix elements of PRODUCT and CHANNELS as key waste generating activities that can be "cleaned-up" to reduce negative impacts on ecosystems, while continuing to provide necessary benefits to customers. PROMOTION and PRICING are described as facilitating activities that enhance the sales of "clean" products. Each marketing mix element is subject to design-for-environment (DFE) assessment: managers must think in terms of PRODUCT DFE, CHANNELS DFE, PROMOTION DFE, and PRICING DFE -- and understand the types of decisions that are involved in each area.

Bringing "sustainability" on-board as a decision influence requires two major adjustments to the traditional marketing management approach: (1) the adoption of the extended product system life-cycle (PSLC) as the appropriate decision framework, and (2) the utilization of pollution prevention (P2) and resource recovery (R2) as key implementation strategies. The PSLC identifies the cradle-to-grave resource utilization cycle that must be understood in order to develop appropriate preventative (P2) and remedial (R2) waste management solutions. *Sustainable Marketing* contributes to communicating the essence of these adjustments by defining key terms and constantly integrating P2 and R2 concepts into the various discussions. This establishes a mutually shared field of experience which is important because environmental initiatives are inevitably eclectic; they involve a lot of "talk" between manufacturers, distributors, customers, and stakeholders, and between disciplines (functional areas) such as marketing, industrial design, management, engineering, ecology-environmental science, manufacturing, accounting, physical distribution, legal counsel, etc.

THE TRANSITION TO MARKET PRINCIPLES AND CAPITALISM:  
AN OVERVIEW OF EMPLOYMENT, INCOME DISTRIBUTION AND MARKET  
DEVELOPMENT IN THE GUATEMALAN ECONOMY

Marta Ortiz-Buonafina  
Florida International University

survey. The 1990 study was conducted in association with Generis Latina, S.A. As in the first survey, similar questions were included in the questionnaire. A stratified random sample of households in major urban areas was used in both studies to assure representation of all the groups in question. The personal interviews were conducted under the supervision of the organizations cited above. In the first study (1975), 519 usable responses were obtained. In the second study (1990), 1850 usable responses were obtained. The socio-economic classifications presented are based on the interpretation of data and the author's own insights and experience in the Guatemalan socio-economic environment.

## THE 1970 DECADE

In the early 1960's, the Guatemalan government implemented Import Substitution as the development policy. It entailed an effort to replace, partially or wholly, goods previously imported and the development of an indigenous industrial sector to spur economic growth, create employment and improve the general well being of the population. During the early years of import substitution, the Guatemalan economy showed considerable dynamism as Gross National Product grew by an average rate of 6.9% (Ortiz-Buonafina, 1987), expanding aggregate demand. This in turn provided for a rise in the purchasing power of the population. The industrial sector grew, increasing its sectoral participation from 13% in the early 1960's to 17% by the end of 1970.

Increases in aggregate income, however, only provide a rough indicator of the improvement of the different socio-economic groups in a society. An analysis of the distribution of income provides a clearer picture of the participation of the different groups in the economic output and helps us understand effective demand in the marketplace, inasmuch as income distribution affects the purchasing power of the population. This analysis will give a clearer picture of the participation of the different groups in consumption and market demand.

As shown on Table 1, the Guatemalan distribution of income for the period between 1960 and 1978 shows that the lower income group, comprising 50% of the population increased their participation in total income to 15.6% by 1978, up from 13% in 1960. While the figures show some improvement on the distribution of income, the fact remains that by 1978, the top 20% of the population received 56.4% of total income, while the remaining 80% received 43.6%, mostly concentrated on the 2<sup>nd</sup> stratum of the population.

office workers and bureaucrats, and owners of neighborhood stores or "tiendas". Families lived in small apartments and houses, usually rented, in the outskirts of the city. The dwellings were comfortable and well stocked with household goods and one helper, usually a very young maid. This group liked to travel, and was able to take one trip a year abroad, mostly on credit. They also traveled extensively within the country and other countries in Central America. Families usually owned a car, normally a second-hand or used car. The people in this group lived on a day-to-day basis and their lifestyles were made possible by social legislation that provides free medical care, subsidized transportation and electricity and work protection under a system of mandatory compensation for dismissal on any cause. Price controls over basic foods, such as beans, maize, rice, and some meat products, as well as electricity, kept these products within the reach of this segment.

#### **SOCIO-ECONOMIC CLASS D**

This group represents the top of the 1<sup>st</sup> stratum of the population. Families in this group are large and include blue collar and low-paid white-collar workers, maids, vendors, artisans and low level military. Their average income is low, just enough to cover the necessities of life. Families live in small rented houses, apartments and shacks and may be able to afford one or two household durables. Many own cars, usually 10-year old or older models kept in fairly good condition. The social legislation, subsidies and labor laws mentioned above supplemented this group's low income.

#### **SOCIO-ECONOMIC CLASS E**

This group represents the majority of the 1<sup>st</sup> stratum of the population. Families in this group were extremely poor, with little education and employable skills. They lived in marginal areas of the city, lacking in many instances, basic necessities like running water. Their homes, make-shift houses built inside ravines and hillsides, were very small and had barely the necessary household goods to sit and sleep, yet most have television sets. As the two previous groups, they were covered by social legislation; subsidies and labor laws mentioned above which basically help them avoid starvation but not bad sanitation and poor living conditions.

The foregoing analysis provides some evidence to the conclusion that, in spite of the development efforts, the purchasing power of the majority of the population progressed at a very slow pace. However, while the Guatemalan economy was growing and the domestic industrial sector increased its participation in economic output, the uneven distribution of income limited the participation of the lower income groups in the marketplace by restricting their purchasing power. The very low income of a significant portion of the population precluded them from participating actively in the marketplace, thus limiting the size of the market and inhibiting the economic development process.

### **THE 1990 DECADE**

In the 1990's, after a decade of relative economic slowdown, Guatemala joined other Latin American countries in instituting market-friendly economic reforms to address long standing economic problems. The purpose was to bring about sustained economic growth, an elusive goal under import substitution, and the economic policy of the earlier decades. The structural conditions brought about by import substitution created the illusion that economic development could depend on the implementation of some form of capitalism. The expectation of these market-directed reforms was to generate sufficient social investment by governments and private enterprise to improve the economic conditions of the poorest segments of the population.



shopping with a small army of armed bodyguards to protect them from kidnapping, although not always successfully. They live in new developments in the outlying areas in Guatemala City, homes surrounded by heavy walls and guarded by their own security forces. This group includes the industrialists, owners of coffee, sugar and cattle farms, most through inherited wealth.

#### **SOCIO-ECONOMIC CLASS B**

This group comprises the lower 4<sup>th</sup> stratum of the population or 7%. This group includes the very wealthy and old prestigious families. This group is not as wealthy as those of the upper group but is very similar in their religious and conservative views. They are very religious, go to church every Sunday, watch mostly cable TV and some of the most popular local programs, specially those produced by Univision, a Mexican broadcaster based in Miami. Many members of this group have been educated outside of Guatemala. The families in this group own smaller and less expensive condos primarily in Miami and travel abroad regularly in commercial airlines. They also travel to shop and get specialized health care, although they receive regular health care through private physicians in Guatemala. This group reads the press regularly and participates actively in politics.

#### **SOCIO-ECONOMIC CLASS C**

This group represents the 3<sup>rd</sup> stratum of the population. This group includes younger members of the upper income classes who work independently, entrepreneurs and successful professionals. In terms of age, this group is younger than the previous ones. Many have been educated in the United States and Europe, as well as in domestic private universities. This group patronizes fast-food restaurants, travels at least once a year, usually during official holidays, watch primarily local television programs but have access to cable TV, read newspapers, practice sports and attend sports events. They like to wear jeans and in much of their apparel and lifestyle emulate their U.S. counterparts. They live in apartments and small homes in nice, but not luxurious neighborhoods. This group shows the "convergence theory" more than any other group. They are the winners in the globalization of the economy. They represent the middle class in Guatemala and are the equivalent of the white collar and office workers in developed societies. Their numbers, however, are not as high as those in industrial societies.

#### **SOCIO-ECONOMIC CLASS D**

This group comprises the 2<sup>nd</sup> stratum of the population and has been described as the "work and effort" group. Their income level, while improving, is still relatively low. Many have been able to go to the local public university but most have a low level of education, and engage mostly in blue-collar work. They have lower purchasing power and live in more modest homes. Many have migrated from rural areas, looking for opportunity in the major urban areas. They are the mass markets in the Guatemalan economy, and their tastes and consumption patterns reflect the modernization of the society. They watch television, primarily local TV, listen to the radio but do not read newspapers very often. Most of their purchases go for necessities and food items, and consume local brands and products, as imported ones are beyond their means. They buy imported used clothing, as they are able to wear jeans and tee shirts and many other such items that they can buy at very reasonable prices.

#### **SOCIO-ECONOMIC CLASS E**

This last group comprises the 1<sup>st</sup> stratum of the population. They represent the lower income stratum in the society, includes single mothers, students, unemployed and underemployed, as well as the old and sick who wonder the streets, many beg or watch cars in parking lots for a living. These groups do not watch much television, maybe hear some radio, read no newspapers and are not interested in political or national news. These are marginal markets at best for the cheapest products offered in the marketplace.

**Table 4**  
**Guatemala: Population, Employment and Underemployment**  
**1975-1995**

	1975	1980	1990	1995
Total Population , in thousands (Average Growth Rate)	6,022 (3.0%)	7,006 (3.0%)	8,749 (2.9%)	10,790 (2.9%)
Economically Active Population (As percentage of the Population)	31.0%	30.0%	29.9%	31.1%
Unemployment (as percentage of the economically active population)	39.0%	35%	46%	49%

Source: "Guatemala en Numeros" (1998). *Cronica Semanal*. Guatemala: Anahte, S.A. Global Information Group, pp.24-27.

According to the International Development Bank (IDB, 1998), these developments have disappointed and confounded economists and policy makers alike. They had predicted that the free market macroeconomic reforms would spur GDP growth, lower unemployment and help bring the low-skilled workers into higher wage levels. Several explanations were offered for this developments. First, lowered trade barriers appear to have force companies to become more efficient, upgrading equipment and purchase new technology, which means in many cases, less employment among the lower-skilled group. Second, fiscal restraint required to provide a stable environment to attract foreign investment tended to reduce the public payroll, a traditional last-resort employment of sorts. In any case, the statistics appear to emphasize the negative aspects of globalization.

### SUMMARY AND CONCLUSIONS

The analysis provided paints a picture of a modernizing society, where the disparate economic outcome is affecting the outcome of market reforms, evident in income distribution and the consumption patters of the population. While the upper income groups have greatly increased their standard of living, the majority of the population has seen some improvement in terms of their access to more products and higher variety. Cable TV appears to be an aspect of modernization, as exposure to foreign life styles and affluence may well exacerbate the rising expectation of the population. However, it is necessary to point out that the subsidized government programs for health care, electricity, public transportation, and price controls over food necessities that have greatly contributed to the well being of the society are being phased out under the new economic policies. As the Guatemalan government proceeds with its privatization program, selling off telephone and utility companies, this will undoubtedly result in higher user fees that may eventually be a very heavy load to the lower income groups. The price of inequality may well become too high in terms of the low economic growth rate, high rate

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## **TOWARD A HOLISTIC MODEL OF CHANNEL DEVELOPMENT**

**Ahmet Ekici  
Suaraj Commuri  
and  
Robert A. Mittelstaedt**

**University of Nebraska – Lincoln**

review of marketing and economic development indicated that marketing scholars have been interested in the relationship between economic development and channels of distribution since 1961. Earlier works (Douglas 1971, Wadinambiaratchi 1965) considered such macro dimensions as economy, demography, and culture within the domain of economic development. Considering the attributes of a nation, Rummel (1972) undertook a factor analysis study. Among the 14 factors extracted, he labeled the first factor as *economic development*. According to Rummel (1972), the domain of economic development included not only economic dimensions but also such factors as agriculture, communications, technology, transportation, arts and culture, demography, education, health, science, and values. While some of the more current studies followed Rummel's (1972) enlarged concept of economic development (Olsen and Granzin 1990), other studies tended to investigate channel structure through one or more individual dimensions of Rummel's (1972) economic development construct (Cundiff and Hilger 1988, Kaynak 1985, Kumcu and Kumcu 1987, Samiee 1990).

#### **Interface Between Economy and Marketing Channels:**

Various studies have attributed the development of channel structure in a given country to that country's economic performance. More specifically, the adequacy of channel communications infrastructure (Cateora 1987, Drucker 1958), channel fragmentation (Dunn 1979, Stern and El-Ansary 1988), channel length and channel complexity (Bartels 1981, Mallen 1973, 1975) have been associated with a country's economic characteristics. For example, Bartels (1981) concluded that there was an inverse relationship between channel complexity and affluence and level of economic development. Mallen (1975) argued that as economies grow, the sizes of businesses grow and channel structures turn simpler.

Other studies investigated the role of economy on channel functions and channel performance. Bello and Dahringer (1985) reported the impact of economy on channel structure as a result of provision of credit by channel members. The authors indicated that in developed countries, suppliers provide credit to retailers, and in turn, retailers pass on such credit to customers. Mallen (1973) also pointed out that as a country's economy develops, channel performance and efficiency increase because some of the channel functions (e.g., credit, transportation, insurance) are passed on to more specialized institutions.

Preston (1968, 1970) suggested a more explicit relationship between economic development and market structure. He demonstrated that developing countries, with a higher percentage of their population working in commercial marketing activities, have a higher gross domestic product. He then elaborated this finding and suggested that a growing economy requires transformations in market structure, product variety and volume, suggesting that the relationship between economy and channel structure is through the effects of GDP.

Studies exploring the relationship between a country's infrastructure (as an economic indicator) and channel development revealed that developments in infrastructure are imperative to the development of channel structure (Samli 1964, Samli and Mentzer 1981, Slater 1970).

The rate of inflation has also been examined in terms of its impact on channels of distribution. Samiee (1993) argued that in hyperinflationary countries, consumers tend to have forward buying behaviors so that they could lower the negative consequences of potential high prices in the future. Since such a situation increases the short-term demand for products, the author asserted that "retailers are thus caught in the middle: on the one hand, not knowing what they will have to pay to replenish inventories, or whether turnover for such products will remain at a profitable level" (p. 111).

(1986) reported that prices were raised in Chinese supermarkets to cover the additional cost associated with repackaging (into safer/longer lasting packages), processing, and transportation. Further, increased costs of handling and assortment that go along with smaller pack sizes are also passed on to the consumers (Samiee 1993).

As mentioned earlier, the available means of transportation also has a crucial impact on development of channel structure. In LDC's, lower automobile ownership rate has led to the dominance of smaller retailers (Anderson 1970, Conners, Samli, and Kaynak 1985, Samiee, 1990, Samiee, 1993). In developed countries, greater incidence of car ownership has been associated with the structural changes in channels of distribution. Kaynak (1985), for example, reported that "growing use of car for shopping expeditions means that the consumer is no longer forced to shop locally. This trend has favored the growth of shopping centers in the core of large Canadian and Swedish cities and suburbs, and the establishment of out-of-town stores such as supermarkets and other large stores situated in peripheral sites" (p. 62). Automobile ownership rate was 78% in Canada and 68% in Sweden in early 1980's.

A few scholars have also investigated the impact of culture on channel structure. In a literature review, Samiee (1990) reported that this relationship has received insufficient coverage in the literature. A majority of the studies have focussed on the impact of high versus low-context cultures on channel structure. Dunn (1979), for example, reported that business in the Middle East was conducted primarily on a personal basis. Along the same line, Samiee (1993) argued that "interaction between channel members is significantly affected by cultural imperatives that may go unnoticed by outsiders" (p.112). Moreover, Norvell and Morey 1983 and Kaikati 1976 identified that in some countries, a "handful" of families control the distribution of certain product and commodities, thus restricting participation in channel structure to members of an in-group.

#### **Interface Between Technology and Marketing Channels:**

The impact of technology on American life was analyzed and documented by the works of Boorstin (1974) and Chandler (1977). Both authors analyzed the revolutionary changes in manufacturing and marketing as a result of development of railroad and telegraph. The railroad system influenced the distribution channels by making possible the rapid transport of goods. Further, Funkhouser (1984) indicated that the development of automobile not only made possible the rapid transport of people but also permitted a much greater flexibility in delivery of goods through the use of trucks. As explained by Shapiro and Doody (1968) the automobile made it possible for customers to shop wherever they chose within a much greater geographical area. Consumers were also able to carry home larger quantities of purchases. This trend gradually influenced the channels of distribution and helped the growth of a decentralized shopping structure. As pointed out by Boorstin (1974), by 1940, about one-quarter of the nation's retail trade volume in metropolitan regions was generated in suburban shopping centers. Developments in transportation have also led to growth of drive-up banking and fast food restaurants (Funkhouser 1984).

### **INTEGRATION INTO A HOLISTIC PERSPECTIVE**

Examining an issue from a holistic perspective has at least two advantages. First, such a perspective would bring out the interrelationships in the current research. Second, such a perspective would also identify meaningful and relevant gaps in research. Filling of the gaps under such a perspective would directly contribute toward adding to the current understanding rather than duplicating existing research. The influence of economic development on channel structure has received extensive and multidimensional

inventory tends to stay closer to the manufacturer. While such implications would be mediated and moderated by demand characteristics of the products and other dimensions in the holistic model being proposed, the telling effect of product characteristics on channel structure remains. Risk characteristics of the product form would also shape several functions within the channel structure such as credit offered by one layer to the other, product insurance, and thus eventually the entry barriers perceived by potential channel entrants. Often, such risk characteristics also foster consolidation of channel outlets where it may eventually become possible for only larger players to absorb such risks.

#### **CUSTOMER CHARACTERISTICS**

A second set of characteristics that would shape the channel structure is in the domain of the consumer. The dimensions being considered here are in addition (and often antecedents) to demand characteristics. The complete set of dimensions is listed in Table 2.

The way in which consumers value time determines shopping preferences and thus shapes channel structure. When consumers tend to attach high values for their time, shopping and search become more streamlined and restricted. Proximity of location and wider assortment (so that several shopping needs can be fulfilled at one stop) will tend to become important to consumers and preferences for such channel outlets would grow. Similar influence on channel structure would also result as a function of the availability and form of personal transportation. Such effects have already been discussed in research and reported earlier in this paper.

#### **LOGISTIC CHARACTERISTICS**

Two logistic dimensions are being suggested under this category -- transportation modes available and transportation economies of scale. Poor economies of scale would not foster growth of channel outlets removed from the manufacturing location or might lead to growth of many small outlets rather than few large ones. Similarly, proliferation of outlets would depend on the modes and availability of transportation. Evidence from current research has already been discussed above.

#### **POLITICAL CHARACTERISTICS**

Only limited attention has been paid to issues such as concentration of political power on evolution of channel structure. Here, we posit that three dimensions can be grouped under political characteristics (political stability/risk; concentration of power; interest domination) and will have a significant bearing on the evolution of channel structure. Under conditions of high concentration of political power or interest domination, many of the growth characteristics associated with free market enterprise would be absent. Channel composition and function decisions would not be driven by market forces but by whims of special interest groups. Such effects in Hungary and Tajikistan have already been explored by Dahab, Gentry, and Sohi (1996)

#### **ECONOMIC CHARACTERISTICS**

This set of dimensions is perhaps the most direct and more explored of all the antecedents of channel development. Economic characteristics -- GNP and interest rates

## **LEGAL CHARACTERISTICS**

While the extent of legal guidelines or restrictions would vary by product category and market/country, the effect of legal characteristics would be present in all the contexts. The dimensions in this domain are listed in Table 5.

Specificity of regulations would ensure universal applicability and relevance of laws across channel outlets and markets, thus creating homogeneity of channel functions. This could reduce switching costs for customers thus creating a context for channel members to innovate on augmented services that they would offer to retain customers. On the other hand, in a context of non-specificity of regulations, much differentiation among channel outlets is possible at the level of basic functions itself.

Frequency of changes in regulations could deter large investments in channel structure. This could lead to a fragmented channel structure made up of many small players, each with low stakes.

## **POTENTIAL FOR FUTURE RESEARCH**

In the light of the various relationships between environmental characteristics and channel structure discussed above, propositions for future research can be developed under three themes -- those about the relationships between environmental characteristics and channel structure that have not been examined so far; those about the interrelationships among environmental characteristics; and those about the interdependence of channel structure characteristics. Such propositions can be meaningfully explored in the context of what we propose as the holistic model of channel development (see Figure 3).

## **RELATIONSHIPS BETWEEN ENVIRONMENTAL CHARACTERISTICS AND CHANNEL STRUCTURE**

The review of literature at the start of this paper described the various relationships between environmental characteristics and channel development. Despite such extensive research so far, as pointed out in the previous section, several research issues have gone unnoticed. The relationship between product characteristics and channel structure remains an area that is rich and waiting to be mined. Though its qualification as an environmental dimension -- which we have done -- is debatable, the central issue that a strong influence is exerted by product characteristics on channel structure and that there is potential for future research here is beyond debate. While the traditional marketing literature has always dealt with the relationship between product characteristics and channel structure, what has been missing is the exploration of the link between development and product characteristics. For example, perishability of products is widely held to lead to shorter channels. Considering food, one of the consequences of development is often the substitution of nonperishable products for perishable ones (e.g., canned or frozen food). Several other interesting propositions which have been discussed in the earlier section remain to be tapped. The differences in channel structures across products is both conspicuous and acknowledged. However, the intricacy and the dynamics of this relationship are yet to be researched.

While research that has attempted to examine the influence of technology on channel structure has been able to uncover several interesting relationships, much of such research has focused on the outcomes of technological development on channel structure but not on the characteristics of technology on channels. As mentioned in the



augment the functions that the channel members perform thereafter. Thus, when addressing the relationships between environmental characteristics and channel structure, the chain of relationships triggered within the channel structure should also be addressed. Not discriminating this interdependence of channel structure dimensions would only confound any understanding of the relationships. There exists potential for research to examine the chain reaction (within channel structure) that environmental dimensions trigger.

### CONCLUSION

In this paper, we have reviewed the current literature that has examined the relationship between environmental dimensions and channel structure. While such research has been extensive, there has been very little integration of the various streams of research in order to trace the progress of such research in a theoretical framework. We have proposed one such framework in terms of a holistic model of channel development. When examined in the context of this model, several gaps in research become evident. We have classified these gaps into several themes and suggested areas where there is potential for further research, so that we can move towards a body of knowledge about channel development that would not duplicate itself but would add up to a meaningful whole.

Many of these ideas are not new to the discipline of macro marketing. Our contention that one must adopt a holistic perspective in understanding channel development echoes the systems concept pioneered by Slater and Jenkins (1979). The idea of examining channel development in terms of all the components that affect it is embedded in the idea of channel mapping suggested by Slater (1969). What we are suggesting in this paper, then, is a case for returning to the roots of macro marketing. Much research over the years has built on the strong foundations laid by Slater and others. What we are proposing here is an attempt to pause and take a look at this topic from the ground up.

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**TABLE 1**

<b>Product Characteristics</b>
Value addition
Price-weight-bulk ratios
Obsolescence risk
Perishability risk
Damage risk
Forms of utility

**TABLE 2**

<b>Consumer Characteristics</b>
Value of time
Personal transportation
Occupational profiles
Age and gender distribution
Family sizes
Clannishness
Home storage

**TABLE 3**

<b>Demographic Characteristics</b>
Town planning
Concentration of population
Mobility of population

**TABLE 4**

<b>Technological Characteristics</b>
Speed of connectivity
Modes of connectivity
Precision of control systems
Technization of procedures

**TABLE 5**

<b>Legal Characteristics</b>
Specificity of regulations
Restictivity of regulations
Frequency of changes in laws
Strength of lobbying

## **The Aboriginal Shuffle**

**Judith Gliddon  
Edith Cowan University**

**Jane Davies  
Aboriginal Economic Development Corporation**

relative proximity to significant land, and describes the problems faced by each group and how well each has adapted to its circumstances. Finally, it recounts current attempts to turn back the clock and return to traditional land.

## METHODOLOGY

It has been argued that individuals are products of their sociocultural environment and, consequently, consumer and other behaviours are primarily sociocultural phenomena (McCracken 1988, Sahllins 1976 in Groves, 1998). Therefore, methods for studying individual or group behaviours must involve an examination of cultural practices, value systems and behavioural norms as they relate to those behaviours (Groves, 1998). Standard social science research methods, especially within cross-cultural research, are now thought to limit the researcher's ability to study both the meanings attached to patterns of consumption and their signficatory processes. The appropriateness of these methods was first questioned by a number of consumer researchers during the 1980s including Russell Belk. This questioning resulted in a small group embarking on a team project (The Consumer Behaviour Odyssey), which used a variety of naturalistic methods to explore American consumption. The success of this project led to the increased adoption and development of interpretive methods within consumer research, including ethnography.

An ethnography is a written account arising from observation and in-depth interviews, rather than a description of the fieldwork (Marcus and Fischer in Groves, 1998), although it does involve a systematic description of the culture in which it occurs, as well as the interpretation of different ways of life (Joy 1990 in Groves, 1998). Ethnographic methodology differs from surveys or experiments, which assume prior understanding of the phenomena being studied. Instead, researchers develop an understanding of the phenomena being investigated as it occurs 'in situ'. This understanding is then tested 'in situ'.

Ethnographic research was considered to be the most appropriate for our study; in fact the concept of the "Odyssey" was recreated in the 'Odyssey Downunder'. This group research project involved a seventeen person, multi-cultural team including two professors from the United States and one from Denmark. The team also included two Australian academics, undergraduate and postgraduate students and a three person professional camera crew. The group was organised into three separate research teams. This paper discusses the findings of team A.

The group spent the first week moving between three Aboriginal communities (Lombadina, Djarindjin and One Arm Point), all of which are situated on the Dampier Peninsula. The research involved both participant and non-participant observation of daily activities at the sites which were recorded into field notes, as well as unstructured interviews with Aborigines and non-Aboriginal store managers, health workers, school teachers, general workers, police officers and mission personnel. All interviews were recorded on audio tape with a few being also recorded on video. All were later transcribed. Teams held daily research meetings and there were periodic group meetings to discuss emerging insights, plan further data collection, address problems and receive feedback from the two Aboriginal observers. During the second week, team A relocated to the inland towns of Fitzroy Crossing and Halls Creek.

stated they would buy back their land. In direct contrast most other Australians would probably nominate the purchase of an expensive house as being of primary importance, with the land's only value extrinsic and determined by the status of the suburb. Sadly many are denied access, even to visit.

Yeah, we come from Moola Bulla where we got everything we like. We work all our life. I can't go back there now. When the government throw away your land, can't go back.

### **REMOVAL FROM THE ORIGINAL LAND - HOW AND WHY**

Government policy evolved into the The Aborigines Act of 1905 which lead to the appointment of a Chief Protector, the guardian of all those with Aboriginal blood who were less than sixteen years of age. This Protector had the power to move Aborigines from one place to another as he thought best. He could not be influenced by any other Authority and had full use of the Police Department in implementing his directives. The actions of the protector had far reaching effects on the distribution of the Aboriginal people. They were moved from homelands to Government settlements such as Mogumber at Moore River and Moola Bulla station at Halls Creek.

In conjunction with these actions, the Government actively pursued a 'die-out and breed-out' policy as indicated by comments made at the first conference of Commonwealth and State Aboriginal Authorities held in Canberra in April 1937.

...this conference believes that the destiny of the natives of Aboriginal origin, but not of full-blood, lies in their ultimate absorption by the people of the Commonwealth, and it therefore recommends that all efforts be directed to that end.

A.O. Neville, the then Protector, predicted at the same conference that, by merging the part-whites into the white race and allowing full-bloods to die-out, Australia could 'eventually forget that there ever were any aborigines'. (Morgan, 1986, p 212-213)

The Act sought to prevent marriages between 'full-bloods' and 'half-castes'. The same conference justified this ruling by explaining that it encouraged the 'dying out' part of the policy because there was no such thing as atavism in the Aborigine. For the same reason, education was deemed unnecessary and was not usually offered to full-bloods past third grade. (Morgan, 1986, p 213)

An Aborigine could apply for exemption from the provisions of the Act if he or she were part white. These exemptions were difficult to obtain and could be revoked at any time by the Minister. Applicants were required to undergo a medical check to prove the absence of diseases such as syphilis, yaws, leprosy and granuloma and a police check which examined fitness of character. Above all, applicants were required to promise never again to associate with their kindred. For this reason alone, exemptions were rarely sought. (Morgan, 1986, p 212 and 261)

Much has been written on the subject of the Government separating children from their families. Books such as those by Sally Morgan (*My Place*) and Rosemary van den Berg (*No Options No Choice*) relate first hand experiences of the practice. Half caste children were the target, though fullbloods were often caught in the net.

they want to go and they keep us, I'm a half-caste, and we work right through the year.

Q: So the full-bloods got a holiday to go back to their land?

A: Yeah, we used to stop here.

Q: They didn't let you go and see your lands?

A: No, nothing!

Q: They didn't think you had any right to go back to your family lands?

A: We had rights but white man hadda work it different way!

After the original inhabitants had been removed, the land could be used for commercial purposes, usually mining or pastoral. One case study in Western Australia found;

...some twenty years after the country along the Gascoyne River was explored by F.T. Gregory in 1858, sheep stations were established in the district. Soon these stations occupied all the available land in the district and fundamentally disturbed the Aboriginal way of life. In 1905 the Roth Royal Commission found that Aborigines were forbidden to camp near waterholes and other sources of fresh water because they disturbed the flocks. (Peterson & Langton 1983, p 180).

The government found a powerful ally in the Church which through its well-meaning, though myopic emissaries, played a large role in the breaking down of Aboriginal culture. The very act of bringing Christianity to the people meant a choice had to be made between the old and the new.

### **TEARS IN THE SOCIAL FABRIC**

The removal of Aboriginal people from their traditional land had a number of far reaching effects, both emotional and physical. The lack of ownership or prior emotional connection to the replacement land has in many cases lead to a lack of responsibility and respect for the land currently being occupied.

...the people who are in Balgo are not the Balgo people and they've got no respect for that land, but if they go out to their own land, they will be as good as gold...see the juveniles that are running amok there at the moment, these people are not from this place, their families were brought up somewhere else, but the family came to live at Balgo.

There were other Aborigines who, once relocated, developed feeling for the 'new' land. This seems to have been the case with people moved to Moola Bulla station. Moola Bulla was set up as an Aboriginal reserve in 1910 in an attempt to ameliorate the twin problems of cattle spearing and a high imprisonment rate. Respondents suggested that a strong attachment to this station was formed in children raised there. However in the early 1950's the Government, concerned that the then-drought conditions were forcing the Aboriginal inhabitants to revert to nomadic behaviour, sold the property to private interests. Within weeks of the new owners taking possession, the Aboriginal population of 180 to 250 people had been placed in the care of United Aboriginal Missionaries and trucked to Fitzroy Crossing, some 250 kilometres away (Pollard, 1993). The end result is a people who have

appear to be all but lost to urban Aborigines. Justice Deane of the Australian High Court noted that;

The almost two centuries that have elapsed since white settlement have seen the extinction of some Aboriginal clans and the dispersal, with consequent loss of identity and tradition, of others. Particularly where the clan has survived as a unit living on ancestral lands, however, the relationship between the Aboriginal peoples and their land remains unobliterated. (Brennan et al, 1986, p.16)

Deane's concepts of the degree of family unity and the strength of the clan's relationship with the land have been used as the basis on which to delineate three major groups. The discussion which follows uses these groups as the basis for comparing the influence of introduced factors. The groups are described below.

#### **GROUP 1**

This group can be delineated as those who remain in closed communities on land historically associated with their tribe and are provided by their isolation with a buffer against the collision with white culture. This buffer, plus the fact that they are to a degree self-sufficient, allows them to not only choose which aspects of non-Aboriginal culture to adopt but also to implement change at a manageable rate, producing a modest learning curve. As a member of our team commented after working at One-Arm Point, "I got the feeling at One Arm Point that they are still very strongly Aboriginal but they co-opted the portions of Western society that were beginning to make sense to them". For example, in Djarindjin they accept non-Aboriginal medical intervention. Boys are sometimes sent to Derby Hospital for the traditional circumcision which accompanies initiation into manhood.

These communities are run by democratically elected committees, typically elders and those who command community respect. The non-Aboriginal presence consists almost entirely of advisors, employed by the community and who contribute to the general good by providing skills and detachment not possessed by community members. Gambling and drinking are the main social problems. Domestic violence is not common.

#### **GROUP 2**

A second group comprises families on traditional land not historically associated with them. It is not the occupation of the land that is important but whether that land has spiritual meaning for the occupiers. According to recent research, these groups can still be considered communities. The key elements of a community include a limited number of people; a restricted social space or network; shared understandings and a sense of obligation. While a community can evolve around a place, it can also develop around a deeply-felt ... interest (Friedman in Shultz, 1997).

These communities often develop strong, typically Aboriginal ties to the replacement land.

"...most reserve residents on the larger Queensland reserves are not descendants of the traditional owners of the reserve sites. They are people who have been herded about like cattle, are of mixed descent and are not homogeneous groupings. But they do have a strong affiliation with the land on which they live. It is the only security they have known during their history of dispossession and abuse. They remain outsiders to the community at large...For them the land is home." (Mr Frank Brennan, advisor on



Psychologically they are the best out of all the four groups. They do the best because there is still a lot of status in being stockmen, so they're held in a certain respect. They have a slightly different value system as well. Then you say you have a form of 'fringe dwellers' if you like but they really come from communities on the edge of town; Redhill etc in Halls Creek. These are the people who are psychologically damaged. They are fragmented from different parts of different sort of tribes or different kinships or skin groups and they have easy access to alcohol because they live on the edge of town. So they have the most devastating effect from alcohol and those effects just break down their family, destroy their health and create social disharmony ...

### **SOME SPECIFIC CONSEQUENCES OF EXPOSURE TO WHITE CULTURE**

#### **MATERIALISM**

Classic social comparison theory predicts that people will compare themselves to others with whom they have frequent contact (Anhuvia and Friedman 1998) . Certainly, contact with non-Aboriginal culture has had a profound effect on Aboriginal self-image and material aspirations. The closer and more frequent the contact, the greater the apparent effect. The corollary appears equally true.

They can see people driving through that township in forty to fifty thousand dollar four-wheel drives. They can see people coming in luxury coaches, driving through the community, looking out through windows and they look around and they see clothing other people have ... certainly the younger people are far more materialistic than what they were.

The Aborigine has become typical of the people described by Shultz as having rudimentary food, shelter and employment but living a dreary existence in which the variety and quality of goods are inadequate ... and who suffer daily indignation and alienation from the increasingly visible world of the "haves" (Shultz, 1997).

Research has consistently shown that materialism is negatively correlated with subjective well-being (Anhuvia and Friedman, 1998). If one considers Aboriginal culture to be collectivist, then there exist further grounds for the link between materialism and perceptions of quality of life. The relative importance of cognitive versus affective components in determining overall subjective well-being has been shown to depend in part on culture. Relative to members of collectivist cultures, people in individualist cultures place a greater emphasis on affect ... in determining their overall level of subjective well-being (Anhuvia and Friedman 1998). Thus, the "have-nots" will tend to respond to the relative lack of material possessions rather than recognising intrinsic feelings of well-being.

Becoming a materialist requires the adoption of the previously incomprehensible, value-system. This was a cause of concern for many respondents.

(Young Aboriginal woman)...[without our own land] we will lose our way of life and, gradually, we will just end being one of the mob, you know, and probably go around the outskirts [of town] all the time. Otherwise you gotta join them and be amongst the multinationals, you know. Try and work your way up the ladder like everybody else and, sort of, money becomes important, like the main thing.

absolutely phenomenal memory, their whole life depends on their memory. So once you show them something, they will never forget it. Easier to teach Aboriginal people to use the computer system than it is to teach white people and that's a fact. These people learn real quick.

## EDUCATION

...they've got just enough education, not enough to be functional in a competitive sense, but just enough to look around and see the inequality...

There are many reasons for the lack of a relevant education. One is economic. In what can be called a vicious cycle, lack of funds limits educational opportunities which lessens the chance of employment which limits the funds which ... The problem is exacerbated by the strong ties to the land.

- Q. Have you thought of trying to be a policeman [as opposed to police aide], going through police training, and coming out as a fully fledged policeman?
- A. Yes [but] no I not want to do. If I be a policeman, they can shift me any place they want...I'm just a local fella, I want to stay.

The Aborigine, via elected councillors, has control of the curriculum in community schools where education with a traditional emphasis is favoured. At Djarindjin, we observed lessons delivered in the local language and noted the importance given to Aboriginal culture. In town, where the elders have no influence, the emphasis is on assimilation and fitting the student for the workplace. Attempts to accommodate Aboriginal needs mainly involved education on typical Aboriginal social problems, during which the student was presented with negative stereotypes. Each approach had its detractors, people who from their own perspective deemed it inappropriate to Aboriginal needs.

There's a lot of kids in Halls Creek who aren't going to be doctors. They need to learn life skills and how to survive in this town without hitting the grave before they're 38, which is the average age of [Aboriginal] deaths you know.

\*\*\*\*\*

An Aboriginal person said to me the other day, he said "My son goes to school [and] spends 24 hours a week learning Cookaja, will you give him a job?" [I said] "What, if he can do the job?" "No no" he said "will Cookaja give my son a job?" Cookaja is local language and I said "Well no, not necessarily. He's got to learn to read and write, and do his arithmetic and learn the computer skills and all that sort of garbage." And he said "If that's what you want, why is this guy spending 20 hours a week in school learning Cookaja, don't need to learn the bloody Cookaja."

"The level of culture in a country depends on the education of its people" (Stein, 1979) but this assumes one culture, one education. Increasing the level of 'white' education is detrimental to preserving Aboriginal culture. Choices in content must be made due to time constraints, thus the two different curricula become mutually exclusive. A 'knowledge gap' is therefore formed between the localised education systems. This contributes to the difficulty encountered by community Aborigines in moving to town and vice-versa.

Culture provides a basis for competitive advantage when 3 conditions are met; the culture is valuable, it is rare, and it cannot be imitated (Shultz, 1997). Unfortunately, in the

sea. This includes sixteen percent of the total land area of Western Australia. Another, the Barunga claim, lies almost completely within the larger Utemorra claim (Tickner, 1993). The conflict of interests was evident in respondents' observations.

...you know there's a group over east, wants to claim the whole of the ACT...it's just alienating themselves from the rest of the community  
\*\*\*\*\*

It [the land] should only be given back to traditional full blood Aboriginal people and the ones that still believe in Aboriginal culture.

### COMPENSATION

The attitude to compensation differed depending on the respondent's location. Whilst the primary concern of community dwellers appeared to be for the land itself and all it represents, those groups further from their traditional land felt compensation to be the big issue. One community located on the outskirts of the Perth metropolitan area would allow mining on their community as long as the royalties would be sufficient to cover the community's water and power debts, approximately \$140,000 (Pollard, 1993). Another Aboriginal leader representing a group in the gold mining area of Kalgoorlie stated that :

We are the traditional people of one of the richest areas in Australia and we've got practically nothing...we respect their [gold] leases but would like to be considered in any compensation case. (Russell, 1993)

The inference in the following quote from a community respondent was that those Aborigines seeking royalties are not really Aboriginal at all.

I don't really know much about it. We're wanting people to recognise that this is our traditional land, and they're after royalties. The [true] Aboriginal just want the white Australians to recognize that Aboriginal people were here before and this land was theirs.

Perhaps the last word should go to Stan Stevens.

There may not be any 'just' compensation for peoples who are being forced to abandon what is a homeland as well as a house and fields. Generations of living in a place can infuse the landscape with cultural significance as places become filled with meaning. Some places become sacred sites, others enshrine the history of individuals, clans, villages and peoples. The lay of the land may become intrinsic to identity, each of its features a depository of collective myth, history and knowledge. The sacred rock which bears the footprint of a cultural hero is living proof of the history which gives shape and meaning to the present and to a people. Losing such places from daily life and communal experience destroys the continual affirmation in landscape of collective past and identity. Losing landscapes can be losing touch with reality. (Stevens 1986, p.13)

### CONCLUSION

The Aborigine's identity is inextricably tied to the land. Being in touch with the land not only bolsters self-image but also permits the practice of rites and language which otherwise become meaningless. Each person's Dreaming relates to the place where they

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## **MARKETING ENVIRONMENTS AND "GOOD" CONSUMERS**

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## **“SEARCH” IN A MARKET ECONOMY**

Consumer search behavior within western societies has been subjected to intense scrutiny by researchers over the last several decades. The economic cost-benefit paradigm has been the dominant framework within which this examination has taken place. The more recent search models are quite realistic/flexible and take several individual difference and situational variables into account (e.g., Putrevu and Ratchford 1997). However, the basic underlying assumption is that of rational consumers maximizing their individual utility through a trade-off between the benefits associated with additional information and the costs incurred during the search process.

Consumers search as long as the marginal gains from search exceed the marginal costs (Goldman and Johansson 1978; Stigler 1961). “Gains” in the traditional economic sense mean lower prices for the preferred brand. With Western consumers, the explicit price-quality tradeoffs are handled in a relatively complex manner, though the process is facilitated by the price-lining practices of national brands. This tradeoff process allows the incorporation of search costs in a straightforward manner. It should be noted that other search processes exist. For example, in the PRC, the dominant search mechanism appears to be the determination of the best brand, and then the uncovering of the outlet selling that brand at the lowest price (Doran 1994; Swanson 1998). This determination of preferred brand first (especially in an environment with a limited product line) and then the active search for the lowest price is often quite distinct from the strategy of finding the best quality available within a particular price range. Our focus at this point, though, will be on the perspective of search that is dominant in the North American literature. We see this search perspective as emanating from five characteristics of market economies.

### **1. Free Competition**

Free competition is generally considered to be the cornerstone of a free market economy. It is generally assumed that competition would enhance quality and reduce prices over the long term. In the market equilibrium condition, only the efficient stores/brands survive.<sup>1</sup>

### **2. Minimal Protection and/or Interference by Governments**

The free market approach favors the notion that a nation’s economy cannot be predicted or controlled with a great degree of precision. It suggests that interventions through incentives/disincentives (e.g., trade/entry barriers, subsidies) only postpone the natural effects. Free market economists, therefore, recommend removal of unnatural barriers and subsidies. Underlying this prescription is the assumption that several of the market players are capable of offering efficient brands and can withstand high competition with little/no support from the government—a condition more likely in established economies as opposed to transitional or developing economies.

### **3. Generally Unimpeded Information Flows in the Market**

Ippolito (1988) and others have argued that information flows are as important to the efficient functioning of free market economies as the number of competing firms. While the ideal is full or perfect information, a free market system does not collapse under imperfect information as long as the cost of obtaining information is not very high. A market has been shown to function efficiently when a sizeable minority of consumers is fully informed (Salop and Stiglitz 1977) or when competing firms have access to communication tools such as advertising (Nelson 1974).

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<sup>1</sup> We accept that the term free is a relative term; at the very least, in market economies, there are institutions and forces that attempt to keep the playing field level and therefore relatively free, as indicated by our second and fifth characteristics.

believing in a fair playing field, the Japanese believe that “you cannot get a decent, moral society, not even an efficient society, simply out of the mechanics of the market powered by the motivational fuel of self-interest” (Fallows 1993, p. 70). The focus in this paper will be on the information flows and consumer brand search and choice sections discussed above, plus an acknowledgment of the complexity of understanding what “price” represents.

### **Unimpeded Information Flows**

As noted earlier, consumers (or at least, *some* consumers) need to play an active role in order to monitor market processes in a market economy. Granovetter (1973) presented a model of social communication based on strong social ties (among in-groups) and weak ties that link in-groups to out-groups. He also noted the critical role these weak ties across the strong-tied clusters play in allowing the flow of information across social networks. For a variety of reasons (including the mysterious setting of price, as will be discussed later), information flows in a command economy often do not cross weak-tie boundaries. Frenzen and Nakamoto (1993) provide a systematic investigation of the effects of information hoarding on the knowledge of the market place, noting (p. 365) that “when moral hazards are high, however, individuals become reluctant to transmit valued information over weak ties. This renders weak ties “frail.” Information can no longer jump over weak tie bridges to adjacent cliques and, instead, becomes trapped within the clique that first received or originated the information; information flows through the network may then cease.” In addition to the analyses conducted by Frenzen and Nakamoto (1993), there have been numerous observations (Humphrey 1995; Kohne 1991; Kozminski 1992) of how consumers in economies of scarcity have depended on strong ties in order to acquire needed/desired information and goods.

The implications for considering the assumption of the free flow of information are numerous. For Westerners moving to societies where tight in-groups are the norm, one has to become a member of such an in-group if one wants access to market information. Westerners studying economies of scarcity point to numerous instances of consumer inefficiencies -- e.g., the infamous queues of customers in front of the GUM department store in Moscow before it opened early in the morning. However, such analysts fail to understand the nature of information carried by the existence of the queue: something of value (and of potentially profitable resale value) is available there. This scenario is also played out in western societies when faced with valuable and scarce goods – e.g., rock concerts, athletic events etc. Russian consumers would also arrange to meet friends in queues during work hours, converting what would most likely be seen as a service failure in Western countries into a more pleasant social interaction in the Russian context. Thus, that consumers leave work and meet social friends in the queues should be seen by Westerners as a means of changing the social context of transactions so as to compensate for an economic process that is tedious.

### **The Meaning of Brand Name in Search: The Illustrative Role of Counterfeiting**

The Western search paradigm is essentially a price-quality tradeoff, with quality being determined by the brand and the particular position within the brand’s price line. This paradigm is distorted when one considers the role of counterfeiting and its effect on the brand/quality relationship. When consumers willfully purchase counterfeit goods they

friend bring the product from abroad because of her perceived certainty that the local products with that brand are counterfeits and inferior.

Discussions with Asian students attending a university in Western Australia indicated surprisingly high levels of self-confidence in terms of the ability to judge the quality of counterfeit brands. The reliability of those assessments has not been investigated empirically, but such a research effort is clearly merited in order to determine the accuracy of these quality perceptions. Southeast Asian consumers encounter counterfeits on a regular basis and hence might have a better ability to identify such duplicates. However, one has to wonder, whether there are similar levels of "counterfeiting" sophistication in parts of the globe where there has been less contact with the most prominent sources of counterfeiting or in the more developed parts of the world which are more likely to expect brands to be authentic. Would a Sub-Saharan person buying/consuming Crest for the first time have any idea if it were authentic or not? Would the US consumer displeased with his/her tube of Crest even consider that it might be counterfeit (by the way, Procter & Gamble estimates that 20% of Crest sold worldwide is counterfeit). On the other hand, Carsky, Dickinson, and Canady (1998) note that fraud and adulteration were very common in the US in the early part of this century.

#### *Confusion Created when Price Is Not Seen to Reflect Value*

Carsky, Dickinson, and Smith (1995, p. 445) note the economic rationale for search: retail prices, particularly in metropolitan areas of the U.S., vary substantially, both across stores at one point in time and also over different time periods. For example, Maynes and Assum (1987) found the highest price for aspirin to be four times that of the lowest. In the Western model of search, as noted earlier, there is an implicit assumption that the price/quality tradeoffs involve a comparison of known costs to value. The failure of the market system to provide price information via advertising limits price knowledge greatly. The existence of such a large price dispersion in the market creates a situation where price is no longer a good indicator of value. To complicate matters even further, command economies create a great confusion in the mental understanding of the price/value linkage. For example, Humphrey (1995, p. 60) noted that "prices [in Russia], being unrelated to any kind of value, were just what they were, a mystery, and yet people got used to them.... When a "fair price" can only be guessed at, and you cannot bargain, then you look at who is selling."

This implied reliance on the seller under conditions when price does not reflect value may take an institutionalized form over time as a market economy develops. More specifically, the type of retail format may be used as a cue for quality, especially in terms of brand authenticity. Wortzel and Sibik (1998) noted the existence of two price segments in Indonesia: those seeking convenience are "price takers" while those who are more price sensitive go to negotiable price stores. Whereas "price-taking" may be seen primarily as a desire for avoiding negotiations and thus for efficiency, embedded in this notion may also be the implicit acknowledgment that the goods in the fixed price stores are coming through manufacturer-designated channels of distribution and are coming from the actual manufacturer. Dahab (1996) noted a relationship between retailer's perceived quality of the brand and the reliability of their suppliers, with the brand serving as a cue for reliability.

In Albania, which started its transition process several years after Hungary, retail format was not seen as creating greater authenticity for the brand and, thus, justification for higher prices (Dahab et al. 1997). Instead, consumers saw only the added costs of the more permanent store formats and noted the subsequent effect on price. One informant (Dahab et al. 1997) noted that "people with money buy from shops because they think it is better quality, but the shops have to pay rent, so the price is higher for the same goods."



labeled system in which the consumption occurs. Therefore, the type of system (centrally planned, socialized market-oriented, or free market-oriented) and its developmental state (developed, developing, underdeveloped, or transitional) might create its own "good" consumers and consumption practices. Given the increasingly global economy facing us we would do well to understand these previously unexplored facets of consumer behavior.

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## **MARKETING AND THE NATURAL ENVIRONMENT: WHAT ROLE FOR MORALITY?**

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applying. It is only in this way that their arguments can be viewed in the correct context. For those that do not consider morality, it could be argued that they should at least understand the potential routes available and be able to justify the exclusion of a concept which others regard as so close to the heart of greening. Hence, whilst general reviews of the marketing/environment literature abound, this paper seeks to provide the first comprehensive analysis of this literature which focuses solely and explicitly on morality. It does so in order to show the range of different perspectives which have been applied, such that marketing scholars and others will be able to address the role of morality in a more informed way, and will be able to locate the stream of literature of which the work of themselves and others is part.

The paper proceeds by offering a brief review of the marketing/environment literature and how it has developed over time. The different perspectives on morality in this literature are then introduced, with the contribution of key authors and works associated with these perspectives identified and summarised<sup>1</sup>. Five main camps are identified, namely the ethicist perspective, the managerialist perspective, the reformist perspective, the reconstructionist perspective and the interpretist perspective. Critical differences between these approaches are highlighted, as are important variations within them. In the conclusion, suggestions are presented regarding the possible direction of future research.

## THE MARKETING-ENVIRONMENT LITERATURE

Literature pertaining to marketing and the natural environment has over the years been tied to a family of related concepts such as 'green', 'ecological', 'environmental' and 'sustainable' marketing as well as 'ecologically concerned' and 'green' consumerism. In this paper, 'green marketing' is used as an umbrella term for this range of concepts. Whilst it is recognised that these terms can in themselves impute particular theoretical and ideological positions (van Dam and Apeldoorn, 1996), the intention here is not to distinguish between different terminologies, or to legislate on which terminologies should properly be adopted in which cases, but rather to examine the range of different moral perspectives applied by researchers within the aggregated green marketing literature<sup>2</sup>. No particular position or ideology is therefore implied by the use of the green marketing label - it is simply a shorthand for identifying literature which relates marketing to the natural environment.

The origins of the green marketing literature can be found in the response of the academic marketing discipline to the criticisms and countercultures of the 1960s (Arnold and Fisher, 1996). Spearheaded by authors such as Kassarian (1971), Fisk (1973), and Kinnear *et al.* (1974) in the pages of the *Journal of Marketing*, the early 1970s saw the first attempts by marketing theorists to explicitly come to terms with environmental problems and issues. Whilst Kilbourne and Beckmann (1998) argue quite correctly that in the main these early attempts focused on examining environmentally concerned consumers, both van Dam and Apeldoorn (1996) and Arnold and Fisher (1996) also indicate moves around this time to develop a more "societal" approach within marketing which promoted the possibility of

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<sup>1</sup> This is not meant to suggest that authors can not, and indeed have not, moved across perspectives, merely that some may come to be associated with a particular perspective.

<sup>2</sup> It may theoretically be possible in turn to link the moral perspectives identified in this paper to the different concepts employed in the literature, but this is not an aim of this paper. Indeed, it is unlikely that this could be accomplished very satisfactorily, given the fairly indiscriminate way in which terms have traditionally been applied.

a cultural element, etc.; and second, the question of *whose* morality the perspective is ordinarily concerned with, i.e. that of ethicists, managers, firms, consumers etc. The main features of each perspective according to these criteria are set out in table 1, with the following five sections discussing each perspective in more detail.

**TABLE 1: FIVE PERSPECTIVES ON THE ROLE OF MORALITY IN GREEN MARKETING**

<b>Perspective</b>	<b>Main Issues</b>	<b>Core Discipline</b>	<b>Form of Morality</b>	<b>Whose Morality?</b>
<b>Ethicist</b>	ethics of green claims; environmental consequences of product consumption	business ethics	judgement	academics & philosophers
<b>Managerialist</b>	impact of consumer's ethics on purchase behaviour; developing appropriate marketing response	marketing	consumer attribute	consumers
<b>Reformist</b>	changes in ethical character of firms needed to respond effectively to stakeholders	strategy	corporate variable	firms
<b>Reconstructionist</b>	possibility for marketing to undergo moral transformation; role of marketing in changing institutional values	green politics	institutional value	institutions
<b>Interpreter</b>	morality experienced, understood and communicated by green marketers	sociology	cultural	managers & employees

**ETHICIST PERSPECTIVE**

Probably the most central concern with morality in the green marketing literature is that coming from what might be termed the ethicist perspective. This sizeable group of studies seek to provide normative assessments of the way in which various green marketing practices have been executed, and to suggest which practices might be regarded as ethical or unethical. This approach is labelled the ethicist perspective since its main concern is with judgements of the manner in which green marketing is conducted, with a view to identifying and facilitating ostensibly more ethical practice. The core discipline here then is business ethics.

Such ethical deliberation in marketing is usually centred around one of two key issues: freedom of choice with respect to transactions and harmful consequences as a result of transactions (Beauchamp and Bowie, 1988). Most common among the ethicist green marketing studies has been a concern with the former, with misleading and deceptive claims in green promotions and on-pack labels being the subject of considerable research (e.g. Kangun, *et al.*, 1991; Davis, 1991, 1992, 1994; Kangun and Polonsky, 1995; National Consumer Council, 1996). Discussion has centred primarily around the use of terms such as 'biodegradable', 'recyclable' and 'environmentally friendly', which have all been shown to

Ratnayaka, 1992; Wong *et al.*, 1996) which are based on the assumption that firms *must* respond in an appropriate manner to this "green tide" (Vandermerwe and Oliff, 1990) of consumer pressure if they are to generate and maintain competitive advantage. It is worth noting that many of these managerialist studies make no mention at all of morality, seeing it as largely irrelevant to the business of responding effectively to environmental pressures of consumers. Indeed, from the managerialist perspective, firms are assumed to be morally neutral - as indeed they are in traditional marketing theory. The posited commercial rewards - namely, lower costs, improved reputation and satisfied customers - are thus seen in this perspective as sufficient to engender green marketing behaviour; they are not however seen as sufficient to change the essential moral character of the organization, and nor indeed is this seen as necessary. Wong *et al.* (1996) for example provide an important empirical study of green marketing strategies in practice, but their concern is to describe and evaluate the marketing of green products and not to undertake any consideration of moral dimensions. Similarly, Simintiras *et al.* (1997) develop a useful review of the existing green marketing literature, and by utilising a 4P's framework to do so, side-step the possibility of considering any moral dimensions. Such studies then do not see their role as questioning the morality of green marketing; rather, by viewing morality as a consumer issue, they seek to aid in the development of more effective green marketing programmes for business.

#### **REFORMIST PERSPECTIVE**

An extension of this managerialist perspective takes us to the broader concerns of the reformist perspective. The argument presented in this area of literature is that the pressure not only from customers, but also from other stakeholders such as regulators and environmental groups, is considered to be sufficiently great for the firm to require more fundamental strategic reform. Hence, the very mission, strategy, structure and culture of the organization need to be realigned with changed stakeholder expectations - obviously placing this perspective much more within the core discipline of corporate strategy. In this case, it is the morality of the firm itself which is the key area of interest, or at least the morality embedded in the culture, values and mission of the firm. And because these elements are presented in this perspective as needful of change, morality essentially is seen as a key strategic variable of the firm, something it must change in order to respond to external pressure. Such moral reform within the organization is presented as vital given that the environmental performance of products is a function of various factors throughout its lifecycle (e.g. its raw materials, recyclability of components, production processes, by-products, packaging, transportation, product use, product disposal, etc.). Therefore, the development of green products sophisticated enough to satisfy demanding stakeholders is seen as necessitating fundamental strategic re-orientation and re-organization (Peattie, 1992, 1995). Hence, the need for more ethical vision, mission, values and leadership is seen as a critical element in the drive for green competitive advantage (Elkington and Burke, 1989; Hutchinson, 1992; Peattie, 1995) and the development of an improved reputation for being green and ethical (Davis, 1991; Bernstein, 1992; Charter, 1992).

Where the reformist perspective highlights such self-interested reasons for strategic change, it might be regarded as an *instrumental reformist* position. Occupying a most radical *principled reformist* position however are those arguments which suggest that green marketing should be, or even is, based on moral principles of social responsibility and concern for the long-run welfare of consumers. Peattie (1995:29) for instance argues that, "environmental marketing is based on three principles: social responsibility, the pursuit of sustainability and an holistic approach." Equally, Prothero (1990) and Menon and Menon (1997) suggest green marketing should be based on social responsibility and hence, fall

i.e. a concern with institutional change, new management paradigms, and (at the very least) a pronounced scepticism regarding the power of the market to reverse environmental degradation. Probably the principal point of departure for a 'deep' conception of green marketing would be a rejection of consumption and growth as a means of environmental amelioration (Schumacher, 1974; Porritt, 1984). Since it is then in some respects an anti-marketing position, the reconstructionist perspective on green marketing has mainly been set out in the green politics literature, although it has now begun to exact at least some influence on the critical green business literature, in a rather more pro-marketing form.

The role of morality in the reconstructionist perspective is quite a profound one. Essentially it is viewed as an institutional value, a fundamental force which guides how the environment is understood and related to by individuals within social, economic and political institutions. Hence the morality embedded in the green marketing paradigm itself becomes the key focus here. As a value, morality is therefore seen as relatively fixed (in contrast to the morality-as-variable in the reformist position) and thus plays a critical role in determining whether marketing can or can not succeed in achieving the kind of fundamental transformation towards sustainability which would be regarded as necessary by the deep green theorists to achieve a reversal of ecological degradation (see Kilbourne *et al.*, 1996; van Dam and Apeldoorn, 1996; Kilbourne, 1998). Differential beliefs in whether this moral transformation can be achieved as part of the reconstruction of marketing constitute the principal points of departure for the pro- and anti-marketing reconstructionist positions.

The *anti-marketing reconstructionist perspective* sees the role of morality in green marketing to be inappropriate and inadequate to ameliorate environmental degradation. Marketing is seen as part of the problem rather than the solution (Irvine and Ponton, 1988). Gorz (1980; 1989) for example argues that within capitalist economies, systems of calculation and quantification, of *economic rationality*, have emerged as the privileged source of unquestionable certainty. The market system therefore privileges quantifiable criteria and marginalises (and ultimately degrades) the moral and spiritual dimensions of human interaction with the environment. For Gorz (1980, 1989) then, the issue is not so much how the sphere of economic rationality can be reformed, but rather how it can be limited; how the institutional framework of greening can be restructured outside of the market; and how questions of the environment can be liberated from capitalist market-based economic paradigm.

Sagoff (1986) also sees the green marketing model as largely incapable of incorporating sufficient social morality for progress towards sustainability to be made. He argues that it is inappropriate to treat environmental problems as economic distributive problems since this predicates environmental solutions on consumers' willingness to pay. However, individuals operate from different moral frames of reference as consumers than they do as citizens: "we act as consumers to get what we want for ourselves. We act as citizens to achieve what we think is right or best for the community." (Sagoff, 1986:229). There is an implicit reliance therefore on short-term, atomized individual consumer preferences rather than a long-term appreciation of the common good - as may be found within the domain of public policy. Tribe (1986) also criticises the impoverished morality of the green marketing model. He shows how the solution of environmental problems through the market is based on consequentialist, anthropocentric reasoning - such as environmental degradation is bad because it diminishes aesthetic satisfaction, or it denies resources to future generations, etc. - rather than deontological or duty/obligation terms, such as destroying or endangering plant and animal life is wrong *per se*, and/or humans have a *duty* to protect the environment. Tribe argues that the effect of this reduction of environmental questions to human purposes acts to distort ecocentric human values originating in basic, nature-regarding impulses and obligations, and re-frames them as aspects of

committed individuals with a strong evangelical approach to seeking out and recruiting green converts. In contrast, Crane (1997; 1998) presents evidence from European firms to suggest that green marketers are largely morally indifferent to environmental goals, and even tend to downplay any ethical or emotional attachments to greening. He suggests then that the green marketing process actually effects a process of "amoralization" on the environment, i.e. the inclusion of environmental criteria into marketing practices tends to be framed in largely amoral terms of technical procedures, costs, and customer demand rather than ethical criteria.

Whereas the aforementioned four perspectives largely presuppose a role for morality in the green marketing process, the interpretist perspective seeks to avoid such assumptions and instead develop an understanding of what morality appears to actually mean and how it is experienced within this process. Although there has as yet been little work carried out using this approach, such insights could clearly have a positive input into any of the other perspectives. Hence, whilst the others are essentially distinct and mutually exclusive perspectives, the interpretist perspective does not preclude other potential roles for morality, and is probably best regarded as overlaid across the others<sup>3</sup>. Given such a relativist moral perspective, it has the potential to contribute key empirical underpinnings to any of the other perspectives - but could equally have a role in derailing any one of them. Further work might be expected along these lines then as the green marketing literature grows and develops.

## CONCLUSION

A central argument of this paper has been that morality is a key area in the green marketing literature. It features in a vast number of treatments, even if at times only partially, tangentially, or by implication. To date then, the level of attention afforded to morality in this literature has perhaps been less than might be expected. Different approaches have been utilised and divergent views aired or implied, but little attempt has been made to understand what these mean as a whole, or in relation to each other. Until now, morality has not formed the specific focus of any reviews of the green marketing literature.

The five perspectives presented here though, and their further sub-divisions, represent the first significant attempt to categorise the role of morality articulated in the marketing/environment literature. It should be evident that this role is open to interpretation, and that these differences tend to reflect variations in paradigmatic approaches, areas of interests, notions of morality and subjects of focus. A summary of these factors is provided in table 1. It has not however been the intention of this paper to determine which approach gives the 'best' or most 'real' view of green marketing, nor which is the most appropriate for developing green marketing theory and practice. Indeed, it is clear that by focusing attention on particular issues, through a particular morality lens, each perspective provides a significant and unique contribution to our understanding of the subject. The ethicist perspective sheds light on which green marketing tactics might be morally circumspect and helps to identify those which might be regarded as more ethical. The managerialist perspective provides a means for understanding the ethical demands of green consumers and how firms might try and respond to them. The reformist perspective focuses attention

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<sup>3</sup> Those operating within the reconstructionist perspective may not agree with this since the interpretist perspective might be seen as largely acceptant of the existing green marketing paradigm. However, there is no *prima facie* reason why this should be so: a phenomenon can be examined without necessarily condoning it, and evidence from the interpretist perspective could be used as part of a reconstructionist critique of the existing paradigm.



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## **LEGITIMACY AND THE NOTION OF SOCIAL CONTRACTS FOR BUSINESS**

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“one distinct subtype of modern societies in general” and characterised by among others the fact that “the economy is fairly distinct, or ‘insulated’, from other social arenas, particularly political institutions”.

Traditionally, liberal politicians and people from business have been keen on keeping those two systems apart, mainly because they did not want the state to be too firm in its intervention in business life. But in the wake of business ethics discussions about the social responsibility of business, other and more basic aspects have also been pointed out. Milton Friedman’s (1983) often quoted point of view – that the only responsibility of business is to increase its profit – indicates not only fear of inefficient production, when firms become too occupied with tasks related to other objectives than those which show their importance at the bottom line, but also democratic anxiety about what would happen if executive officers from private corporations began to make social, moral and political judgements.

The primary aim of this paper is to establish legitimacy as the central claim directed at modern corporations and the need of legitimacy as an important strategic challenge facing corporations. According to my view, the notion of social contracts for business is dependent on the further elaboration of the concept of legitimacy, in order to make the contractual conception of business ethics accessible for empirical investigation rather than a field of pure conceptual and theoretical analysis. According to the basic point of view in this paper, the validity of a hypothetical social contract depends on its pragmatic legitimacy, i.e., depends on the actual existence of certain reasoned normative beliefs among consumers, business managers and people in general. This is in contradistinction to the “view of philosophers” according to which validity becomes more or less a pure cognitive and technical term. The validity of the Rawlsian contract, for example, is based on the counterfactual notion of an “original position” in which a group of persons makes decisions about the design of a just society behind a “veil of ignorance”. According to the point of view which I want to argue, one has to take into consideration that the validity of a design after all has to be decided by people who are not situated behind a veil of ignorance. In the real world the veil of ignorance is only represented by the efforts made by people trying to make their decisions in an impartial way. Therefore, impartiality is a regulative principle of reason which is bound to be used in factual situations. Behind the veil of ignorance people do not know who they are in the real world, but people actually have to make their decisions in the real world and they do have a fair idea about their own identities. The interesting issue from a marketing or social science point of view, therefore, is how and to which degree the abstract notion of regulative principles is integrated in individual identities and institutional roles - for example, in notions of fairness, justice and the social responsibility of corporations.

The environment in which business is done has changed over the years and I believe that these changes strongly influence peoples’ expectations and beliefs concerning the responsibilities of corporations, i.e. the social contract. Within this general picture, the environmental challenge constitutes a major factor in the transformation of functions, tasks and responsibilities in society. A string of events, such as for example the cases Exxon Valdez, Brent Spar, France nuclear testing and several others, has demonstrated that. Furthermore, the general public concern, expressed in the endeavour to regulate the behaviour of consumers and firms in a more environmental friendly direction, has made it increasingly clear that traditional instruments of legal regulation are not capable of coping with the environmental challenge. From the traditional point of view the behaviour of firms and consumers is seen as the problem and the issue at stake therefore is one of behavioural regulation. And behavioural regulation immediately seems to call for the traditional marketing specialist’s box of tools. But if one sees business and

property; to which in the state of nature there are many things wanting" (Locke 1690/1976, 63). By property Locke meant lives and liberties as well as estates.

The conception of the social contract to be found in Leviathan differs in important respects from the notion of contract found in Rousseau's *Du Contrat Social*. The main differences concern the assumptions that are made about human reason and motivation, the relationship between individuals and collectivities, and the question as to whether motivational assumptions and beliefs may not themselves be changed during history and due to the impact of society. (See E. Kloppenborg Madsen & F. Ölander, 1999).

First of all, Hobbes saw human nature as rooted in a presocial setting and in an unchangeable motivational structure. Contrary to this, Rousseau seemed to believe that the transition from nature to society also implicates a transition from "instinctual action to moral action". (Rousseau 1762/1987, 89). Hobbes only sees "the individual in society" whereas Rousseau in addition sees "the society in the individual". Furthermore, according to the Hobbesian view, individual desires are given and unalterable. According to Rousseau's view, there is an important difference between "the general will" and "the will of all". It is the general will, and not the aggregated "will of all", which plays the central role in Rousseau's conception of society. In Rousseau's view the interaction between people creates institutions and institutions create roles, norms, and identities.

The central idea of the Kantian version of the political social contract, influenced by the contractarian tradition in general and the thinking of Rousseau in particular, is not based on the assumption that it was invented at a particular time in history and as such has a factual existence. In that it resembles the idea and method conveyed by Hobbes as well as Rousseau, namely that the contract is a hypothetical device. But "Kantian contractarianism" abandons the Hobbesian approach, by abandoning the idea that the only value that human beings have is instrumental, as pointed out by Jean Hampton (1991,50). In contradistinction to Hobbes, Kant seems to base the contract not on mutual fear and rational self-interest but on reason as a practical regulative principle.

It is in fact merely an idea of reason, which nonetheless has undoubted practical reality; for it can oblige every legislator to frame his laws in such a way that they could have been produced by the united will of a whole nation, and to regard each subject, in so far as he can claim citizenship, as if he had consented within the general will. This is the test of the rightfulness of every public law. For if the law is such that a whole people could not possibly agree to it (for example, if it stated that a certain class of subjects must be privileged as a hereditary ruling class), it is unjust; but if it is at least possible that a people could agree to it, it is our duty to consider the law as just, even if the people is at present in such a position or attitude of mind that it would probably refuse its consent if it were consulted. (Kant 1793/1970, 79) (my underlining – ekm).

The idea that the hypothetical contract serves as a result and a medium for a certain way of reasoning, a procedural precept for just rules and a "test of the rightfulness of every public law" differs in important ways from the Hobbesian contract. This is so because the Hobbesian version does not claim that the laws given by the sovereign are rightful. Or to put it another way, the Hobbesian sovereign is accepted out of fear rather than because he is legitimated. According to the Kantian view, power itself legitimates nothing and only when the use of power respects the rights of people can it be legitimised.

So, political power does not legitimise itself – rather, power needs legitimisation. According to Kant, the legitimation of power demands the use of a certain procedure which takes into account that people are not only means but also ends in themselves.

Here the businessman – self-selected or appointed directly or indirectly by stockholders – is to be simultaneously legislator, executive and jurist. He is to decide whom to tax by how much and for what purpose, and he is to spend the proceeds – all this guided only by general exhortations from on high to restrain inflation, improve the environment, fight poverty and so on and on. (Friedman 1970/93, 57).

The line of argument put forward by Friedman resembles the classical liberal understanding of politics and markets as parallel and complementary systems. Business corporations should act within the limits of the law. There is a claim of legality to be met, but not a claim of legitimacy. The claim of legitimacy is, or should be, directed at the state which has to legitimise the way in which it creates the conditions for actors on the market.

Keeping the historical and theoretical continuity in the concept of legitimisation and at the same time maintaining that one can, in a meaningful way, speak of the need of corporate legitimisation is preconditioned by the possibility of being able to give a reasonable account of the ways in which the relation between politics and economics has changed.

### LEGITIMACY AND SOCIAL CONTRACTS FOR BUSINESS

One suggestion might be that the precondition for talking about the legitimacy of corporations is that the socially constructed belief that there are two separate spheres, state and market, has, at least to some degree, broken down - meaning, that decisions made by corporations or corporate executives are increasingly perceived by the general public as political decisions and that the economic order to a certain degree is conceived of as a political order.

In following what has above been termed the classical view, Habermas (1976, 272) has held on to the point of view according to which political orders alone can be either legitimate or loose legitimisation. Corporations and markets are not capable of legitimisation. By legitimacy is understood the acceptability or creditability of a political order. The claim of legitimisation refers to the need to secure the normatively determined identity of society, and legitimate use of political power serves the purpose of honouring that claim.

Unter Legitimität verstehe ich die Anerkennungswürdigkeit einer politischen Ordnung. Der Legitimitätsanspruch bezieht sich auf die sozialintegrative Wahrung einer normativ bestimmten Identität der Gesellschaft. Legitimationen dienen dazu, diesen Anspruch einzulösen, d.h. zu zeigen, wie und warum bestehende (oder empfohlene) Institutionen geeignet sind, politische Macht so einzusetzen, dass die für die Identität der Gesellschaft konstitutiven Werte verwirklicht werden. (Habermas 1976, 276).

Habermas views the issue of legitimisation from an evolutionary perspective. What characterises the modern view (say, from Hobbes and onwards) is the notion that legitimacy of a political order is no longer based on myths of origin or cosmological world views. Arguments increasingly substitute narratives already in the cosmological/metaphysical tradition. In modern times legitimacy becomes increasingly based on theoretical argumentation and the classical theory of natural rights is reconstructed. "Die neuen Naturrechtstheorien, die den entstehenden modernen Staat legitimieren, erheben unabhängig von Kosmologien, Religionen oder Ontologien Anspruch auf Geltung". (Habermas 1976, 277).

transformation. Corporate self-regulation and social responsibility are responses to a general trend of deregulation. This, I think, can be argued against even the conservative view that deregulation is rather about giving business as much freedom as possible. Deregulation is the answer to the dilemma of how to regulate market and society through indirect means. Such indirect strategies call for reflexivity in regulatory methods and the general and basic problem of economic externalities involves business in the political and moral sphere in which actions, norms and principles have to be legitimised.

It is not, like in the classical model, the case that the state is not allowed to intervene directly in the market. The case is rather that – in order to maintain the social order – the state needs the active participation of the market actors in the regulation of themselves.

Privatisation of government services might also illustrate what is happening because privatisation involves not only self-regulation but even the active participation of private corporations in fulfilling some of the tasks of the modern welfare state.

The point is that even if legitimacy is correctly seen as an attribute relating only to entities having political power, corporations become indirectly involved in the sphere of political power. They become involved for several reasons, and basically the problem of market imperfections and externalities lay the foundation for this. At the first stage we here have a problem for the interventionist state because, according to the received logic, it is the state which has to remedy the problem. However, these problems cannot simply be solved by Pigou taxes, but point to a certain state of affairs in which market imperfections have to be solved by the willing support from the market participators themselves. The principal addressee of claims for legitimacy, the state – having an obligation to answer not only for the governmental administration in the narrow sense, but also for the social order in a broad sense, which include the market system, civic society as well as the public administration - may therefore, so to speak, decide to leave it to the actors on the market to regulate themselves to a certain degree. The point is that a public and legitimate decision that market actors, within certain limits, should regulate themselves, in itself represents nothing but a modern method of regulation.

But it has the consequence that the market actors are now involved in quasi-public activities which need legitimisation and, therefore, can now be interpreted as the formation of an unspoken hypothetical contractual relation between business and society.

It may be further argued that this perspective, based on the models of industrial society and the welfare state oriented at growth and the securing of basic necessities of life, is no longer the overriding concern of the publics of highly developed countries. A transformation of perspective has taken place and the overriding concern today is rather one of facing environmental risks. Beck (1994) strongly counterargues the viewpoint which equates politics with state and politics with the political system, calling it a category error and foreseeing a “non-institutional renaissance of the political”. (Beck 1994, 17). What we increasingly confront today seems to be that “the political constellation of industrial society is becoming unpolitical, while what was unpolitical in industrialism is becoming political”. (Beck 1994, 18).

I do not intend to discuss the issue further, but rather point to the agreement between some of the views represented by the reflexive modernisation theory and those trying to argue the existence of such seemingly oxymorons as the political firm and the political consumer.

approaches to business ethics as often assumed. They express the same thing, namely that a democratic social and political order has to legitimise itself.

In this perspective, the notion of a social contract for business may constitute a kind of platform for debating corporate environmental responsibility. Because the contract is now constructed in a way which makes legitimisation the central issue, it becomes possible not only to debate theoretically but also to do empirical research into the contractual obligations to which corporations as well as consumers have to respond.

The claim that business corporations should legitimise their environmental behaviour to consumers and the public at large and that households or consumers should behave in environmentally responsible ways creates a still emerging agenda for market actors - an agenda according to which firms are put under some pressure to seriously reconsider their roles as suppliers, and individuals are asked to reconsider their roles as consumers. Thus, the new environmental agenda seems to challenge as well as redefine the borderlines between economics and politics.

One empirical central question concerns the need to establish whether this agenda is in fact represented in the general outlook and in the norms of decision makers in business and political life: the extent to which managers, opinion leaders, NGOs and consumer representatives accept the contract metaphor as representative of the current social and environmental situation. Do they reason in contractarian terms? Do they think in terms of unwritten agreements and unspoken promises? What are the public expectations concerning corporate obligations? How does business respond? And last but not least does actual events demonstrate the fruitfulness of the concept of legitimacy.

Some support for the contractarian perspective suggested and developed in this paper, can be found in a study by Glasbergen (1998) who has detected a trend in environmental policy in Europe to "combine public-private partnership and problem-solving among industries with a classic approach to governance within a legal framework". Here, it may be argued, the environmental challenge has caused the development of new regulatory mechanisms based on the utilisation of knowledge and the problem-solving capacity that exist within the business community itself.

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**ON THE MEANINGS OF MARKETPLACE PARTICIPATION: THE CASE OF  
VISUALLY IMPAIRED CONSUMERS**

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than "average" consumers, presumably because of their personal characteristics and/or because of the typical movement of goods and services. In marketing, consumers are categorized as "vulnerable" when they are seen to be disadvantaged in exchange relationships because of an attribute that is largely not controllable by them at the time of the exchange (Andreason and Manning 1990). In the social policy and consumer behavior literatures, research on vulnerability has given attention to racial and ethnic minorities, the poor, the elderly, women, and children (Andreason 1991); however, people with disabilities have not been given equal representation (see Gould 1997; Kaufman 1995; and Stephens and Bergman 1995 for exceptions). This is somewhat surprising given that people with mental and physical disabilities are the United States' single largest minority group (Hopkins 1994).

To participate in the typical script of most consumption experiences, some type of visual information is almost always required. In fact, a marketer could have been the one that said, "Our eyes are a window to the world." Yet, vital and health statistics indicate that over 9 million people in the United States (*Statistical Abstracts of the U.S.* 1995, p. 141) and almost 1.7 million in the United Kingdom (Robinson 1993) have visual impairments. These impairments range from severe vision impairments (no light vision or complete blindness) to having visual stimulation, yet still being considered legally blind. Many people with visual stimulation are impaired to the degree that reading signs and other printed materials and/or distinguishing landmarks and faces is difficult, if not impossible. Thus, the legal definition of blindness admits a broader range of impairments. Not surprisingly, the elderly make up a disproportionate share of the population with this impairment. Thus, with an increasingly aging population, we are likely to see the number and proportion of people with visual impairments increase in the future.

Given the nature and design of most marketplace activities, visually impaired consumers have to make accommodations (e.g., request assistance from a service provider, paid reader, friend, or family member) in order to carry out their shopping tasks. In addition, because consumers with sight impairments can use few, if any, visual cues, marketers' "standard script" for interacting with customers is not only of limited usefulness, but is frequently an additional impediment. The structure of these interactions is determined, in part, by the design of the marketing systems in which they are embedded. That is, the shift of marketing communication from oral and personal to visual and impersonal adds to the marginalization of those who are visually impaired.

## MARKETING SYSTEMS

The focal aspect of the marketing system to be considered here is not the entire channel but the interface between retailers and consumers, in other words the retailer-consumer channel segment (Fisk 1967). While many types of behaviors or exchanges between the retailers and consumers are possible at the interface, conduct is typified by principal roles for each. The modal roles of the two parties are as follows: the retailer's primary function is display and the consumer's primary activity is comparative choice (Alderson 1965).

Clearly, display and choice can be realized in a number of forms, but the dominant volume of exchange in consumer markets is in-store. That is, the consumer travels to the store, rather than the other way around. Things are not necessarily so and were not always thus. Alderson (1965) makes note of changes in the post-war retailing environment: Ordering by telephone is passe even for groceries. The channel for everyday items could, and routinely has, extended to the household door, but now does so only in a minority of consumer transactions.

many of the early informants. They showed no preference for either term; thus, the terms are used interchangeably throughout the paper; however, generally "blind" refers to the absence of light vision. Please see **Table 1** for a more complete profile of each informant.

Every effort was made to make the informants comfortable (McCracken 1988; Thompson et al. 1989) and safe, not only with sharing their experiences, but also with having the researcher come into their home or their private space. Consistent with interviewing techniques discussed by Thompson et al. (1989), conversations unfolded around topics that informants thought were relevant. That is, as an existential phenomenology requires, emergent dialogue was a characteristic of the interview process.

Each interview began with the informant telling a little about him/herself and s/he was asked to remember a particularly *positive* or *negative* experience in a retail or service setting. Probes with different kinds of retail and service settings (e.g., restaurants, hotels, banks, hair salons/barbers, transportation services, medical providers, discount stores, department stores) and different kinds of affective states (e.g., comfortable/uncomfortable, stressful/relaxing, positive/negative, friendly/no helpful) were used to stimulate conversations. This kept the informants' discussions at the experience level, versus the abstract level (Thompson and Haytko 1997).

## **ANALYSIS**

Analysis of the textual data focused around looking for specific examples of statements the informants made which explain why participation in the marketplace is important to them. The examples were listed and then grouped into categories that constitute the motivational factors for marketplace participation. Then, a representative quote (or quotes) for each motivational factor was identified from the transcripts. Next, the motivation typology that was developed was compared to other motivational typologies in the literature. Thus, this typology is used to explore whether previous typologies and theories of motivation are inclusive enough to account for this segment of the population. In addition, it seeks to provide richness for understanding what participation means for this particular group of informants.

## **MOTIVATIONS FOR MARKETPLACE PARTICIPATION**

For many of us, participating in the marketplace on a regular basis may be viewed, at times, as a necessary chore or task. However, for many of these informants, participating in the marketplace brings joy to their life and provides an outlet for social normalcy. For example, when Bonnie was asked to explain what it was like the first time she went to Target after she lost her sight, she said:

My feeling was, when I walked through the door I said I am here, this is great!....I was like a kid in a candy store. I had some money in my pocket, and I just had to find the right candy and that was it!

To understand why marketplace participation is so important as to make one feel like "a kid in a candy store" again, the meanings of participation were explored and a typology of motivations was created. This typology reflects the reasons why marketplace participation is important and includes functional, social entertainment or recreation, identity maintenance, independence, learning, and social normalcy motivations.

Clearly restaurants offer opportunities for social interaction which are somewhat richer than ordinary shopping trips. However, a significant level of interaction may occur in routine shopping settings. For example, Naomi's social motives are clear in her explanation of why her weekly shopping trips with her neighbors are so important. "We talk on the way as we go. I just like it." The marketplace also provides a context for interaction with others. Nancy explains why she enjoys going grocery shopping with her husband.

We love the place [their regular grocery store] and you know the people there are really friendly, they call us by name. You know they just kind of joke around with us all of the time.

Similarly, Ruth explains why she enjoys going to one particular restaurant. "They all know us. They greet us at the door." In addition, for some informants, particularly those who were older and living alone, the marketplace provides relief from loneliness and feelings of isolation. For example, Elsie enjoys her weekly shopping trips with her neighbors because she is alone a lot and enjoys going out to have someone to talk to.

The marketplace also allows the informants to participate in many recreation and entertainment opportunities. For example, when Myra was asked what she does for fun, she said: "I eat or got out to movies, shop." Carla also enjoys taking a lot of time to shop for flowers. She wants to look at and smell all of them. This shopping also serves as a means to an end in that she has a wonderful garden and she often buys new flowers on her excursions so that she may later enjoy "playing in the dirt."

#### **IDENTITY MAINTENANCE MOTIVES**

Identity maintenance motives reflect the informants' desires to continue or fulfill their expected roles. In shopping tasks, this motive seems especially strong for older women whose *traditional* role has been to carry out shopping tasks. Naomi explains why this is important to her: "I just need to do this because I always have done this." She also talks about how she views some of her sight impaired friends. "Their husband goes [shopping]. He picks out the groceries. He brings them home. I think they are missing a lot."

Part of the identity maintenance motive comes from maintaining one's self-identity and self-respect as Linda explains: "It has to do with self-respect and pride hopefully. And I don't want to be seen as, I mean I want to be seen as a person who happens to be blind." In addition, participating in the marketplace allows them to cast their self in a positive social light. Most of the informants talk about how they want others to see them succeeding in the marketplace and accomplishing tasks on their own. In fact, many of the informants talk about viewing themselves as educators to those that do not have experiences with visual impairment.

#### **INDEPENDENCE MOTIVES**

Doing things for themselves is also very important to the informants and the marketplace is one context where they strongly desire independence. All of the informants talk about how making their own choices is very important to them. In fact, Karen referred to it as: "wanting the choice in my hands." This does not mean that at times they will not subcontract to others for them to make their choices, but the subcontracting is still a choice. One of the most common frustrations mentioned with the marketplace by numerous informants is that many retail employees will ask the people the informants are with what they want. Nancy explains this frustration.

I want to be treated as if I am the client. [Naomi]

I mean if I am paying the bill, I want them to talk directly to me, instead of to my friend. [Naomi]

I think that [a menu on tape] shows that they are trying, that they are willing to help. It really shows they want our business. [Len]

Perhaps, this motive is so strong, because many of them feel stigmatized or “non-typical” in the marketplace. Some of this stigmatization may come from knowing that they are different and not wanting to look that way. For example, several of the informants in the early stages of vision loss still wear their glasses, though they cannot see any better with them, and some do not always carry a white cane. Some of these stigmatized feelings also come from their perceptions of how others view them or frequently interact with them. Karen somewhat painfully laughs about one common occurrence in the marketplace.

There are a lot of times when people will treat you like a little kid or they'll talk loud. Because you know a person who is blind is also deaf.

In addition, many of the informants believe they make retail employees nervous, because the employees have not had previous experience with blindness. The informants also feel uncomfortable when groups of shoppers get very quiet when they pass by them in the store.

#### **COMPARISON TO PREVIOUS MOTIVATIONAL TYPOLOGIES**

This typology shows conceptual similarities to those on shopping (e.g., Bloch, Ridgway and Dawson 1994; Tauber 1972; Westbrook and Black 1985). For example, Tauber (1972) suggested that consumers have both personal and social motives in shopping for general consumption goods. Personal motives for shopping include performing one's expected roles, diversion from routine activities, self-gratification, learning about new trends, physical activity, and sensory stimulation. Social motives for shopping include social experiences outside the home, communication with others that share similar interests, attraction to peer groups, desire for status and authority, and pleasure in bargaining.

The other motivational typologies, however, use adult samples of “typical” or “healthy” consumers. By comparing the typologies we can see the similarities and differences between sighted and non-sighted consumers and develop a broader understanding of what marketplace participation means to *all* consumers.

Both sighted and non-sighted consumers use the marketplace to meet functional needs (e.g., learning about new trends); however, one strong difference is that, in most instances, the visually impaired consumers must be more task-focused and do not receive sensory stimulation, at least visually, from the interaction. In fact, extra services are needed to facilitate information gathering, alternative evaluation, and choice, typically facilitated by visual cues in the marketplace.

Social interaction and recreation are important reasons for participating in the marketplace to both sighted and non-sighted consumers; however, for visually impaired consumers, as is also likely for older consumers, their participation may help to relieve loneliness and feelings of isolation.

Analyses of market failure tend to focus on more-or-less functional aspects of exchange. However, a main theme running through the interviews above concerns extra-functional meanings of the market. Have markets failed the impaired consumers in the larger sense? The answer seems to be somewhat mixed. Clearly, impaired consumers are not universally recognized as equals by some retail personnel or by some other shoppers. On the other hand, marketplace participation is a crucial test of social integration. Success in marketplace interactions is a demonstration of competence, independence, and social integration.

### **EXTERNALITIES**

There are a number of spillover effects, or externalities, to the channel/consumer interaction. One positive externality for vision-impaired consumers is that they feel better about themselves when they succeed in the marketplace. In addition, they also feel like participation makes them feel more like a "typical" person.

On the flip side, negative externalities also occur. Limited accessibility to the marketplace seems to be one of the unintended consequences of the evolution of the channel-consumer relationship. Because the design of the marketplace now revolves around the consumer using visual cues, accessibility to information to make choices is limited. For example, Karen said, "It's easy to get information, it's just not everything is available." Thus, the visually impaired consumer is likely to make sub-optimal choices, to a greater or lesser degree depending upon the potential salience of the unavailable information. In addition, accessibility is limited by transportation difficulties as Arlene explains: "We get to Kmart and Wal-Mart when we have a ride. We love to go to those places but they are so far away that for a blind person they are very hard to get to."

Another unintended consequence of the current structure of the channel is that sometimes channel members unknowingly do not provide the type of assistance that is needed. This is likely to be a result of channel members not understanding why participation is important to the visually impaired consumer. For example, channel members may make assumptions about what they need, without asking them what they need (e.g., making their decisions for them or steering them where they want them to go). When this occurs the visually impaired consumer often does not say anything for fear of offending someone that is genuinely trying to help. In addition, almost all of the informants had an experience or multiple experiences of being taken advantage of by a service provider (e.g., not getting back the correct change) or being discriminated against (e.g., refusing service). All of these interactions leave the visually impaired consumer feeling like others see them as incompetent.

### **PUBLIC POLICY**

The need for regulation has come as a result of perceived market failures. For example, the passage of the *American with Disabilities Act* in 1990 provides evidence that others perceive market failures in terms of accessibility to the marketplace. That is, the ADA is anti-discriminatory legislation that focuses on "leveling the playing field" for consumers with disabilities. Thus, one positive result of the ADA, has been that a large new segment of consumers have become active in the marketplace (Fersh and Thomas 1993; Stephens and Bergman 1995). One possible negative result in the cost of ADA compliance in relation to the proportionately small number of beneficiaries. If a poor cost/benefit ratio is perceived in this instance, the ADA might be regarded as a case of regulatory failure (Carman and Harris 1986). That is, the more limited approach of facilitation by agencies to impaired consumers might be preferred from an efficiency standpoint.

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TABLE 1

PROFILE OF INFORMANTS

Name	Gender	Age	Description
Karen	Female	30s	Married; rehabilitation counselor for the visually impaired; blind from diabetes about 8 years; no vision – interviewed twice; co-researcher
Nancy	Female	40s	Married; does computer work; losing sight from a degenerative eye disease; low vision
Len*	Male	40s	Married; vendor; lost sight 13 years ago; no vision
Alice*	Female	30s	Married; phone operator; lost sight 10+ years ago; no vision
Linda	Female	30s	Married with children; law student; blind since birth
Jim**	Male	40s	Married with children; vendor; slowly losing sight over last several years; low vision
Lucille**	Female	30s	Married with children; out-of-home sales; homemaker; losing sight; low vision
Sam***	Male	40s	Married; rehabilitation counselor for the visually impaired; lost sight 20+ years ago; no vision
Arlene***	Female	30s	Married; expecting a child; runs a convenience store in an office building; blind 10+ years; no vision
Ken	Male	50s	Married with child; tenured social sciences professor; blind since birth; no vision; guide dog
Hal	Male	30s	Married with children; tenured social sciences professor; lost sight 15+ years ago; no vision
Ruth <sup>a</sup>	Female	80s	Widow; retired encyclopedia sales rep; losing sight for 10 years; low vision
Elsie <sup>a</sup>	Female	60s	Widow; homemaker; losing sight for 5 years; low vision
Violet <sup>a</sup>	Female	70s	Widow with children and grandchildren; homemaker; losing sight for 5+ years; low vision
Naomi <sup>a</sup>	Female	70s	Widow with children and grandchildren; retired cosmetic sales person; losing sight for 10 years; low vision
Bonnie <sup>a</sup>	Female	70s	Widow with children; losing sight for 10+ years; low vision
Ben	Male	50s	Married; rehabilitation counselor for the visually impaired; lost sight 15+ years ago; no vision
Denise <sup>a</sup>	Female	20s	Single; student; losing sight for 10 years; low vision; guide dog
Lila <sup>a</sup>	Female	70s	Widow; retired; losing sight for 15+ years; low vision
Carla <sup>a</sup>	Female	50s	Married with grown children; co-owner of a restaurant; losing sight for 3 years; low vision
Myra <sup>a</sup>	Female	30s	Recently divorced; children; unemployed; just began losing sight; low vision

<sup>a</sup> denotes an agency client  
All informants are “legally” blind.  
order of interviews.

\* denote married couples  
Names, which are disguised, are presented in



## THE BUSINESS OF CONSUMPTION

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### ABSTRACT

Whether we act like it or not, we “are actually engaged in training the managers of tomorrow and not the managers of today” [Cavanagh, p. xi]. This means, to me at least, that we should be on the cutting edge, discussing with intensity those things not yet clearly in view, wrestling, if you will, with the problems of tomorrow, not only those of today.

So what is that problem of tomorrow which we should be discussing? Historian Paul Kennedy, in his book Preparing for the Twenty-First Century (New York: Random House, 1993), identifies “the dangers to our natural environment” as one of six general trends important for the coming century. So, presumably, we should be discussing it in our business classes. But, as Rick Bunch and Jennifer Finlay of World Resources Institute’s Management Institute for Environment and Business, write (1999), “most . . . students are not trained, either as generalists or specialists, to consider the natural environment as a key factor in business decision making. They re-emerge [from their studies] into the working world with no framework for identifying, analyzing and engaging environmental issues from a managerial perspective” (p. 71).

There are multiple ways that environmental problems have been and can be conceptualized. One conceptualization that lies on the horizon is that of “sustainable development.” Indeed, Livio Desimone, chairman of 3M, has been quoted by Vanessa Houlder (1999) as having said, “The sustainability agenda is developing faster than any other part of the business agenda and . . . the relevant understanding and skills are likely to be necessary conditions of success in the 21<sup>st</sup> century business world.” The future form of this newly emerging term is extremely uncertain: how it will be defined, how it will fit into the progression of the history of environmentalism, and what role business will fill in responding to it.

The word “sustainability,” itself, says a lot. It implies the criticism being levied by contrarians. As philosopher Jan Narveson (1993) states it, “Sustainability has become the buzz-word, the implication being that life as we currently know it and enjoy it is not sustainable” (p. 24).

Indeed, that is the charge. We have heard it many times. A baby born in the United States will consume during its life time twenty times as much of the world’s environment as an African or an Indian baby (see Struck 1994). Those in the Northern latitudes appropriate many times the resources of others (particularly in developing countries) in order to support our lifestyle and preferences. Even the necessary expansion of poorer countries in the South can only be envisioned, realistically, in the context of reduced consumption on our part. This is a story of ecological doom. Unless . . . we take drastic measures and revalue our priorities (see Daly; Brown; Reichart; Mayer; Brenkert; Rees; Lemons; Partridge).

We also know what our answer has been to these challenges. Our answer has generally been a simple, direct, and quite frankly familiar—and because it is already familiar it is *ipso facto* persuasive—message.

First we wonder if these doomsayers have any grasp whatsoever of how the system works—the economic system, that is, by which we mean the price system. They must not, or they wouldn’t say the foolish things they do. If we appear to be using up a

## YET THERE IS A WAY OUT

The fourth section of the book brings together several papers that transcend the argument as we are accustomed to hear it. They have something positive to say about the role of business, without affirming Simon's point of view. And they accept the view of the environmentally concerned without accepting that business is simply the purveyor of consumption, the salesperson of overconsumption, the trumpeter of materialism as an end, a value, or an ideal for humans to strive for (McDonough; Larson; Gorman et al; Freeman et al).

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**A MACROMARKETING ANALYSIS OF  
GOVERNMENT-OFFERED, FEE-BASED PRODUCTS AND SERVICES**

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## SCOPE OF GOVERNMENTAL FEE-BASED PRODUCTS AND SERVICES

The relatively limited literature on governmental marketing has followed three paths. First, social marketing, which theoretically applies to private, nonprofit, and governmental organizations, focuses on changing beliefs, attitudes, values, and behavior (Kotler and Roberto 1989, pp. 24–26). Kotler and Roberto note that tangible products are not the focus but may be a necessary adjunct to achieve a desired change. For example, to promote birth control behaviors, condoms may be distributed, and HIV prevention behaviors may need to be supported by free needles. Essentially, fee-based government-offered products and services do not fall into the category of social marketing as social marketing is not focused at either products or fees.

Second, the literature contains a number of works on how to use marketing concepts and tools in specific cases, such as zoos, public theater, parks, museums, and the like. Typically, this research does not deal with ownership and governance structures as central issues, if at all. Most of this work has been presented at conferences, although trade publications and newsletters associated within each industry also carry marketing tips and applications. Virtually all such literature suggests the transfer of certain marketing techniques to industry-specific situations, but it does not address the fundamental differences in the nature of governmental business as opposed to other forms.

Third, a few articles have been written on the appropriateness of some government businesses and the marketing of them. State lotteries and their regressive nature are a notable example (Spratt, Hardesty, and Miyazaki 1998; Taylor and Kopp 1991).

At first blush, the unit of analysis seems to be clear and definable. The devil is in the details, however, particularly as to what constitutes government itself; government ownership and/or control; and fees or prices versus taxes for products and services. We will describe each issue briefly.

### LEVELS OF GOVERNMENT

Our unit of analysis includes all levels of governments, from municipalities to supranational structures:

Local — Schools with out-of-district students, water supply, and so on.

State — Universities, licensing, and so on.

Federal — U.S. Postal Service, national parks, timber and grazing rights, and so on.

Supranational — NAFTA, European Union, United Nations, and so on.

We will concentrate on the United States because of familiarity and the need to restrict complexity, but we believe a transnational comparison would yield the same conclusions. Of course, the relative portion of GDP provided through governmental fee-based services would vary considerably from one country to another.

### GOVERNMENT OWNERSHIP, CONTROL, AND MANAGEMENT

Fee-based, products and services emanate from a variety of governmental structures. In all cases the government has some control of a salable resource, the characteristics of the product or service, the terms and conditions of sale, and the revenue generated. A few examples illustrate the diversity of arrangements:

- government ownership and operation by the administrative branch — U.S. Postal Service, timber and grazing rights;
- government ownership but separate corporate-like structure — Tennessee Valley Authority, AMTRAK, public utilities;

focus on nonprofit entities and stresses similarities in the marketing of these and governmental organizations. The view is that noncommercial entities should learn from the best practices of the private sector. Finally, some literature questions the societal value of some governmental enterprises.

Governmental fee-based products and services deserve attention not only because they represent a large proportion of economic activity but also because they present unique challenges quite different from marketing in the private sector. The many types of governmental fee-based products and services combined with the circumstances of their provision make the marketing analysis of government vendors at once different and very complex.

## **OBJECTIVES OF GOVERNMENT VENDORS**

Commercial enterprises often have a variety of long - and short-term goals. Each may seek power and prestige in very special ways. Nevertheless, the guiding principle in large-scale, continuing commercial entities under professional management is some degree of profit maximization. A conflict of interest may occur between the benefits derived by senior management versus those going to stockholders or other stakeholders, but in general, the aim is to increase wealth or income for some controlling group. The subgoals of sales volume and/or market share serve those ends. In contrast, government agencies may have entirely different objectives.

### **SOCIETAL/GENERAL WELFARE**

Marginal Segments. Much governmental vending is designed to serve marginal customer groups or provide marginal products. Two examples are Amtrak service to isolated communities and free postal service for the blind. Another is low-priced mortgage financing or insurance. In short, the government serves segments that do not appeal to the commercial sector.

Economic Development. Sale or rental of land to promote economic activity and low-cost financing are examples of government services aimed at fostering economic development. Much agricultural support probably also belongs in this category.

National Unity. Historically, a major reason for government development of long distance transportation and communication systems was the desire to foster national unity. Although both government and licensed private agencies usually charge fees (postage stamps, highway and waterway tolls, railroad fares), the public sector often provides these services at less than cost or subsidizes private carriers. Both transport firms and transportation scholars still argue as to whether truckers and airlines pay their fair share of the cost they create for government.

National Security. Only domestic corporations and citizens may be allowed to purchase certain government-developed technology, military material, or other vital products. Only personnel of supposedly friendly nations may be allowed access to certain military and geopolitical training opportunities, even on a tuition-paid basis. This is similar in some ways to the "home country advantage" discussed below but is primarily military rather than economic in nature.

Home Country Advantage. Government may allow only domestic purchasers to obtain services or products that will facilitate overseas trade. It also may restrict the provision of

Industries and Trades. Certain economic sectors and occupations may benefit from governmental sales policies. The allocation of scarce water rights and differential pricing schedules between agricultural and domestic users are examples. In some instances, particularly in oligopolistic and monopolistic industries, only a single firm may be able to take advantage of a particular purchase opportunity, such as the disposal of ship-building equipment. In some cases, only a single individual may benefit, such as "sweetheart" deals to lease municipal sports stadiums to owners of professional teams.

Other Single-Issue Groups. The list is very extensive and ranges from the religious Right to civil rights groups, environmentalists, and recreational associations. The provision or prohibition of reimbursable abortion and family planning services in governmentally owned or supported hospitals is one example.

Internal Agency Objectives. Government agencies and their directors are living systems that often seek increased budget, staff, power, and prestige. This may induce entrepreneurial activities, including new forms of vending. However, budgetary reductions, mandatory downsizing, or changing environmental conditions may lead to either discontinuation/reduction in vending or the adoption of vending as a budgetary replacement. Interagency rivalries and territorial claims also may affect decisions with regard to marginal activities.

In the 1920s many electric power organizations, including government-owned utilities, operated retail electrical appliance discount stores. Appliances were sold at low margin to spread electrification and to raise load factors (power consumption) for the utilities. Politically powerful appliance dealers in the private sector opposed this practice. The shift to a replacement market, in which sales did not increase power consumption, induced most utilities to withdraw from the appliance business.

Non-competitiveness. A governmental agency must be careful to avoid infringing on the commercial sector, or political pressure may be brought to bear that can harm the agency's overall mission. For example, the military maintains commissaries as a fringe benefit by supplying low-cost products to its personnel. Protests from organized retail trade groups prompted congressional legislation that regulates the product mix and limits the competitive effect of post exchanges. Also, very substantial body of legislation restrains the sale of goods made by prisoners. Many penologists believe useful employment is very therapeutic for inmates, but labor unions object vociferously to competition from such low-paid workers.

Conflicting Pressures. Pressures from conflicting interests, as in the case of appropriate fees for use of forest reserves and other wild areas, may instill a rigidity. Adherence to traditional patterns and allocations may be the safest course, since the rival claimants have adjusted at least to some degree to the status quo.

## **GOVERNMENTAL FEE-BASED PRODUCTS AND SERVICES**

As a result of differing objectives, the products/services offered and, the markets entered by government tend to differ substantially from those in the private sector. Those differences shape the boundaries and characteristics of governmental marketing.

## **ORGANIZATION OF GOVERNMENT VENDORS**

Traditional organization charts for government vendors tend to show a pattern quite different from that of commercial operators. Just as societal needs encourage governmental provision of fee-based products and services with unique characteristics, so the institutional structure of government often imposes its own limitations and complexities on the provision of those products and services.

### **VERY LARGE SUPERVISORY HIERARCHIES**

Government vendors, like all government agencies, answer to numerous layers of supervision, headed by legislators (Congress, city council) and senior administrative officials on whom they depend for mandate and budget. Fiscal pressures may originate in audit bodies, such as the Office of Management of Budget and the Congressional Budget Office.

### **CONSTRAINED STRUCTURAL FLEXIBILITY**

Many government agencies periodically experience considerable reorganization and structural change. Often there is strong resistance from affected interest groups if the shift is perceived to lower its power and prestige within the agency (which sometimes is what prompts the change). Also, the legislature or top administrative official may occasionally remove a lower-level unit from the jurisdiction of an administrator whose policies they dislike to one who is favorably regarded.

### **CIVIL SERVICE CHARACTERISTICS**

Civil Service rules affecting individual promotion, transfer, pay, and discipline tend to extend to much higher levels of middle management in government than do union work rules in private industry and are less flexible than executives incentives as well. The stereotype of all public servants as pettifogging time servers is obviously a gross exaggeration. Nevertheless, a combination of multiple and often conflicting layers of oversight, the possibility of very long-term retroactive critical review of decisions, structural rigidity, and civil service regulation tends to induce considerable conservatism, a desire to share and shift responsibility, and a need for excessive documentation of actions.

### **QUASI-GOVERNMENTAL STRUCTURES**

An attempt to avoid some of the rigidities inherent in a typical governmental structure results in the creation of quasi-independent bodies outside the conventional structure. The Tennessee Valley Authority, AMTRAK, and the reconstituted U.S. Postal Service are examples of varying degrees of success in the use of such structures.

### **DELEGATED AUTHORITY**

The frequent delegation of functions to private enterprise — through various types of concession, franchising, and licensure arrangements under varying degrees of operational control — is somewhat comparable, to the creation of quasi-independent agencies. Government is relieved of direct conduct of a specialized activity for which it has insufficient staffing or for which its own personnel may have little aptitude or training; the goal of noninterference with the private sector is at least partially satisfied; and most

## **The Conundrum of Intellectual Property Rights in Global Markets**

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improve mechanisms for the international enforcement of IPR, neither companies nor governments in industrialized countries have been able to curtail much of the growth of infringements (cf. Nill and Shultz 1996; Paradise 1997; Blatt 1993; Sweeney, Greenberg and Bitler 1994, Kolsun 1999).

### MANIFESTATION OF INTELLECTUAL PROPERTY RIGHTS

Although IPR may take several forms, they customarily comprise two main areas: industrial property and copyrights (cf. WIPO 1999; WTO 1999; Gutterman and Anderson 1997). Industrial property safekeeping is concerned with the protection of inventions through patents, the authenticity of brand names and signs through trademarks, and the repression of unfair competition. Examples follow.

**Patents:** Most countries grant patents for inventions that might lead to new and useful products. Even though the scope of items that are eligible for patent protection varies among different countries, most legislation requires that the invention or idea, in order to be protected by law (i.e., is "patentable"), must be new in the sense that it has not already been published or publicly used; it must be non-obvious in the sense that it would not have occurred to any specialist in the particular industrial field; and it must be capable of industrial application in the sense that it can be industrially manufactured or used. Owners of patents have the right to exclude others from making, using or selling the patented subject matter. The protection of patents is granted for a limited time, usually 20 years (WIPO 1999).

**Industrial Designs:** Similarly to innovations, industrial designs must be original or novel in order to be eligible for industrial property protection. Industrial designs constitute the ornamental aspect of a useful product. Protection of an industrial design prevents third parties without the consent of the owner from making, selling, or importing articles bearing or embodying a design that is a copy, or substantially a copy, of the protected design, when such acts are undertaken for commercial purposes. Some countries provide protection for industrial designs under copyright laws (WIPO 1999).

**Trademarks:** A trademark is a sign or a combination of signs (words, letters, numbers, drawings or pictures, emblems, colors or combinations of colors etc.) used to identify the goods or services of one company and to distinguish these from the offerings of other companies. The owner of a trademark has the right to prevent others from using the mark or a similar mark that might lead to deception or confusion of the public for goods or services identical with or similar to those for which the mark is registered. As suggested earlier, generally, in code law countries in central Europe and East and Southeast Asia, a registration of the trademark is a necessary prerequisite for legal protection of the mark; however, in most common law countries such as the United States, Canada, Australia, New Zealand or Great Britain, trademarks are established by prior use. As long as the trademark is in use and its registration is periodically renewed, there is no restriction in time. (WIPO 1999; Gutterman and Anderson 1997).

**Trade Secrets:** Trade Secrets or Know How refer to information that is secret, that has commercial value because it is secret, and that has been subject to reasonable steps to have been kept secret. The owner of a Trade Secret has the right to prevent the information from being disclosed to, acquired by, or used by others without his/her consent (WIPO 1999).

**Copyrights and related rights:** Copyrights refer to the rights of authors of literary and artistic works such as books and other writings, musical compositions, paintings, sculpture, choreographic works, and photographic works. Some countries extend copyrights to computer programs and derivative works (translations, adaptations). In most common law countries copyright has a wider meaning than author's rights and, in addition

which may have effect in up to 52 countries; the Agreement of the European Union, which concerns trademark registration through the Office for Harmonization in the Internal Market in Alicante, and patent registration through the European Patent Office in Munich (WIPO 1999).

The TRIPS agreement of 1994, that was part of the General Agreement of Traffic and Trade (GATT) Uruguay Round negotiations, turned IPR into a multilateral trade issue; it does not override any international convention or multilateral agreement aimed towards harmonization of laws and reconciliation of procedural differences among the legal systems of member states. It set binding minimum standards for IPR, including patents, trademarks, and copyrights for the 120 WTO signatories. It is required that these standards meet the substantive obligations of the main conventions of the WIPO, the Paris Convention for the Protection of Industrial Property and the Berne Convention for the Protection of copyrights in their most recent versions. According to the TRIPS agreement, in the field of patents, only products that endanger the public order or morality, diagnostic, therapeutic or surgical methods, plants and animals, and biological processes are not eligible for protection; in the field of trade marks, companies can register trade marks that may have to be used within the country initially for seven years and renew the registration indefinitely; in the field of industrial designs, companies are protected for 10 years; in the field of copyrights, computer programs, databases, sound recordings, movies and performances are protected for 50 years, broadcasts for 20 years (WTO 1999, Schott 1994). Modern telecommunication technologies such as the Internet and the latest developments in biotechnology or gene manipulation that are usually still unresolved problems domestically, are not part of the TRIPS agreement.

Signatories of the TRIPS have to extend most favored nation treatment for intellectual property rights. In consequence, any preferred treatment concerning intellectual property rights granted to one country has to be extended to all other WTO members (WTO 1998). Countries are responsible for the enforcement of intellectual property rights within their borders and have to prevent the export of infringing merchandise. The TRIPS agreement provides for a formal WTO enforcement and dispute settlement mechanism. An impartial panel set by the WTO's Dispute Settlement Body has to adjudicate complaints of member states and can order the infringing practice to stop.

The TRIPS agreement has only been accepted reluctantly by most Less Developed Countries (LDCs) upon the diplomatic pressure including cross-issue bargaining applied by the United States and other developed countries. LDCs would have preferred a solution, close to WIPO's position, that would have allowed countries to set standards according to their level of economic development (Callan 1998). Instead, LDCs are granted a transition period up to 11 years to change their national Intellectual Property laws, according to the TRIPS agreement, whereas developed countries already implemented the changes in 1996.

### **THE IPR BATTLE CONTINUES**

Despite the improvements brought by the TRIPS agreement that metamorphosed IPR issues into a multilateral trade issue, it is erroneous to assume that the battle for better international protection of IPR is over. Protection deficiencies continue to exist, mainly as a result of inadequate legal frameworks and insufficient enforcement of existing laws. The increasing importance of information as a crucial factor of competitive advantage raises questions about the status quo of intellectual property laws (cf. Jain 1996). Many new information media and telecommunication technologies, such as the Internet or satellite signals, are truly global phenomena that will be extraordinarily difficult to control with national laws. The TRIPS agreement does not provide sufficient guidelines how to deal with intellectual property stemming from those technologies. Also, many new technologies do not fit clearly in any of the existing categories of intellectual property. Examples extend from computer software and the design of semiconductor chips

Insufficient enforcement of IPR is not solely responsible for the rampant supply of counterfeit goods. That is, without receptive markets, there will be no supply. However, there is an enormous demand for counterfeit merchandise, which is usually offered at a lower price and considered to be of near equal value (cf. Nill and Shultz 1997). Ironically, brand owners are often plagued by counterfeit goods sold in their home markets (Sweeney, Greenberg and Bittler 1994) and in many cases the consumer is aware that the product is counterfeit but s/he does not realize or appreciate differences in the product quality between the authentic versus the counterfeit good. Many of these consumers perceive no wrongdoing in the purchase of counterfeit merchandise. A "Robin Hood Mentality" prevails among customers of counterfeit goods, who often feel little sympathy for multinational corporations that moan about lost profits (Sandler 1994). Buying a fake Hugo Boss shirt or counterfeit Ray Ban sunglasses from a vendor is not seen as misbehavior.

A better and more efficient protection of IPR in global markets necessitates addressing the underlying philosophical issues. In general, industrialized countries are more interested in stronger protection of intellectual property than less developed countries.

### **UNDERLYING PHILOSOPHIES ON THE PROTECTION OF IPR IN GLOBAL MARKETS**

The overriding purpose of the protection of intellectual property is succinctly expressed by the WIPO (WIPO 1999):

Protection of industrial property is not an end in itself: it is a means to encourage creative activity, industrialization, investment and honest trade. All this is designed to contribute to more safety and comfort, less poverty and more beauty, in the lives of men.

Indeed, most countries acknowledge that the essential functions of IPR laws are to protect consumers from deception and confusion, to protect companies from unfair competition, to provide incentives for investments in research and development, to foster industrialization, and to encourage direct investments (cf. Unikel 1995; Hunt and Morgan 1995). The obligation to protect the consumer constitutes a strong argument for lucid and enforceable laws protecting IPR. Consumers who unknowingly purchase counterfeit goods may not only become financial victims of the pirates, in many cases they may also be physically harmed by the fake merchandise. Trademark infringements may mislead consumers, disrespect their right to information, and cause a dilution of the image portrayed by the trademark. Buyers of the original brand may feel betrayed due to the loss of status, as formerly exclusive goods become increasingly commonplace due to counterfeits (Jain 1996). Accordingly, many consumers claim they would avoid purchasing a company's products if those products had a reputation for being counterfeited (Internal Auditor 1998). However, often consumers willfully buy fake products without any feelings of guilt or wrongdoing (Nill and Shultz 1997; Cordell, Wongtada, and Kieschnick 1996). In many cases the counterfeit merchandise offers similar quality at a substantially lower price (Bloch 1993), to consumers that perceive the purchase of fake goods as an economically sound or even shrewd decision (Tom, Garibaldi, Zeng, and Pilcher 1998).

In an increasingly global economy, the creation of knowledge and ensuing new inventions and technologies are major drivers of economic growth (cf. Mansfield 1990, Maskus 1998). Hence, adequate protection of intellectual property is essential to provide companies incentives to foster research and development of new technologies. However, most nations have differing positions on the protection and enforcement of IPR. Often in emerging economies, generally, there is the prevailing belief that the infringements of IPR constitute no wrongdoing. It has been assumed for more than a decade that: "intellectual

property might increase the gap of economic development between them and industrialized countries (Subramanian 1991). Also, rigid intellectual property rights might lead to an increase in prices to a level that makes products, including life-saving pharmaceuticals, prohibitively expensive for many consumers in less developed countries. More extreme positions maintain that knowledge is the common heritage of mankind and should not be monopolized through intellectual property laws (Jain 1990).

Some economists (Helpman 1993, Lai 1998) argue that stronger protection of IPR will lower the rate of innovation and rate of knowledge transfer to LCDs as long as imitation is the primary channel of production transfer. According to this scenario, stronger protection of IPR slows the diffusion of technology while increasing the cost of innovation in the innovating country. However, as long as Foreign Direct Investment is the main channel of production transfer, stronger protection of IPR increases the rate of innovation while narrowing the gap of economic development between LCDs and developed nations (Lai 1998). It is reasonable to assume that strong protection of IPR provides an incentive for Foreign Direct Investment. However, protection of IPR constitutes an important but not sufficient factor in the decision of companies to invest in a foreign country. Other factors such as political, economic, and legal environment, size and accessibility of the market, and trade barriers such as tariffs and quotas also influence the decision about Foreign Direct Investment (Maskus 1998). For example, some countries with relatively weak protection of IPR such as China and Brazil could attract substantially more Foreign Direct Investments than countries with comparatively higher protection of IPR such as countries in Eastern Europe and sub-Saharan Africa (Maskus 1998). More empirical evidence is needed in order to assess the impact the protection of IPR has on product innovation and diffusion of technology.

#### FUTURE RESEARCH

More research is needed to explore the effect of IPR protection on multi-stakeholder welfare, particularly the most vulnerable populations in developing economies and other economies. Particularly compelling research questions might include the following: Do stronger intellectual property laws facilitate growth and socioeconomic development in less developed countries? Which types of intellectual property are most relevant for economic development? Similarly, should some forms of IP be protected, while other forms should not? What are the trade-offs that will be required among those who have (or claim to have) IPR and those who wish to use/copy them? The intellectual property regimen of different countries seems to be influenced by broader cultural issues; therefore we might analyze how IPR laws reflect/respect cultural differences rather than merely economic considerations. Should we even be concerned about the "culture" variable? More broadly, what are the various and reciprocal systemic forces that affect IPR protection and societal welfare; which variables in said systems are most influential/important to determine most optimal outcomes for the largest number of stakeholders? What might be the time-line, horizon or temporal increments to measure whether policies are effective? Answers to these questions could provide insights to help scholars, practitioners and multiple stakeholders to create policies that truly provide sustainable, win-win outcomes for all parties with stakes in IPR.

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## **GREEN MARKETING: SEEKING COMPETITIVE ADVANTAGE UNDER STRINGENT REGULATION**

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product performance, product safety, and environmental impact, suggesting that strict standards have led firms in some nations to establish themselves as globally preeminent in these areas after meeting the domestic requirements (Porter 1990, p.648; 1995). As a result, provided the regulations are anticipatory and well-administered, they may very well benefit domestic firms, even when competing abroad.

This view is supported and enhanced by the idea that the underlying mechanism for this sort of competitive advantage is found in innovation. Firms subject to strict regulation invariably must be creative if they are to compete with firms not subject to such additional costs. The end result may be better products at similar cost, similar products at better cost, or products better on all accounts because of innovation. Examples forwarded by Porter such as dominance by Germans in air pollution-control technology and related exports provide broad support of such claims.

This originally sketchy (though logically solid) foundation aroused some interest in discerning the theoretical foundations of Porter's argument. This interest has been spurred by the fairly consistent empirical results suggesting that strict environmental regulations are not necessarily a competitive disadvantage--firms subject to stringent standards in their home base seem to do just fine in the international arena (e.g. Richardson 1993). Both Stewart (1993) and Estes (1994) discuss the Porter Hypothesis at some length, but the deepest dialogue is found in two discussion papers from the Washington D.C. thinktank Resources for the Future.

Both papers essentially try to uncover "what Porter meant" and then discuss the attributed theory. Jaffe, et. al. (1994) is something of a literature review of the entire environment/competitiveness debate, but devotes several pages to the Porter Hypothesis as the "growth enhancement" side of the regulation argument. The authors suggest that Porter's argument must focus on one of three areas: the advantages gained by sellers of pollution abatement equipment, advantages gained through efficiency of compliance, or advantages gained from innovations.

The second paper (Oates, et. al. 1993) deals directly with the Porter Hypothesis. It also suggests that the gains must come from pollution abatement suppliers or from innovation (linked to Leibenstein's (1966) X-inefficiency, that more efficient methods of doing things remain unadopted by firms, hence room for productivity improvement exists if the means can be uncovered).

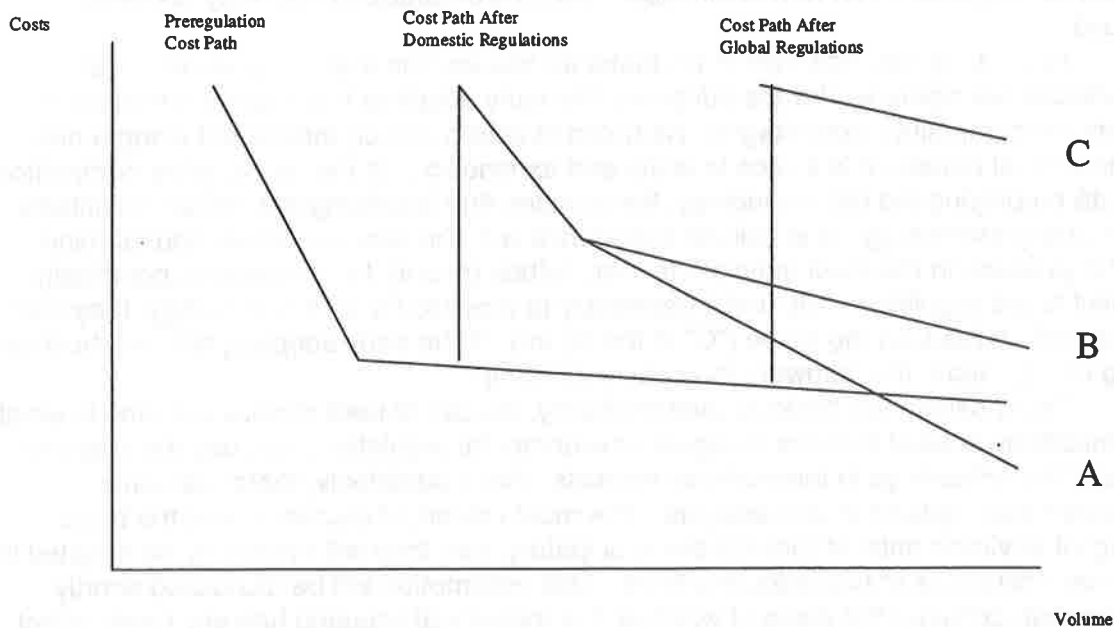
The general conclusion of all the analysis is that the first concept is probably true, that the presence of a captive home market and first-mover advantages will give domestic firms producing pollution abatement equipment a leg up as they venture abroad (as other nations begin to adopt similar standards). Indeed, there is compelling evidence that US and EU (especially German) companies, with such strict standards, do dominate the field (*The Economist* 1993; International Trade Administration 1994; European Commission 1994). This is admittedly a specialized case, however, and is a relatively small part of total international trade (Oates, et. al. 1993).

The efficiency of compliance and innovation arguments are very similar in their mechanisms and can be dealt with as one. There is no doubt that sometimes regulation will spur particularly creative thinking and problem solutions. The crux of the discussion is whether such innovative solutions will change an entire industry so dramatically that participants will be competitively better off after the fact than before. Both Jaffe, et. al. and Oates, et. al. pose the compelling argument that if such methods are truly better, then there are market forces that will eventually invite such changes, with or without the regulations. If so, we are left with some differences in the timing of change, but no real long-term advantages gained specifically from the regulations. Thus neither line of argument strongly supports the Porter Hypothesis.

spur for innovation can come from any number of sources, and regulatory requirements can certainly be one of them. Under the right conditions, we can view environmental regulations as a mandated push toward a new technological paradigm. The old pollution control system, for example, is no longer acceptable, hence a race begins for the new system which can be incorporated into production processes so that the eventual goods are best quality at lowest cost.

This scenario is depicted in Figure 1. Under the old technology, a firm has been moving down the learning curve, lowering its costs. At some point, regulation enters the picture and existing systems are no longer tenable. The firm seeks a new technology, probably at higher cost given the new standards. It will then seek to rapidly build scale and experience with this new process, again beginning a movement down the learning curve of this new technological paradigm. If successful, its new cost structure will enable it to remain competitive in the new regulatory environment.

Figure 1  
Technological Change and Costs



Given this picture, we can speculate on two possible results. Initially, the new technology may allow the firm to eventually reduce costs to a point below where minimum costs were with the previous technology (labeled "A" in the figure). This is the innovation argument already proposed in the discussion over the Porter Hypothesis. The counterargument, as already noted, is that there is a clear profit motive here for all firms to take this step without the regulatory prod.

Such a conclusion does not flow from this analysis as easily as it might seem, however. One major issue in innovation theory is overcoming the installed base of existing technologies. David (1985) has termed this the QWERTY principle, after the top row of the standard typewriter keyboard. The arrangement of the letters on a keyboard is



environmental regulations and seeing how firms deal with them. The fact that a number of firms fail to adapt does not mean that it is not possible for another firm to gain a much stronger market position because of the regulations. This type of evolutionary battle is what innovation is all about, with both winners and losers. The analysis needs to be done on a case by case, law by law, firm by firm basis. But that is a project for the future. What of some prominent examples suggesting that there may be a rich vein to be mined here?

Two that quickly spring to mind are the tendency of French water companies to export their skill in meeting water purity levels and German recycling law (*Economist* 1993). In the former case, the French are rapidly moving into nations such as the UK which have only recently adopted the standards which are second-nature to Lyonnaise des Eaux Dumez, Vivendi (formerly Generale des Eaux), and Saur, used to the more rigorous water standards in France. In the latter example, the law requires automobile makers to take back and recycle their automobiles at the end of their lifespan. It seems clear that Audi, for example, will have a much easier time taking back and recycling these waste automobiles than an outside firm without substantial German operations and the consequent experience.

A more in-depth and particularly illuminating case is seen in the 1970 US Clean Air Act. The required decrease in automobile emissions led to the creation of the catalytic converter by General Motors, introduced in 1974. Over twenty years later, the firm has made over 100 million converters and supplies them worldwide, including to most Japanese automakers. "They were the pioneers and they have widened that lead as time has gone on...It will be nearly impossible for foreign carmakers to catch up because GM has made it cheaper for them to buy GM emissions-control systems than to create their own" (Hass 1992). A similar situation is found in the ceramics necessary for these catalytic converters. Worldwide suppliers are pretty much limited to NGK in Japan and Corning in the US, two firms that got into the technology early, rapidly built up defensible competitive positions, and have been able to dominate the industry in all markets (European Commission 1994).

A more contemporary example is currently unfolding in both the US and Europe. After the ozone hole was discovered over Antarctica in the mid-eighties, pressure to decrease the use of the chlorofluorocarbons (CFC's) suspected of depleting the atmospheric layer intensified. The result was the Montreal Protocol on Substances That Deplete the Ozone Layer, calling for worldwide cuts in CFC's by 1998, later amended to a shorter deadline and an outright ban in developed countries by 1996. Developing countries were given an extra ten years to comply.

As the early adoption scenario of the Porter Hypothesis would suggest, companies in nations under the strictest guidelines (the US and the EU, both of whom rapidly incorporated the Montreal Protocol into national law) stepped up research into alternative chemicals. Dupont (US), Elf Atochem (France), and ICI (UK) have all identified and started mass-production of versions of HCFC-134a and various other hydrochlorofluorocarbons (HCFC's) which are not a permanent solution, but offer better performance than CFC's until another compound is discovered.

What is particularly interesting is the nature of the competitive responses to the ban. DuPont scaled-up its production facilities for the replacement substance very quickly, turning a typical 15-year process into a 4-year crash program (Haggin 1991). Moreover, it intended to phase out CFC's completely by the end of 1994, a year ahead of the schedule mandated by US law, principally because EU law, to which competitors were subject, mandated that date (Zurer 1993). Faced with its competition getting a jump on it in producing with the new technology, DuPont moved to switch over completely as soon

The slope of the decreasing price line might also be affected by a less-optimal innovation, lengthening the time and volume necessary to move toward competitive parity.

Market-based solutions also mean that regulators need to be careful in involving affected firms in setting policy. A delicate balance develops as, on one hand, firms need to be consulted on the nature of the regulations, how they will affect operations, and what alternatives are available. On the other hand, if currently dominant firms control how the regulations are written, innovative outsiders may be kept from the newly-regulated market. The nature of innovation is such that large, entrenched companies may be happy pursuing slight, incremental innovations while it is often smaller, outsider companies that discover the paradigm-shaking pioneering innovations. As noted earlier, the Porter Hypothesis does not suggest that all firms will come out of a strictly regulated environment with competitive advantages, only those who find innovative ways to deal with the regulations. Presumably several firms might initially participate, but only a couple will likely end up dominating. By involving entrenched firms too deeply in setting standards, the pool of potentially innovating firms may be decreased. And again, the optimal innovation may not be made, heightening the path apex and decreasing the slope of the domestic cost line.

A second assumption of this conceptualization of the hypothesis is that the regulations will be anticipatory. Domestic cost levels are unlikely to ever catch global cost levels unless the regulations are eventually adopted by the majority of the world community. Thus, environmental regulations need to be sensible to the extent that they will logically appeal to policymakers in other political and cultural environments. As a result, the Porter Hypothesis should not be taken as a blank check to write environmental regulations without consideration for whether there is widespread scientific or societal support for such stipulations.

A third assumption is that no leakage will occur. The CFC example discussed earlier provided examples of at least two types of leakage that can present problems for the Porter Hypothesis scenario. Initially, if there is any backoff on the regulations (e.g. moving the CFC ban back a year), the competitive position of innovating firms can be harmed. Secondly, if the regulations are not tightly enforced (e.g. black market CFC's), similar problems occur. Both types cause the same conceptual problem—the innovating firm that starts producing under the assumption of strict regulations will find its volume levels less than they should be. Thus, to refer to Figure 1 again, the movement down the "Cost Path After Domestic Regulations" will be less rapid. Indeed, in the case of heavy leakage, movement may be nonexistent. If problems of this sort occur, firms will be very hesitant to commit large levels of capital to fund R&D, set up new manufacturing facilities, or initiate marketing efforts. Thus, in the long run, not only will the cost path be steeper, but the innovations may not come about at all—firms will not see the benefit in committing to a new, initially more expensive technology when competitors are not forced to eventually move to it as well.

Overall, then, innovative responses to environmental regulation should be undertaken in environments that allow and encourage market-based solutions and broad participation in uncovering them, that are anticipatory, and that are tight. When these conditions do not hold, the best solution for firms may be to market the old technologies until absolutely forced to give them up. For policymakers, the goal will be to provide the more enticing environment of innovation incentives, anticipatory standards, and unyielding enforcement.

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**MARKET ORIENTATION AND PRIVATIZATION IN CROATIA:  
POLICY DEVELOPMENT FOR ECOLOGICAL CHANGE**

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combined with information from the Pioneers among waste producers, should influence the development of an effective environmental policy platform with significant environmental policy implications for all firms in Croatia.

To explore the influences described in Figure 1, the potential ecological impact on Croatian society was examined by evaluating the changes in ecological behaviors of two main groups of companies. The first group of companies was comprised of the most successful, fastest growing, privatized companies across various industries. These companies have an indirect effect on ecological policy changes by potentially acting as a "role model" for policymakers and other firms. The second type of company analyzed were from the solid waste industry, were not privatized, experienced limited growth, and have a direct effect on ecological policy development.

The goals of this research are to:

- Identify firm behaviors regarding ecology issues
- Identify the role of the two types of companies in developing an environmental policy platform in Croatia
- Identify the policy implications from analyzing these two types of firms

### **PRIVATIZATION AND THE ENVIRONMENT**

Environmental deterioration has become among the most pressing public and official concerns world wide, in both developing and developed countries. In Croatia, such problems are especially acute due to the effects of the recent war and the economic transition process.

As in many other past socialist countries, Croatia is going through the process of transition (Fischer, Sahay and Vegh 1996; Castro and Uhlenbruch 1997). Transition is a broad and widely used term connected with many different fields and processes in modern society (Schlack 1996; Clothier 1997). Transition is, as one author wrote, "the process of moving from one social-economic and political condition to another social-economic and political condition" (Vojnić 1997). As Croatia shifts from a centrally planned economy to a free market economy, the whole scope of social and economic activities are improving, including environmental protection.

In the past the issue of environmental protection was marginalized in Croatia and was treated as a second-rate task. The bureaucratized and huge government machinery tolerated degradation of the environment and environmental damages being inflicted on Croatian society. Causes for such a situation can be found in the basic philosophy of the socialist centralized system in which "production served for supporting of political power, and in making choices between the economy and environmental protection, preferential treatment was always given to the former" (Panayoutou 1996; Vincent and Panayoutou 1997).

Privatization, as a part of the transition process, is now a common ingredient in the strategic renaissance of many industries. The shift from state to private ownership has caused firms to adapt and change their behavior along a number of dimensions. In particular, privatization has resulted in a strong movement toward higher levels of market orientation (Lotspeich 1995; Martin and Grbac, 1998; Panayotou and Vincent 1997).

At a macro level, Croatia will enter the 21<sup>st</sup> century with the goals to develop social, political and economic stability and to further open Croatia's economy to the global marketplace. Macroeconomic data provide support that Croatia may be at least partially achieving its goals. GDP is expected to grow from \$18.8 billion in 1995 to \$22.7 billion in 1999. The export of products and services is projected to grow to about \$9.0 billion in 1999 (up from \$7.3 billion in 1995). During this same time period, the number of large firms has decreased substantially, while the number of small and medium sized firms has

Treatments. Other laws regulate air pollution, limit values for air quality, and provide for protection against noise pollution.

The development of a legal system provides the upper or lower bounds for environmentally related behaviors in a society. While these upper or lower bounds have produced obstacles for some businesses and opportunities for others, Croatia's physical environment has clearly improved as a result of its newly developed legal system. A Large number of environmental measures have had an impact on the social and economic standards of living and as a result on the improvement of the physical environment. For example, the passage of strategic environmental plans regarding informing the public about the current state of the environment and other legal documents have dramatically redefined water, air, and noise standards which will have a positive impact on Croatia's physical environment for years to come.

#### **COMPANIES' ATTITUDES AND APPROACHES TO ECOLOGICAL POLICY CHANGES**

Privatization, the development of market orientation in firms, and Croatia's new legal system have produced environmentally adaptive behaviors in many firms. Our interest was to understand how companies are adapting to changes in the legal and economic environment regarding ecological issues and what their attitudes are about these ecological issues. Two groups of companies were investigated. Successful manufacturers, or Waste Producing Companies (WPC) was the first group studied and Waste Collection Companies (WCC) was the second type of business studied.

#### **WPC – WASTE PRODUCER COMPANIES**

The challenge confronting WPCs is how to adapt themselves to the changes in the macro environment in order to grow and prosper. Some companies are going to be better at this than others. Our interest was in the companies that have been able to adapt to the rapid changes in the economic environment and to determine how they are responding to the emerging emphasis in Croatia on environmental protection. Few companies have formalized their effort to improve environmental protection through implementing ISO standards and dozens are in the process of receiving ISO 14 000 certification. Therefore, the purpose this exploratory study was to investigate how firms are adapting to Croatia's increased emphasis on environmental protection.

**Method:** The in-depth interview method was chosen as the appropriate research method in this case because of the exploratory nature of the study. The in-depth interviews were conducted with managers from selected companies. The interviewed persons were CEO's, General Managers, and Presidents of the selected companies. None of the selected companies had an "environmental officer". Companies were selected on the basis of size and performance. Increasing sales and profits, newly developed customer markets, new product introductions, and the increase in number of employees were the measures of performance used for selection. Companies with fewer than 300 employees were selected because this size of company represents over 97% of the enterprise environment in Croatia. Selecting the most successful companies with respect to sales level and profits allowed the sample of companies to be the ones most likely to be able to afford to be proactive in their environmental behaviors. The interviews were conducted

take risks and a strong sense that environmental protection should be included in business planning are the desirable result of an environmental policy platform.

The less successful companies from our sample were not as adaptive to the macro environment, used far fewer analytical tools for developing plans, and were much more "reactive" to ecology issues. We identified these companies as Followers.

Followers were reactive to changes in environmental protection issues. They changed their behavior only after external sources exerted influence over them. These external sources included increased customer demands for environmentally safe products and processes, changes in competitors environmental protection behaviors, suppliers providing safer materials and products, or new environmental regulations. These companies did not, and had no interest in having an impact on the environment, nor were they interested in influencing the ecological impact of other companies. For example, a metal packaging company from our sample follows the changes that are influenced by technological changes in the macromarketing environment, they use "ecologically safe" materials and processes to product containers as dictated by regulations, but they are not prepared to experiment with new materials or new approaches to achieve a higher level of environmental protection standards. Another example of a Follower is a paper company that uses non-recycled raw materials. This is because their customers (usually large banks or other large institutions) don't care about ecology issues, or because their suppliers are not prepared to make the additional effort to provide environmentally friendly materials. They "follow" the conditions and forces in the marketplace, but are not interested in attempting to stimulate change.

## **WCC – WASTE COLLECTOR COMPANIES**

**Method** The second group of companies, solid waste collection firms, is involved directly with solving environmental problems. To research the attitudes and behaviors of these companies, a survey was developed and sent to all service providers in the solid waste industry of Croatia. The sample was comprised of 2 types of companies: Community Waste Companies (CWC) and Other Waste Companies (OWC). CWCs collect trash from households and offices. This waste is not for further use and is dumped in the landfill that is usually managed by the same companies. OWCs collect waste from industry and are usually involved in recycling efforts with most of the waste they collect.

Questionnaires were sent to the main managers of all 110 companies with a cover letter explaining the purpose and goals of the research. We received 22 letters back as address unknown (companies were out of business or changed address) and 54 completed responses, giving us a 49.1% response rate. This high response rate was achieved through follow-up phone calls and fax messages. The final sample of firms was composed of 76.4% CWCs and 22.6% OWCs. This structure is close to the structure of the population and suggests that the results of the research represent the actual situation in solid waste problems in Croatia.

To understand the attitude and behaviors of these companies, their perceptions and beliefs were assessed with a series of ratings of agreement to statements pertaining to solid waste issues in Croatia and their solid waste management activities were assessed with direct, open-ended questions. Table 1 shows mean responses to a series of opinion statements. Respondents indicated their degree of agreement on a 5 point Likert type scale. As can be seen in Table 1, both groups of companies agree strongly that protection of the environment is the most important strategic direction of their business, and both groups disagree strongly that financing in this industry is easily acquired.

waste and about 3% is hazardous waste (Črjnar 1997). Investments by CWCs topped approximately \$35 million. These investments were primarily in transportation equipment. Firms primarily used two sources for investments: their own capital and bank loans.

Investment activities for ecological purposes will, in part, be determined by the policy platform and will, in part, determine the policy platform. Our research shows that the motives for investing included a "willingness to improve cost efficiency", a desire to "improve the ecological impact of solid waste management practices", and to "improve the image of the company to attract new customers, investors and high quality employees." The group that influenced the investments made by CWCs was the town or municipality that owned the company and the group that influenced the investments made by OWCs was suppliers. For both groups, management was the biggest source of new ideas followed up by towns/municipalities for CWCs and customers for OWCs.

Further analysis of the data from this research leads to the conclusion that these companies can have a significant impact on the definition of the policy platform for Croatia. For example, these companies do not feel that financing in this industry is easily acquired. They don't feel that improving cost efficiency is their most important goal. They are not at all satisfied with their current ownership structure and they don't agree that their industry has to be totally privatized. Companies believe that their management is not very prepared for privatization but when privatized they will become more profitable. They are very interested in forming partnership with foreign investors. They feel the most important strategic direction for their firm is the protection of the environment, but they want less government regulation regarding the environment. These companies are not risk takers and they do not like to try new ideas. Taken together, these results define a policy platform that leads us to an analysis of policy implications.

#### **POLICY IMPLICATIONS**

Croatia has serious problems with the treatment of waste materials that will have an impact on the environment for years to come. Increasingly, larger quantities of waste materials, inadequate community landfills, and obsolete technology for waste collection and disposal stress the need for urgent investing of large sums of money into the solid waste management industry. In order to stimulate this investment and bring about positive changes in Croatia's ecology, enabling foreign investors as partners and joint venturists to initiate a new cycle of investment, reduce inefficiencies, and improve management activities is a necessity (McDonald, K. 1993; Gray C., 1996; Beracs, J., Agardi, I., Kolos, K. 1997).

We believe that opening the economic doors of this industry to foreign investment through a "concession system" that would be designed by Croatia is the best approach for this situation. Using joint ventures and private partnerships in which the local company maintains 51% ownership control provides for the fastest means to upgrading this industry and protecting the environment. This is because we are estimating that a relatively longer period of time will pass until the Croatian economy reaches the level of productivity and stability necessary for it to acquire the capital to make its own investments in this industry.

This model of financing can attract the interest of foreign and domestic partners for establishing joint venture companies with local publicly owned solid waste management companies. By developing policies that allow for this opportunity, Croatia will ensure the introduction of new technologies in waste management. Through this mechanism, the local company (an municipal owner) shares the investment risk with foreign owners, but the local company-majority ownership guarantees certain levels of waste management quantity and quality and is able to return profits to the foreign owner.



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**TABLE 1. PERCEPTIONS AND BELIEFS IN SOLID WASTE INDUSTRY\***

<b>Perceptions and beliefs</b>	<b>CWC</b>	<b>OWC</b>
Financing in this industry is easily acquired	4.7	4.6
We will never accept composting program	4.1	3.7
The most important thing our company can do is to improve its cost efficiency which means that we can't afford to be concerned about the environment	3.8	4.0
The entire solid waste management industry must be privatized	3.6	1.7
We will for sure continue dumping as we currently do for 10 years in the future	3.4	3.7
I am not at all satisfied with our current ownership structure	3.3	3.8
We will for sure implement burning program to transform to energy	3.3	2.8
Competition in our industry is becoming much stronger now	3.2	2.0
I am very satisfied with our current decision making process	3.2	3.1
We will for sure implement recycling program in 5 years	3.1	2.4
Our customers are much more knowledgeable about solid waste issues than 5 years ago	2.8	2.4
I think politicians are very willing to support the privatization of the total solid waste industry.	2.8	3.8
Management of our company believes that higher financial risks are worth taking for higher rewards	2.7	2.1
If the solid waste management industry was to become totally privatized we would become much more profitable	2.7	1.8
Our company would be very interested in forming a partnership with a foreign solid waste management company if we were privatized	2.6	2.1
Management in solid waste industry is not very prepared for privatization	2.6	3.5
Management of our company does not like to try new ideas unless we are very certain they will work	2.4	2.5
Our managers believe that learning from our and our competitors' failures is an important part of developing our business	2.3	1.5
The current regulation for solid waste management is too rigid	2.2	2.4
Our customer are more concern about environment than before 5 years	2.1	1.8
Protection of the environment is the most important strategic direction of our business	2.0	1.5

- Mean responses - low scores reflect higher level of agreement.

## **DELIBERATIVE POLLING'S POTENTIAL FOR MACROMARKETING RESEARCHERS**

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### **ABSTRACT**

The Deliberative Poll, a cross between Athenian democracy and political polling, has been used in recent years to better understand what society's fully-informed preferences would be if citizens had rich information and had the opportunity to engage each other in lively discussion about societal issues (Fishkin, 1997). Last year, this new public policy research tool was employed to investigate macro-issues in Texas, as investor-owned electrical utilities assessed the preferences of utility ratepayers regarding deregulation and environmentally-friendly power. This study evaluates Deliberative Polling's potential for the macro-marketing research community.

Fishkin, James S. (1997). *The Voice of the People: Public Opinion and Democracy*, New Haven, CT: Yale University Press.

## MACROMARKETING AS KVETCH

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inquiring minds running around seeking truth in the area of some particular phenomena. With the protection of academic freedom and a sufficiently large number of public forums and journals, even unpopular and extreme views of truth at least get on the table. Once on the table it is the task of both the advocates and other truth-seekers to disprove the proposition being advanced.

One could argue, as I suspect some of you will, that the picture I have just painted is badly flawed; that academics are like any other society. They have in-groups and out-groups. The in-groups have the power to control the channels of communications, to suppress unpopular ideas, and therefore to suppress the work, support, and advancement of those with radical ideas of truth and truth-seeking. Perhaps the way to resolve this difference in perceptions is to see if there are vehicles in the discipline that go out of their way to provide visibility to unpopular ideas of truth and truth-seeking. Has the discipline institutionalized a kvetch?

### **DOES MARKETING LACK FOR AND NEED A KVETCH?**

In order to answer the question of whether a discipline has institutionalized a kvetch, we need to be specific about the discipline. That brings me to the second question concerning whether marketing lacks for a kvetch. To be short and to the point, my answer to that is no more than a qualified maybe. I want to offer three reasons for this quick answer.

One reason is the multidisciplinary nature of our discipline. We are, in great measure, borrowers. We pick up bits of theory from the behavioral sciences, from biology, from economics and then apply borrowed techniques from mathematics, statistics, psychology to test our theories. The result is that we welcome approaches to truth seeking that are new and foreign to us. When such a foreign theory or methodology appears to have promise, we teach it to our graduate students. They, in turn, attempt to push the ideas farther and form interest groups who organize meetings and present papers. These interest groups then start journals. And all of this is in a nontraditional area of research. On the other hand, if the new approach does not advance the science, it falls out of favor and is no longer used in research.

The second reason is the nature of funding in marketing. With little support from government research bureaucracies such as the National Science Foundation, marketing research funding comes from such a broad spectrum of sources that it does not appear, to this observer, that the money tap imposes an oppressive restriction on the sharing of unpopular ideas.

The third reason is simply the heterogeneous nature of the discipline. Marketing has practitioners who are interested in advancing theory; we have scholars working worldwide in a diverse set of environments from developing countries to western industrial societies; marketing is taught in all types of tertiary educational institutions from community colleges and extension programs to executive programs and PhD programs. The kvetch is among us. Perhaps we are it.

### **HAS MACROMARKETING BECOME THE KVETCH OF MARKETING?**

This then brings me to the third question, i.e., the extent to which this subdiscipline of macromarketing acts as a kvetch for marketing. Now here it may be useful to split the kvetch role along two topic lines. The subject alluded to above concerns how we seek truth. Has or should macromarketing become a place where unpopular theories and methodologies have come to die? The second subject is, has or should macromarketing become the moral conscience of marketing? There is a link between these two; being the

**THE PURSUIT OF IMMORTALITY:  
BEYOND THE COMPETITIVENESS PARADIGM**

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**and**

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Then came the severe competition from the Japanese and the Newly Industrialized countries. Hence in the 1980's the emphasis shifted to Competitive Advantage and offering better value to the customer than what the competitors could offer. Mergers, acquisition and takeovers to gain size advantage also became fashionable. This is evident from the following definitions. According to Kenichi Ohme(1982) the job of a strategist is to achieve superior performance, relative to competition, in the key factors for success of business. Porter (1985) defines strategy as a central vehicle for achieving competitive advantage. He defines competitive strategy as the search for a favorable competitive position in an industry, the fundamental arena in which competition occurs. Competitive strategy aims to establish a profitable and sustainable position against the forces that determine competitive advantage.

In the 90's the trend turned more complex with companies facing unprecedented uncertainties. Global competition, stunning technological breakthroughs, deregulation, shifting consumer tastes and volatile foreign exchange markets have made the life of the planners miserable. Before the ink dries on a long term plan document, the rules of the game change. Hence the shift from matching the capability to opportunities or coping ability (copability – Xavier 1995) in a turbulent environment. Day (1990) calls this adaptive planning. In the era of globalization, individual companies do not possess all the skills and technology required to exploit the global market. Again as a coping mechanism companies are shifting in the direction of strategic alliances and joint ventures to compete on a global scale. There is thus a clear shift from direct competition to collaboration.

In the last decade of this century both corporate strategy and marketing strategy thinkers as well as consultants are rediscovering the need to “reshape the industry”. Authors such as Hamel and Prahalad (1995) have since extolled the virtues of having the necessary industry foresight to alter the shape and definition of the industry itself. In other words, changing the rules of the game and therefore playing a different game has become one of the significant ways of carrying on business successfully. Bookshops that considered other booksellers as their competitors must be at a loss to understand the new phenomenon of Amazon.com. Benetton, Levi's and National Bicycle are often quoted as case studies of flexible manufacturing and logistics, changing the very meaning of competing, via “mass customization”.

While inter-firm competition as we know it is not prevalent any more, the intra-firm competition has also been severely restricted. Business Process reengineering (Michael Hammer 1993) and the TQM techniques have enabled companies to shift the attention from functions to processes thereby eliminating inter-functional conflicts. As the need for coping with environmental turbulence is very high, companies have to become learning organizations (Peter Senge 1990, Chris Argyris 1978). In times of drastic change, it is the learners who will inherit the future. Every business in some sense must become a knowledge-based business. This is possible only when the hierarchies are broken down and every employee is seen as a thinker in addition to being a doer. Consequently the command-control model is getting replaced by horizontal and non-hierarchical models.

Ghoshal and Bartlett (1998) suggest a new model of an individualized corporation based on a more liberating set of assumptions about human capability and individual motivation. They suggest that we go beyond the inverted pyramid structure to an integrated network of entrepreneurial activities. The primary task of the management lies in releasing the entrepreneurial hostages on the frontline organization and transforming middle and senior level managers into developmental coaches. Ultimately the organization should stretch the individual entrepreneurs to become the best they can be and to create an open, trusting and collaborative environment that facilitates boundaryless behavior. When the boundaries between levels and ranks of people are made more permeable, position becomes less relevant than competence.

month, to coincide with the Queen's birthday. The sculptor politely declined the King's request stating that he still had a lot of work to be done at the back of the temple, facing the hill. The King retorted that no one was going to climb the hill to see the back of the temple, whereupon the sculptor replied that the Gods and angels would. He was building "a temple fit for the Gods", not just the human king.

We are not suggesting a mindless romanticizing of the past. Not everything made in the past was of excellent quality. Nor do we say that there were no comparisons or conflicts. The tragedy of our times is that in embracing the competitive spirit, we seem to have lost the pride in craftsmanship and the pursuit of quality workmanship as an end in itself - the value of a job well done for its own sake. How can we get that back into our corporations?

#### **FROM EXCELLENCE TO IMMORTALITY:**

Basically, all those people who have left their indelible mark on the human race, did not do so to prove a point to their competitors. Excellence in a competitive environment points to doing better than the competition and doing more of the same thing. If it has to make a difference to the human race, then it has to be something more than the excellence as defined for a competitive environment, something more fundamental than excelling a rival. The ancients, nonetheless, were people who primarily did not have a mass mentality. They made full use of their individuality and their originality -- unpolluted by the world's views. They were driven to create their masterpieces more by a desire to leave behind something beyond Time, i.e. immortal.

Ours has been referred to as "Me/mine" generation. Most people get so very entangled in the bondage of the family and work that they get a feeling of helplessness in terms of understanding the true meaning of their coming to this world. A few people manage to free themselves from the bondage and progress further to making a contribution to the society. It is this fundamental desire to overcome the fear of death and a spiritual journey towards immortality that really brings out the best in the people. In this case you have no competitive benchmarks; but an inner drive to leave an indelible mark on everything that you do.

#### **VISIONARY TO DIVINERY:**

We call a person a visionary if he is able to think and plan far ahead of his fellowmen and achieve something significant to a wider community over a period of time. This time frame is limited to four or five years for a politician. It extends to 10 or 15 years in the case of business leaders. These are people seeking their rewards in their current birth itself. The people who are working for attaining immortality do not have a limited time frame. They are aiming at the generations to come to appreciate their work. For such people, we propose the term divineries. They have divine qualities and they build eternal beauty into whatever they create.

Who can be a divinery? Any one can become a divinery provided he is able to free himself of the bondages of this world and enjoy doing anything that he does. It is an accepted fact that the quality of workmanship that we had in gold ornaments or household utensils in the past cannot be found to-day. The reason is that the artisans of the earlier era considered themselves as creators and not appendages to a manufacturing process. The goldsmith, ironsmith and the carpenter in India are known as *viswakarmas*, meaning creators of the universe. Extending the same notion, the potters, weavers and the cobblers are also creators. So too pets, artists and architects. The craftsman seeks



be checked. What is at stake is the future of our civilization, which is currently witnessing crass materialism and escalating violence. This can be checked only by organizational goodness through complementary advantage.

We are not saying that competition should be eliminated totally. All that we are saying is that competition is for lesser mortals. It only helps one to benchmark against other people who have achieved a certain level of success and work towards attaining the same level of success or surpassing it marginally. Therefore, for break-through innovations, you need a different set of parameters. If you are already on top of the world in your chosen field, you have no benchmarks to surpass. Then the motivation has to be something more divine in nature leading to attainment of immortality. Sergi Babuka may have used a competitive model to get his first Olympic gold. His subsequent exploits were aimed at only bettering his own record.

We are living in the information age that offers immense opportunities for companies to exploit the latent potential of individual employees by allowing them scope for the expression of their individuality. After all, every individual wants to leave something behind and attain immortality. What we recommend is that companies imbibe pre-industrial society value systems that allowed the free expression of divinity instincts in individuals in the form of arts and crafts and at the same time maintain focus and coordination through the use of information technology. Additionally, companies should get out of the rat race and concentrate on setting their own standards rather than frittering away their energy in outsmarting competition. In the ultimate analysis, we need to make this world a better place to live in and not just a battleground for competition.

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**SANTA CLAUS DOES MORE THAN DELIVER TOYS:  
ADVERTISING'S COMMERCIALIZATION OF COLLECTIVE MEMORY**

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credit for the present-day image still remains. The shaping of collective memories and images has been a subject of interest for several decades in the sociology literature. This literature describes the role of media in shaping collective memory (e.g., Beamish, Molotch, and Flacks 1995), yet to date, lacks the proposition that marketing, principally advertising, influences collective memory. The literature in marketing and consumer behavior has begun to address this issue within the context of how marketing processes help to create cultural meaning (e.g., McCracken 1986; Sherry 1986; Tharp and Scott 1990); however, this work is principally concerned with the cultural meaning of objects and, like the sociology literature, does not specifically address how advertising shapes cultural memories of images. Another related area developing in this body of literature concerns the use of nostalgic or retro images in advertising and consumption preferences (e.g., Baker and Kennedy 1994; Baumgartner, Holak and Havlena 1992; Holbrook 1993; Sujana, and Bettman 1992; Stern 1992); however, though Baker and Kennedy (1994) do introduce the idea of "collective nostalgia," most of this work focuses on how individuals remember the past, versus how cohorts, and at the broader level culture, remember and interpret the past to frame the present and use the present to interpret the past.

The intent of this paper is to explore the role that advertising plays in creating collective memory and uses the image of Santa Claus as a context for analysis and discussion. In doing so, we hope to enhance our knowledge of how the diffusion of advertising images impacts collective memories and, thus, cultural meaning. The paper begins by discussing the literature on collective memory and presenting several applications of collective memory "in action." Following a description of the progression of Santa folklore and image, Sundblom and Coca-Cola's impact on collective memory is explored. The paper concludes with a discussion of how advertising creates cultural meaning through collective memories.

### COLLECTIVE MEMORY

The study of collective memory explores how societies remember the past, a past that is shared and retained by members in the group (Halbwachs 1950/1980; Schuman and Scott 1989). Through social means, people collectively remember the same event (albeit sometimes in a different way), and discussions of such memories outlive their creators (Radley 1989). Because these memories are collective, they are likely to have more malleability than those held by an individual (i.e., autobiographical memories; Belk 1991). That is, social memories are held together by a means of discourse, but they are allowed to change and develop as our needs for the memories change. The function of these memories of the past is to provide a society with continuity over time (Schwartz 1991a).

The majority of the literature on collective memory has developed along two theoretical lines; one views the present as a frame of the past and the other views the past as a frame for the present. The former "sees the past as a social construction shaped by the concerns and needs of the present" (Schwartz 1991a, p. 221). This school of thought is based primarily upon the work of Mead (1929), who argues that the past is remembered in terms of the context of today, and Halbwach (1941), who similarly contends, "collective memory is essentially a reconstruction of the past that adapts the image of ancient facts to the beliefs and spiritual needs of the present" (p. 7). That is, society remembers the past according to present concerns and collective memory is a continuous and fluid social construction.

The second theory on collective memory views the past as that which "shapes our understanding of the present" (Schwartz 1991a, p. 221), as society's past lingers to

Schwartz demonstrates, images are used to create and reflect the meaning of the person or event they represent.

Although examining nostalgia and not collective memory per se, Rosaldo (1989) argues that films portray racial dominance and subordination with elegance, which constructs the collective memory of imperialism as innocent and pure. Other research extends beyond film to suggest that that marketing and advertising has played a significant role in creating collective imagery. For example, sports marketing, through advertising and promotion, created the meaning behind Michael Jordan as a brand (Gates 1998).

Others have suggested that advertising and promotion constructed society's collective image of the Southwest. In 1895, The Fred Harvey Company and the Santa Fe Railway were looking for advertising and promotion to give life to their businesses. The Santa Fe Railway commissioned artists who created images of the Southwest used for advertising via paintings, brochures, postcards, calendars, and books. The Fred Harvey Company built hotels, which collected the arts and crafts of the natives in the Southwest, and were promoted accordingly. Weigle and Babcock (1996), argue that the intentional construction of the Southwest was a synthesis of art and commerce for corporate image making that produced discourse about the region and its indigenous habitants. Howard and Pardue (1996) similarly propose that the Southwest was invented by The Fred Harvey Company and Santa Fe Railway. They attribute the growth of the tourist industry in the Southwest to the creation of an image by the sustained promotions, advertising, publications, guided tours, world's fair exhibits, and memorabilia distributed by The Fred Harvey Company. Society's image of the Southwest was developed, shaped, and brought forth by the symbiotic promotion of railway and tourism (Howard and Pardue 1998, p. 134). Other examples of commercial collective memories include Disney's reconstruction of Pinocchio (Collodi 1969) and Montgomery Ward's creation of Rudolph the Red-Nosed Reindeer (Schmidt 1995; von Hoffman 1998).

In the consumer literature, O'Guinn and Shrum (1997) have investigated the impact of television programs on social perceptions and found that television significantly impacts social perceptions of what others have and how others live. In addition, other consumer research studies have examined, at the very least, how marketing processes are impacted by collective memories. For example, Holbrook and Schindler (1989) found preferences for music throughout life are acquired around age twenty-three, a finding which they suggest is a result of social pressure from peer groups during that time in their lives. Similarly, Belk et al. (1991) found that adult collectors of antique automobiles prefer models that were popular during their high school years, and that the collectible cars imbue meaning from the past into the present.

The all-encompassing theory of collective memory would suggest that when advertisements fail to resonate in the consumer's mind, the images will be rejected. This is consistent with what Ong (1977) suggests about television images, when he notes that, though television differs from objective reality, it can not differ markedly from that reality. To demonstrate the effects of images that fail to resonate, an example of a Nissan Motors' campaign is provided. One Nissan campaign featured the company's founder, Yutaka Katayama, and related images of the past to Nissan with the slogan "Life is a journey; Enjoy the ride." In particular, one advertisement uses a young boy playing baseball who ends up admiring a 1972 Datsun in Yutaka Katayama's garage in an attempt to conjure up a memorable image of Nissan (originally Datsun). Nissan's campaign was viewed as "an ambitious attempt to begin cultivating a memorable brand personality, brand heritage and brand meaning for a brand that hasn't been one since it was called Datsun" (Garfield 1996, p. 56). That is, as the critics contend, collective

Claus to the North American mainland. Hudson, who was exploring America for the Dutch, founded the city of Manahatta in New England. The townspeople of Manahattá erected a statue of Saint Nicholas in the town-square in thanks for their safe passage. Most New Englanders, including the Pilgrims and Puritans, refused to recognize the "frivolous" holiday of Christmas and thus, too, Saint Nicholas. The Massachusetts legislature in 1651 even passed an act declaring a fine imposed on those citizens found celebrating Christmas. Thirty years later, the act was rescinded, but many New Englanders still failed to recognize Christmas in any form except religious ceremonies. Because of this prevailing attitude towards the holiday, few documents and records exist on the iconography of Saint Nicholas in America from 1609 through the 1700s (Jones 1976).

In the early nineteenth century, Saint Nicholas was beginning to assume the role of an American cultural fixture (Curtis 1995; Jones 1976). Washington Irving had published *Knickerbocker's History* in 1812 which described Nicholas as flying over the tops of trees in a wagon and in 1821 William Gilley wrote a poem which described Santa in a sleigh pulled by one reindeer (Charles and Taylor 1992). Then, on December 23, 1823, Clement Moore's "An Account of a Visit from Saint Nicholas," commonly known as "Twas the Night Before Christmas," was published anonymously in New York's *Troy Sentinel* (Charles and Taylor 1992). The poem, describing Saint Nicholas as "a little old driver, so lively and quick," dressed in fur from his head to his foot," with "twinkling" eyes, "merry" dimples, "rosy" cheeks, and a nose like a "cherry." He also said that his beard was "as white as snow," "chubby and plump, and a right jolly old elf." He smoked a pipe, carried a bag full of toys on his miniature sleigh pulled by eight tiny reindeer, and delivered the toys by sliding down the chimney (Moore 1822, reprinted in Charles and Taylor 1992). This poem placed a vivid image of St. Nick in American thought (Figure 3).

The earliest known American painting of Santa Claus is that of Robert Walter (1837), who also portrayed Santa as elf-like, with a short, thin body wearing a cape and boots. One of Santa's biggest image reconstructions in American culture occurred around 1862 when Thomas Nast, a political cartoonist, was Santa's "champion" in *Harper's Weekly* (Jones 1976). In his paintings, Nast depicted Santa Claus as a busy man rushing from rooftop to rooftop and, in his most famous painting, decorating a tree and making toys (Gopnik 1997). To create his image, Nast borrowed memories from images of Pelze-Nicol he brought from his birthplace of Landau in Germany. Pelze-Nicol was a skinny, saintly man who brought candy to good children and coal to bad ones (Gopnik 1997). Nast's images, which also drew upon Moore's description (Charles and Taylor 1992), portrayed Santa as a short, round man-like gnome, with a white beard and smoking a pipe (e.g., Figure 4). His suits varied in texture and print, some had stars and stripes while some were plain, but usually he wore a thick belt with a buckle. His hat and shoes also underwent alterations, and varied with each of Nast's depictions. Nast drew in black and white, but stated that he envisioned Santa's suit being made of tan fur. However, Santa emerged dressed in a red suit when Nast was solicited to illustrate *Santa Claus and His Works* because the brown color was considered too drab (Jones 1976). In addition, Nast was probably the first to expand the legend to Santa making toys; however, Nast never settled on a consistent size for Santa (Charles and Taylor 1992).

After Nast's death in 1902, Santa no longer had a consistent image, but he was popular and appeared everywhere including magazines, children's books, tree ornaments, and street corners collecting money for charity (Charles and Taylor 1992). His size, shape, clothing, and facial appearance differed according to the artist (Jones 1976). Santa was depicted in numerous ways: tall or short, round or thin, wearing suits either red, blue, yellow, green, or purple (Charles and Taylor 1992), adorned in a long

coincidence that he wore, and still wears, the corporate colors (Pendergrast 1993). Thus, Coca-Cola's advertising assisted in creating and altering collective memory and took advantage of a well-known iconography to manipulate and establish a strong brand image in consumers' minds.

The reconstruction of Santa Claus not only argues in favor of advertising's contribution to collective memory, but also supports the validity of a single, all-encompassing theory of collective memory. The concept of Santa Claus and its history, dating from his birth in 270 A. D., restricted how Sundblom framed his depiction within Coca-Cola's campaigns. Coca-Cola reconstructed Santa by altering his image to meet the company's marketing needs. Society saw the "new" Santa as a friendly, jolly-looking, common man, going about his work, and enjoying the consumption of Coke, thus associating holiday cheer with the beverage and establishing an icon in American thought. Coca-Cola used Santa as the "ultimate" spokesperson because everyone from children to adults identifies with such a prominent cultural icon.

By choosing Santa as their spokesperson, Coca-Cola transferred the meaning of the cultural environment to their soft drink. The transfer of meaning from the celebrity, in this case Santa Claus, to the product, depended upon the effectiveness of the celebrity and the previous meanings (i.e., collective memories) associated with that celebrity (McCracken 1989). If Santa had not been consistent with collective memories (i.e., resonated) and the product being sold, then he would have been an ineffective spokesperson for the product.

Many sources outside the company have credited Coca-Cola's advertising campaign with molding the American image of Santa Claus into the consistent picture of modern day Saint Nick, as illustrated in the following:

The company's Santa campaign was one of its most remarkable, for it shaped and finally fixed the nation's perception of Santa out of an otherwise vague legend of Saint Nicholas (Louis and Yazijian 1980, p. 97).

While Coca-Cola has had a subtle, pervasive influence on our culture, it has directly shaped the way we think of Santa (Pendergrast 1993, p. 181).

For two generations of Americans, and for millions upon millions all over the world, it is Sundblom's Santa who is the real Santa Claus, whose face, despite changing tastes and electronic times, radiates the true spirit of Christmas (Jones 1976, p. 110).

Our collective national picture of Santa Claus, for instance, is the creation of a commercial artist named Haddon Sundblom. Starting in 1931, he gave us each Christmas for almost forty years -- on behalf of the Coca-Cola Company -- a different version of what is now the standardized image of St. Nick (von Hoffman, 1998).

In addition to the collective memory of society, the campaign has impacted the collective memory of the company. The corporate consciousness of Coca-Cola firmly believes that the modern Santa Claus was created by the company in the 1930s as demonstrated in the following quotes by Phillip F. Mooney, the Archivist for Coca-Cola Company.

extends beyond a product to the point of actually influencing consumer behavior (and collective memory).

Marketing institutions, along with other cultural institutions (e.g., family, religion, education), contribute to the cultural meaning of material objects (McCracken 1986; Sherry 1986; Sharp and Scott 1990). The cultural meaning is derived from a process of interaction between cultural institutions, material objects, and consumers (McCracken 1986). The more marketers interact with other cultural institutions, the more complex the meaning of the object becomes as layers upon layers of meaning are added to it (Sharp and Scott 1990). As a result, attributing the present meaning to any one source is difficult, because in reality what we see is that meaning is changed as institutions and subcultures interact over time with the object.

We would argue that the same processes that contribute to the cultural meaning of objects, contribute to the cultural meaning of images, in this instance Santa Claus. As McCracken (1986, p. 75) suggests, it "is chiefly the visual aspect of an advertisement that conjoins the world and the object when a meaning transfer is sought." This is likely true because of the nature of collective memories, which would be formulated through shared images. Thus, society's collective memory of Santa Claus reflects the dynamic and interactive process of advertising, which has mass-produced, transformed, and maintained the image. When coupled with the additional representations of Santa in the popular press, as a person in costume, as a character in the movies, and as a source of inspiration in music, we see layers added to the meaning.

Ewen (1988) suggests that what appropriates an image into the "style market", or gives it cultural meaning, is that the image can (1) be separated from its source, (2) be mass-produced, and (3) become merchandise. The company has used the Sundblom Santa not only for beverage packaging purposes, but also for introducing new products including greeting cards and wrapping paper. A recent *Coca-Cola Collector's Catalog* (1997) offered, for example, playing cards (\$24), figurines (\$39-69), ornaments (\$13), bottles (\$349), and holiday china (\$79 for a set of four, 5-piece place settings), all displaying the Sundblom Santa image. In addition, in the secondary market, collectors desire antique cardboard display pieces, which *Petretti's Coca-Cola Price Guide Price Guide* values up to \$4,000 in mint condition. Thus, the collective memory based on the Santa advertisements from the 1930s - 1960s have extended beyond their original purpose.

#### **CONSEQUENCES OF COMMERCIALIZING SANTA CLAUS THROUGH COLLECTIVE MEMORY**

This discussion would not be complete without examining the consequences, positive and negative, of the commercialization of Santa Claus through collective memory. Santa Claus has been used to sell everything from typewriters, to tobacco, to soft drinks as well as to cast a positive hue on department stores that hire him. This commercialization of Santa Claus seems to have positive consequences, according to one writer for *Good Housekeeping*.

As an adult, I'm no longer put off by Santa's commercialization. In fact, each time I run into another street-corner Santa, my heart is warmed. For it reminds me once again of the awesome power of this ancient symbol to evoke faith, hope...and love (Willis M. Rivinus 1986, p. 50).

Despite the joy that his exposure brings, there also may be detrimental effects to this mass exposure. For example, Belk (1993) suggests that society's constant exposure to Santa Claus has contributed to the making of materialism associated with Christmas.

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Notes:

Coca-Cola has a history of several other successful advertising campaigns that reinforce its brand image, achieve emotional bonding with consumers, and influence the cultural meaning of the product. For example, the popular music of the 70s reflected society's yearning for peace and security so Coca-Cola jumped on the "bandwagon" by modifying their "Real Thing" song into a folk ballad. Their song became popular about the time James Taylor's "You've Got a Friend" hit the charts. They also gathered 200 young adults from all over the world on a hill in Italy to sing "I'd like to teach the World to Sing" and offer a Coke to "keep it company" (Pendergrast 1993). Two decades later we have witnessed the impact of the event, as the 200 now middle-aged adults held a reunion and, once again, sang to the world.

**REFLECTIONS ON SIGNIFICATION, POWER AND RESISTANCE:  
A "HEGELIAN" READING OF MACRO-MARKETING TEXTS**

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consciousness and its object but two self-consciousnesses locked in a deadly struggle for recognition. Each seeks the death of the other (the negation of otherness), but this involves staking his own life. Hegel says that while an individual who has not risked his life may well be recognized as a person, it is only ultimately by staking one's life that freedom or the truth of this recognition (which is the respect of the other), is won (1807: section 187). However a struggle to death is literally self-defeating as death does away with consciousness (as its natural negation). As a result one of the adversaries submits to and is enthralled by the other who emerges as an independent consciousness with mastery over the other and over biological life, whose essential nature is to be for itself; the other becomes a slave whose essential nature is to be dependent, to be for another. Kojève (O'Neill, 1996) explains the outcome by describing the master as a man who went all the way in a fight for prestige, who risked his life in order to be recognized in his absolute superiority by another man. In preference to his real, natural, biological life, he preferred something ideal, spiritual and non-biological. By contrast through his fear of death, the slave reveals his dependence on nature.

In Hegel's account the situation progresses to a new stage of resolution by means of a dialectic process whereby the slave gradually comes to recognize his own subjectivity and ceases to become an object ego. This in turn means that the master has now gained the recognition (respect) of an equal. Hegel traces the outlines of this development from the time of the ancient Persians and Greeks to his own time, when he claimed that the struggle had ended at last with the creation of the nation state. However it is not this end result which interests us here, but rather the twists and turns of the tale and its often paradoxical and even perverse consequences for the relations between those who are masters and those who are slaves. Hegel's 'Lord-Bondsman' tale is itself opaque; however authors such as Kojève (O'Neill, 1996) have not only provided a more lucid account of the tale, but have also developed its further ramifications. For example in Hegel's tale the master does not really gain much as the outcome of the struggle as he risked his life for the recognition of an equal person but gains only that of a slave, which is a thing. So the master never succeeds in recognizing his end and can be satisfied only by death. On the other hand it was fear of death that caused the slave to reveal his respect for nature and thus justified his dependence on the master who dominates nature. To Kojève the slave is superior to the master as by fearing death he has experienced the terror of nothingness; by grasping the knowledge that nothingness lies at the centre of his being, the slave understands himself better than the master does.

### **IMPLICATIONS FOR THE STUDY OF CONSUMER CULTURE**

What are the implications of Hegel's story for the study of consumer culture? These are considered in more detail in later sections of this paper. The tale may be used to refer to any approach which constructs a binary opposition; for example the perverse relations between mainstream culture (master) and counter-culture (slave). The outcome of the struggle for recognition may be described as perverse in that the master who has risked his life to gain the recognition of an equal must make do with that of a slave; in turn the slave craves recognition from the master. One would thus expect the desire for recognition to play a key mediating role in the relations between "consumer" culture and other cultural discourses.

As the outcome of the struggle, both slave and master are differentially located in ambivalent positions with respect to nature. The slave's dominated nature is close to that nature which the master has superceded. As they are now outside the boundaries of the 'self', both the slave and nature pose a threat to the identity of the master and can thus become the source of a persecutory anxiety for him. Brennan (1993: 42) describes how

Indeed, the adoption of the principles of voluntary material self-restraint while under the axe of necessity - be it economic, ecological, medical, or even catastrophic necessity such as that caused by natural disaster, war or genocide- is the most powerful display of the role of consumption in freedom or morality. In any situation, the given, expected, predicted conditions are the norm, no matter how harsh or impoverished that norm might be, and voluntary simplicity is the decision to consume less than the norm allows. (1996: 172)

Voluntary simplicity is thus posed as an individual moral and aesthetic choice to take up less space, by consuming less. Contemporary forms of voluntary simplicity counter "culture" to the extent that the value of "less is more" flies in the face of the consumer norm that "more is less" (as invoked by popular slogans such as "buy more spend less."). However it is not counter-cultural to the extent that voluntary simplicity does not offer a form of transcendence or transvaluation of contemporary consumer values but rather is the latest expression of a historically recurrent search for the immutable. Voluntary simplicity is depicted as a positive response by those who have recognised that their investment of psychic energy into material consumption has enslaved them and now stands apart from them as an alienating force which separates them from the truly important things in life. However Rudmin & Kilbourne distinguish these "voluntary" simplifiers from "involuntary" simplifiers. They note peasants and others who *have no choice* but to live in grinding poverty and, who have not had a chance to respond to that unique form of alienation. The latter accompanies the intensification of capitalist production and accumulation, which is a characteristic of the comfortable affluent majorities who live in Westernised societies. The idea of "voluntary simplicity" is rendered meaningless in the context of those on whom simplicity is imposed. They are literally tied to the land and who crave independence from the drudgery of working on nature; who seek an end from their social exclusion and who crave recognition by means of inclusion into the global consumer society. Rudmin and Kilbourne develop Elgin's (1981) model to suggest that there would have to be a process of transition from such involuntary simplicity to involuntary complexity before the possibility of a further shift to voluntary simplicity could be envisaged; (-V+S)-(-V-S)-(+V+S).

The voluntary simplifier is in the position of the "master" in that s/he is *free to move*. As Rudmin & Kilbourne suggest, this leads to the accusation that voluntary simplifiers are merely playing at poverty. However as the authors also point out, this can be a dangerous form of play as it can transform them from active citizens into "involuntary simple" subjects, which the authors feel "seems fine when one is seated on the Mount at the feet of Jesus, but it is a questionable exchange in the context of political economy" (ibid.: 200). Rudmin & Kilbourne note that there is a difficulty when it comes to distinguishing between voluntary and involuntary simplicity at the level of practice. For example both conditions may involve tending crops. To the observer, both are engaged in the same activity, gardening or farming; and in fact the concepts "gardening" and "farming" are the day to day concepts which frame our understanding of these activities. However these same activities can be represented in different ways. To quote from Elgin:

Poverty is repressive, simplicity is liberating. Poverty generates a sense of helplessness, passivity and despair; simplicity fosters personal empowerment, creativity, and a sense of ever present opportunity. Poverty is mean and degrading to the human spirit; simplicity has both beauty and a functional integrity that elevates our lives (1981: 34).

This representation (of Western vs. Third World) creates severe difficulties for the people's characterized as peripheral. For example when working in Trinidad, I found many instances where the difficulty people experienced with consumer goods was not their inability to purchase them, but their inability to respect either their own local productions or local consumption. (1996: 157)

Miller goes on to provide an explanation for one Trinidadian's obsessive purchases of blue jeans; - he had 25 pairs in all:

It became clear that underlying this obsessive purchasing was the sense that although he could buy them, he could never feel a sense of possession. As long as commodities are seen as authentically American, his wearing of them seemed inauthentic.

Miller considers that Trinadadians would detect in the "self-critique" of consumer culture provided by Joy and Wallendorf, "a smokescreen designed to justify a continued imbalance in goods. They would see it as the castle of consumerism pulling up the drawbridge" (1996: 197). He suggests further that Trinadadians do not see that "asceticism" that would suggest that First World consumers really do regret their consumption. - he suspects that all of the contributors to the volume (by Belk at al 1996) would be saying in their practices if not in their discourses that "we want more and better consumption".

The topic for Peñaloza and Price (1993) is consumer resistance. The authors consider two definitions of resistance, first the more traditional; "to withstand the force or effect of"; this is considered against the second; "the way individuals and groups practice a process of appropriation in response to structures of domination", influenced by Mark Poster's reading of Michel de Certau. Within this view resistance should not be looked for so much at a strategic level (outright rejection or alteration of the policies of those in power) but at a tactical level, in the quotidian practices of everyday signification which are grounded in a system of signification which is different to that which they have no choice but to accept.. The authors suggest that resistance comes from two sources; those who resist to get outside the marketing system and those who resist to be included in the marketing system. This later group includes African, Hispanic and Asian Americans who are rendered invisible by the strategic marketing discourses such as advertising. Finally they suggest that the rise of simulation, as evidenced by the creation of the hyper-real, is leading marketers to confuse reality with its representation and so "present ready material spurring consumer resistance."

## DISCUSSION

Despite the diversity of the texts surveyed, they share certain key features, which can be illuminated by the Hegelian tale described earlier. Each paper constructs (and to an extent problematizes) one or more sets of binary opposition; (simplicity/ complexity, nature/ culture; authentic/ inauthentic; Third World/ First World; consumer resisters/ marketers). On the one hand the distinctions themselves are useful as they reflect those employed by actors in the world, who describe their own actions in terms of "simplifying", "authentic" and "resistance". On the other hand several authors point out that these distinctions are idealizations or forms of totalization which cannot hold in the face of evidence to the contrary. For example both Joy and Wallendorf (1996) and Miller (1996) equally hold that capitalism is not a monstrous undertaking but a differentiated pattern of (perhaps monstrous) undertakings which are refracted in different ways through the lens

suggests that the assumption made by (Western) academics is that such objects are foreign. He thus suggests that this lack of recognition by academics constitutes a major difficulty: - "one of the key problems in academic writing is our failure to address an object such as a refrigerator as an authentic Indian object". Questions of recognition and invisibility are key to Miller's argument. Locally made consumer goods are not considered authentic, either by locals or, by those from the West. Locals do not recognize themselves in terms of their local production, which renders them invisible within the discourse of consumer culture. In consequence of this, Miller argues that there is a need to allow these people access to the world of consumer culture, so that they may find some sense of identity and belonging within it.

Miller also discusses the "local" view of "Westerners", suggests far from detecting the asceticism that would suggest that Westerners regret their consumption, Trinidadians would detect in Western practices (not writing) the desire for more and better consumption. Peñaloza and Price (1993) also use visual metaphors with respect to the lack of validating images of Afro and Hispanic Americans in advertising. As a result the authors argue they are rendered "invisible".

### INCORPORATION-RESISTANCE

The binary incorporation-resistance is also an important and controversial feature of the discourse. The notion of incorporation is usually discussed in relation to time. For example Peñaloza and Price (1993) do not solely discuss the resistances of those who seek entry to and exit from consumer culture, but also the incredible potential of consumer culture to absorb and incorporate otherness. [ ]. In Levi-Strauss' terms this is akin to labelling consumer culture as anthropophagic in its tendency to swallow up and devour other cultural forms (as opposed to anthropoemic cultures which tend to vomit out or reject other cultural forms). However two texts go beyond simple notions of incorporation to suggest that North American consumer culture sprang directly from the loins of Puritanism. Joy and Wallendorf (1996: 109) suggest that this involved a change in the signification of divine benevolence something which was perceived to be external and literally "God-given" to a form of pleasure whose source was internal. Rudmin and Kilbourne (1996: 197/8) discuss Shi's (1985) history of the early twentieth century which firmly locates the antecedents of modern marketing in voluntary simplicity. Ladies Home Journal, now the epitome of a marketing magazine, was in its time a prominent voice for the values of voluntary simplicity. Indeed the authors suggest that many of today's archetypes of the commercial rat-race started in pursuit of simplicity, including suburban homes and country clubs, cottages and crafts, quickly became the symbols of affluence. How did this come about? The authors quote from Shi (1985: 213) who suggests that just as the Protestant Ethic became reduced simply to the work ethic;

Likewise, simple living during the Progressive era was being used by some as a placebo to calm frayed nerves before plunging back into the maelstrom of metropolitan life and by others as a means of imposing Victorian moral standards on the rising millions. A movement ostensibly dedicated to pristine aesthetic and normative ideals thus ran the risk of being itself exploited and made to serve the status quo. (1996: 199; page 213, in Shi (1985).

To sum the arguments made by Joy & Wallendorf and Rudmin & Kilbourne, consumer culture does not swallow and digest alternative values whole; rather such values come gradually to be re-signified to provide meaning within new social and cultural milieux. In discussing the practical fact that there is little to distinguish the practice of the

and of sugar to sweeten their tea, led to the creation of a sugar industry which involved the forced transportation of slaves to newly established colonies (1996: 128). However Joy and Wallendorf argue that the construction of "A's" who dominate "B's" by political economists is itself an oversimplification.

In any case does the introduction of mass consumer goods from one culture "A", into another culture "B" necessarily a conscious form of exploitation? Is the purchase of mass consumer goods something which "B" would otherwise not engage in? According to Peñaloza & Price (1993) and Miller (1996) many "B"'s actively desire entry into the consumer culture, just as many "A's" desire an exit from it. As Joy and Wallendorf (1996: 117) themselves point out, political economy theories tend to render the periphery as being passive. In addition to this how might we detect the exercise of power of A over B? Rudmin and Kilbourne have pointed out that the same activity can be described differently as "gardening" or "tilling the soil" which implies that in order to gauge whether an act is an effect of the exercise of power, we must gauge not just behaviours, but their representation.

On the other hand Bacharach and Baratz's quite different conception of power as "non-decision-making" can be read into Miller's (1996) arguments. The idea of non-decision-making occurs where; "an A devotes his energies to creating or reinforcing social and political values and institutional practices that limit the scope of the political process to public consideration of only those issues which are comparatively innocuous to A" (Bacharach and Baratz, 1962: 948). For example Miller (1996) describes how Trinidadians would detect in the "self-critique" of consumer culture provided by Joy and Wallendorf, "a smokescreen designed to justify a continued imbalance in goods. They would see it as the castle of consumerism pulling up the drawbridge." (1996: 197). In this respect Miller seems to be arguing that the dominant values of the consumerist critique (which emphasize centre-periphery arguments) tend to reinforce vested interests which perpetuate centre-periphery thinking and exclude "Third Worlders" such as Trinidadians from participation in the fruits of their production. The above quotation by Miller seems to indicate that Trinidadians can "recognize" what their real interests are, that there is a need to restore the "imbalance" in consumer goods. However by suggesting that they buy into a set of values which privilege the centre over the periphery and also in saying that they do not recognize themselves in the fruits of their production, Miller also seems to be suggesting that they mis-recognize their "real" interests. This latter interpretation is closer to Lukes (1974) radical theory of power than that advanced by Bachrach and Baratz. There is thus a sense where Miller does not resolve the relation of signification, recognition, interests and power.

While Peñaloza and Price (1993) do not specifically refer to power in their paper, they highlight the tactical aspect of consumer resistance against the strategic power of rational marketing discourse. Power and resistance are both tied to signification; from the power of the advertiser to frame the discourse, to that of the consumer to disrupt it.

Rudmin & Kilbourne's (1996: 206) discussion of voluntary simplicity provides a different aspect to a discussion of power in that the simplifier buys into a discourse which offers inner immaterial satisfaction but which necessitates a move from citizenship to subject status. They argue that voluntary simplicity is disempowering from political, economic, practical and psychological perspectives. The authors argue later that voluntary simplicity has a violent edge to it, whereby simplifiers can coerce their dependants and can seek to punish or even kill, materialists. According to this view the simplifier loses access to power, (which can only be exercised by independent beings) and resort instead to acts of violence.

accompanying pain. However the simplifier is not simply resisting complexity, but is also actively striving towards authenticity and reconciliation with nature. So resistance is simultaneously an act of repulsion/ attraction.

Where does this leave de Certeau's idea (1984) of tactical resistance as discussed by Peñaloza and Price (1993)? This idea of resistance as appropriation does not square with the idea of attraction/ repulsion. There is also a difference with respect to consciousness and agency. The simplifier, No Shop Day protestor and Media Foundation activist are all assumed to be conscious of what they are doing and to be acting with a degree of agency. On the other hand de Certeau's tactical resistance relates to people doing what people inevitably do, which is to signify the world in the only way they know how. It is by means of these everyday signifiatory processes that de Certeau argues grand strategies are undone. Pierre Bourdieu (1984) makes a point which we feel is highly significant in this regard when he asks whether it is resistance when the dominated affirm that which marks them out to be vulgar to others? For example McKay (1996: 66) describes the majority culture's distaste for New Age Travellers and how dirt became a "signifier of difference, of outsidership for travellers and other marginal groups". Raising a similar point with respect to those resisters who according to Peñaloza and Price (1993) wish to gain access to consumer society, Bourdieu asks is it submission when the dominated try to appropriate the norms of those who dominate?

Finally concepts of space and time are important with respect to consumer culture. The dominated and dominant exist in a spatial relation to one another at a particular point in time. Lefebvre's (1991) conceptualisation of space into the threefold material space/ representations of space/ spaces of representation may be useful in developing the spatial aspect. For example we have already mentioned how Rudmin and Kilbourne have likened the material practices of the voluntary simplifier and the peasant as being the same. What is different is the way in which this activity is represented (as dependency in "tilling" the soil or as freedom or "gardening") which is only loosely articulated to the material practice. These perceptions both feed into and feed from those spaces of representation, more global ideologies or means for representing the world which form spaces of representation.

## CONCLUSION

For most people Hegel is "about" the Marxist appropriation of the Hegelian dialectic. The reason we revisited the master-slave story was because we felt that its perverse effects relating to nature/culture, recognition/ invisibility, the authentic/ the ersatz, which link power and signification are a recurrent theme in much contemporary discourse about consumer culture. A review of articles on the topic of consumer culture confirms this hunch and suggests that the master-slave tale still provides a powerful explanation for the sense making of academics and their subjects. Some major implications flow from this review; for example what is meant by "consumer resistance" and how many different theories of "resistance" are there; how would it be possible to detect "resistance", if this is not so much a feature of behaviour but of signifiatory processes? The concept of resistance is of course linked to that of power. By focusing at the cultural level it is possible to develop theories of power which remove us from the notion that power is a resource which is exercised by individuals to a concept of power as an (imaginary as well as real) relation which is discursively produced. As perception is related to our point of view and as our point of view is different depending on what side of the binary we are on, anyone who is involved in discourse needs to be especially careful of the power relations which they inscribe into their discourse. Daniel Miller (1996) singles out Joy and Wallendorf on this point suggesting that they are themselves implicated in the same

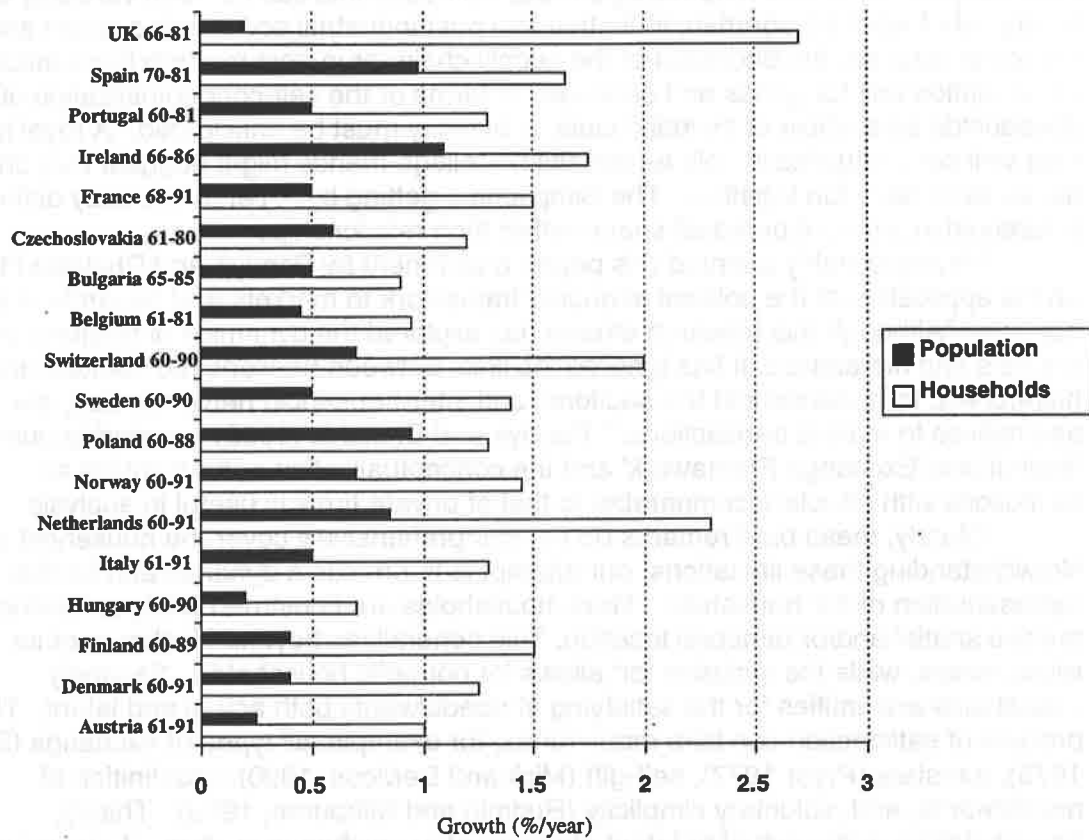


**THE HOLLYWOOD BUNGALOW**

**Nicholas Gould**  
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**University of Glamorgan Business School**

**FIGURE 1: ANNUAL AVERAGE GROWTH OF POPULATIONS AND NUMBERS OF HOUSEHOLDS IN EUROPE, 1960-1991**



Adapted from van Diepen (1998)

As part of a long-term project, we present the rudiments of our scheme for analyzing change in households. The emphasis is on macro-structure using a systems approach. In particular, households are viewed as exchange systems with a value-structure that has been progressively transformed due to the voracious appetite of contemporary marketing capitalism. That is, the downside of present-day social and economic formations are systems requirements, operationalized through the relentless promotion of market values.

As an institution of liberal democracy, marketing is required to justify its legitimacy (Habermas, 1976) in the face of questions regarding the total impact of its machinations. In attempting to assess this impact on households, the present work builds upon research on the general structure of exchange systems, with special reference to the exchange conditions that produce and maintain specific forms of market, hierarchy and network.

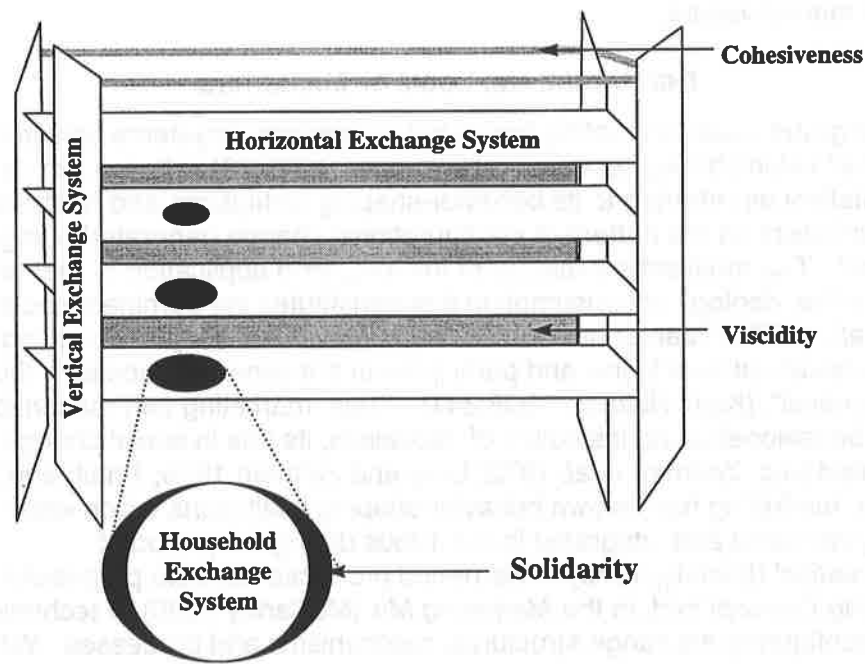
### ON HOUSEHOLDS

In recent decades, households and the sub-category of families have received considerable attention from social scientists, governments and voluntary agencies. Given the almost universal importance invested in the family throughout human history, post-war change in its status could substantiate the view that another “Great Transformation” (Polanyi, 1957) has been set in motion. Questions regarding the purpose of families lead naturally to discussion of how they, and households, can be conceptualized. The

system *cohesiveness*, for horizontal systems we find *viscosity*, while *solidarity* is the analogous concept within a system. Problems in one exchange system lead to lack of coordination between systems; for instance, currently in Russia lack of solidarity within the political exchange system has a de-stabilizing effect at other levels.

Patently, this is the briefest of sketches of a developing model. However, even at this stage, we believe that the model facilitates insights into the structural arrangements of advanced capitalism. Our contention is that marketing capitalism has shifted the dominant basis-for-exchange within households from socio-economic towards purely social with the effect of increasing inter-system cohesiveness and viscosity at the expense of decreasing solidarity within households.

**FIGURE 2: EXCHANGE SYSTEM CONSTRUCTION: GRAPHIC FOR HOUSEHOLDS**



### THE HOUSEHOLD AS ORGANIZATION

An advantage of viewing the household as a networked exchange system is the ability to re-frame constructs within the sphere of, say, organization theory or industrial marketing. Thus, role overload problems in families might be reinterpreted as the channel partners of workplace and household cooperating over the exchange of money and skills but in competition for the time of the worker/parent. "The distinctive powers of internal organization are impaired and transactional diseconomies are incurred as firm size and the degree of vertical integration are progressively extended, *organization form held constant*," (Williamson 1975:117). The implication for households which are large and self-sourcing, is a tendency towards dysfunction or breakdown (loss of organizational form). On the other hand, of households which out-source many of their functions, we may query the extent to which they have retained their core competencies: what do households do if they don't raise children, cook food, make clothes or do chores? The issue of extent of out-sourcing versus in-sourcing is thoroughly treated by Becker (1993). In addition to core competencies, resource capabilities and 'associationism' (Streeck and

unparalleled opportunities in terms of time and place for acquisition of goods and services, the cultural sanctioning of the right to consume endorsed by the perpetual carnival of promotional activity (Elliott and Ritson, 1997) and, the removal of the price barrier through expanded credit (Ison, 1979). Once set in motion, marketing's behavior-shaping consequences have proved difficult to limit, posing new system threats including the structural impact on the nation state (Ouchi 1980; Tilly 1992) and environmental degradation.

The pattern of configurational change set in motion by events in the 1950s has been a continuous process described in terms of the *marketization* of economies worldwide (Shultz et al., 1994). This patterned change is best characterized by two related phenomena: the transformation of production/consumption and the growing dominance of market value(s). Superficially, production and consumption are simple terms referring to stages in the economic process. That this simplicity is misleading was recognized by classical political economists in their struggles with 'productive consumption', 'consumptive production' and 'consumption proper' (Firat and Venkatesh, 1996). Further tracking the views of commentators indicates historical drift in our understanding of these concepts: from Marx's emphasis on mode of production through Veblen's 'conspicuous consumption' to today's 'sign-consumption' which can be considered the hall-mark of advanced capitalism (Baudrillard, 1983). That under postmodernism, consumption proper creates life-meanings (Cova, 1996) amidst general institutional alienation is well expressed by Miller (1995: 17): "The consumer society exists when, as in industrial societies today, most people have a minimal relationship to production and distribution such that consumption provides the only area left to us through which we might potentially forge a relationship with the world." These remarks could be continued to include, for instance, the form of the production/consumption nexus or the exchange processes involved in the social life of commodities (Appadurai 1986). However, what is most relevant to our consideration of the 'pattern of configurational change' is the fact that the relationship between production and consumption varies in time. When the dominant social paradigm is that of consumption, it is natural to inquire of the activities traditionally considered 'household production', such as the supply and maintenance of shelter, the collection and preparation of food, the making of clothes, and, entertainment provision.

The progressive disembedding of the social from the economic (Carrier 1995) is exemplified by eating behavior. Here the spectrum runs from food being produced and consumed collectively, through purchasing ingredients and cooking, to TV-dinners, and, eventually, to eating-out as routine. Clearly, positioning on this spectrum has a marked impact not only on household exchanges, but on the level of 'added-value' (Bivens and Volker, 1986) contributed by external institutions. The latter position (eating out as routine) is the one structurally favored by the capitalist system as a whole. As Firat and Dholakia (1977) forcibly suggest: "... the emergence of today's individual, capital-intensive, dominant consumption pattern which removes as much as technology permits, all productive consumption activities from non-capitalist forms - such as, production at home, production for self-consumption, active production not for market exchange, etc. - into the capitalist production medium, because this increases capital accumulation." (Firat and Dholakia, 1977: ). Far more fundamental than property rights or free markets, it is this core structural determinant of capital accumulation that draws substantive economic activity into the marketplace.

#### VALUES

The paraphernalia of marketing (e.g. retail parks, theme parks, call-free numbers, junk mail etc.), constantly remind us to partake in the "entire consumption experience"

## SOLIDARITY

In line with the systems approach we view 'survival' as a core aim (in normal circumstances) of organizations (Alderson, 1965). Solidarity has been selected as a key component in the sustainability of exchange systems since levels of solidarity correlate positively with chance of survival. Furthermore, with regard to the paradox in exchange theory concerning individual utility versus social solidarity, Macneil (1986) proposes that: "...no pattern of exchange merely enhances individual utility respecting the goods being exchanged, and *all* patterns of exchange accepted by all parties enhance social solidarity." That is, in the household exchange system, whether exchanges are reciprocal, redistributive or even market is not important. Rather, what counts is the extent to which exchanges occur. Given the nature of contemporary lifestyles, the question arises as to whether households or families have sufficient opportunity to establish a secure 'exchange platform' upon which to build solidarity. Bluntly stated, people who don't spend time together have no basis-for-exchange and, thus, zero solidarity (though neo-tribes [Bauman 1992; Maffesoli 1995] could be deemed to have *virtual* solidarity). The converse, however, does not hold. Just because people spend time together does not guarantee solidarity - Durkheim makes the important distinction between *mechanical* and *organic* solidarity.

Solidarity appears neither as an instrumental nor a terminal value in Rokeach's (1979) value survey. Indeed, solidarity is not easily classified as a value in the same way as ambition or happiness. If we accept the importance that people can attribute to simply being together exchanging inanities, then solidarity is more than a value, it exists as an existential principle. Thus, we conceptualize solidarity as a supra-value in which other values can be embedded. As such solidarity becomes a vital guide to the 'health status' of exchange systems and our task here is to demonstrate some tentative *cross-sections* of the solidarity hologram of households. In so doing we acknowledge that deeper cross-sections could be generated by extended application of social and production/consumption indicators, while further cross-sections could be produced by empirical research.

## Social Indicators

Hamburger's (1974) treatise established the importance of relating social indicators to marketing activity. In respect of solidarity, divorce rate presents itself as an obvious social indicator. Divorce represents the termination of a household, along with its exchange and value structures. The statistics outlined in Figure 3 indicate a decline in household solidarity. While accepting that for many people divorce represents freedom from an exchange system that failed to satisfy needs and wants, whilst subjugating them to the tyranny of mechanical solidarity, closer analysis reveals that this type of objection serves to confirm the claim that individual liberty is valued more highly than collective solidarity. Reviewing the literature on divorce is plainly beyond the scope of this paper. Yet, whatever the multitude of personal reasons for divorce, the structural context cannot be ignored, viz.: the core capitalist value of individualism intensely promoted by marketing; government welfare-to-work programs which signal the value-superiority of labor-in-the-marketplace as opposed to being in-the-home and; a decline in the value of redistributive exchange as measured by electoral reluctance to vote for tax increases. Hence, the linking of declining solidarity and increased divorce rate with the cultural and economic primacy of market exchange in marketing capitalism.

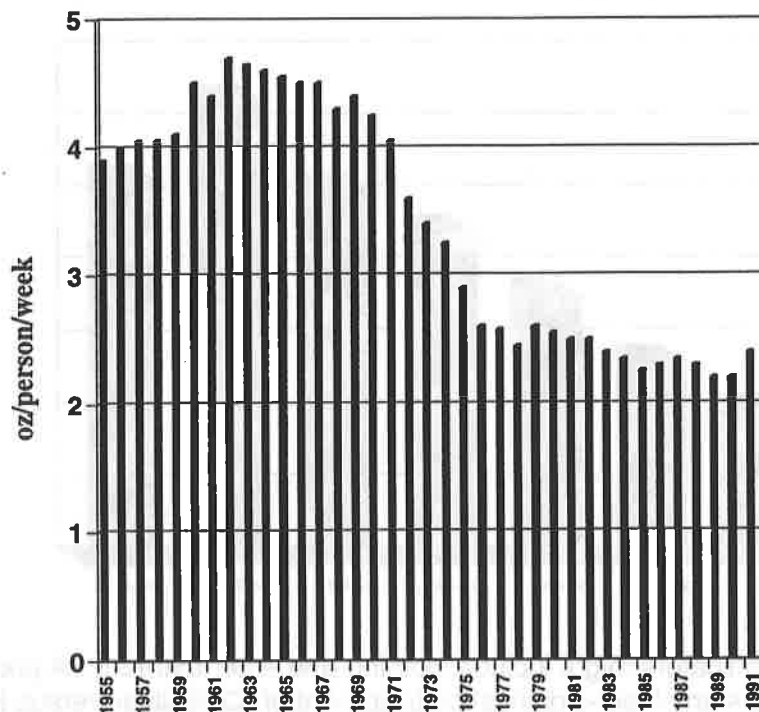
**TABLE 1: VALUE OF FREE FOOD AS A PERCENTAGE OF FOOD SPEND (SELECTED YEARS)**

1965	2.4	1977	2.9	1987	2.2	1995	0.9
1966	2.5	1978	2.7	1988	2.0	1996	1.0
1972	2.5	1984	2.1	1992	1.2		
1973	2.2	1985	2.5	1993	0.9		

Source: National Food Survey

Furthermore, the consumption of cake may be viewed as part of collective behavior, often with an element of ritual associated with cutting and sharing. The declining incidence of cake consumption and the rising consumption of frozen cakes as opposed to those produced using cake mixes are consistent with previous comments on the increase of market added-value in the food chain, comments further strengthened by a positive correlation between age of housewife and purchase of separate cake ingredients (Figures 4, 5 and 6). Furthermore, the steady decline of food consumption in the home over the last 20 years or so (UK National Food Survey, 1995) as a result of increased eating outside the home, and the increased reliance on convenience foods indicate less activity in households at the expense of solidarity.

**FIGURE 4: HOUSEHOLD CONSUMPTION OF CAKES (1955-1991)**



Source: MAFF cited in Buss 1993

behavior in a bar would be deemed collective/public/synergistic/active. But, along with other electronic devices like video games, the associated behaviors can often fall within the dominant consumption pattern.

**TABLE 2: PENETRATION OF TV OWNERSHIP IN UK (% OF ADULTS)**

	None	Main	Second	Third
<b>No. of TVs</b>	1.7	28.2	37.7	32.3
<b>Living Room/Lounge</b>		93.1	2.8	0.6
<b>Breakfast Room/Kitchen</b>		0.6	10.9	3.2
<b>Bedroom</b>		0.9	42.8	21.0
<b>Other</b>		0.5	5.9	3.8

Table 2 is taken from Keynote (1995) and suggests the possibility that in some households, watching television may not be a shared activity. As the historical trend has been for greater numbers of sets per household, the likelihood is an increase of solo/fragmented viewing with individuals exercising personal choice at the expense of solidarity.

### CONCLUSION

This research was motivated by an interest in whether or not marketing has contributed to the sum total of human happiness. Although the research described here represents an exploratory investigation only and thus no definitive judgment for or against marketing is possible, that marketing has contributed to large-scale post-war societal change is a fact largely confirmed. Marketing has both a contribution to make to and disadvantages for society but, with the dominant consumption pattern indicating alienation, passivity, privacy and individualism, there is cause for concern regarding society's general state of health. These concerns are most potently realized in the drift towards market exchange as the determinant of value and the gradual erosion of the traditional value-structure of households.

*A knife left a factory in the early 1900s as a 'commodity' with market exchange potential. My paternal grandmother purchased the knife and for many years it held 'use value' for her. After her death, the knife was gifted to me and my family. The knife's blade has now worn thin, its serrated edge has blunted and the handle is chipped and damaged; yet it remains in use. Its 'extrinsic exchange value' is minimal, though it still retains the possibility for exchange should a valuable provenance emerge. For us the knife possesses high 'symbolic value' and signifies multiplicatively. Questions such as: 'Why can't we get a new knife?' lead to me talking about my grandmother and our relationship; one I have always valued. In a way the knife has come to signify the fondness of that relationship, an important fact that I wish to communicate to our children. Moreover, the knife signifies 'redistributive exchange'; the cutting of the whole so that it can be divided. The way in which the knife can be used to connect our sons with their wider family indicates that it has linking value. Also, given the importance we place on baking our own bread, the knife serves as one small link in enabling our internal exchange system.*

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## **CONSTRAINTS IN DEVELOPING AN ECOCENTRIC ECOLOGICAL ORIENTATION: THE MACRO CONTRIBUTORS**

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Whilst there was much prescriptive literature in the late 1980s and early 1990s on what companies should do to become environmentally friendlier there was very little to assess what companies actually do as far as environmental issues are concerned. This study attempts to assess what environmental policies are in place in companies and consider how these compare to the principle of ecocentrism currently being discussed in the literature.

### WHAT IS ECOCENTRISM?

Shrivastava's (1994) definition of ecocentric management suggests "nature cannot be viewed simply as a resource" and nature should be of central importance to organisations (Shrivastava 1995). Thus, he argues, organisations should provide centrality to nature. For example, authors such as Porritt (1983) and O'Riordan (1981) call into question some of the basic principles of organisational theory. These include materialism, anthropocentrism, production for exchange and profit, and demand simulation. The ecocentric paradigm proposes new ways of doing things which consider issues such as the rights of nature not to be treated simply as a resource, the promotion of non-material values, production for use, and voluntary simplicity. Fundamentally, the ecocentric paradigm calls into question the way in which society, in particular western capitalistic societies develop.

An anthropocentric paradigm considers human beings to have domination over nature. However, ecocentrism considers humans and nature as being interdependent of each other - neither has domination (Engel 1990, Pauchant and Fortier 1990, Turner 1993). An excellent summation of the principles of the ecocentric paradigm, in relation to organisation studies, is provided in Shrivastava's (1994, 1995) work,

Nature cannot be viewed simply as a resource. It must be treated and respected as an independent force that casts many influences on organisations. (1994)

Placing nature (and derivatively human health, not wealth) at the center of management/organisational concerns is the hallmark of the alternative ecocentric management paradigm. (1995)

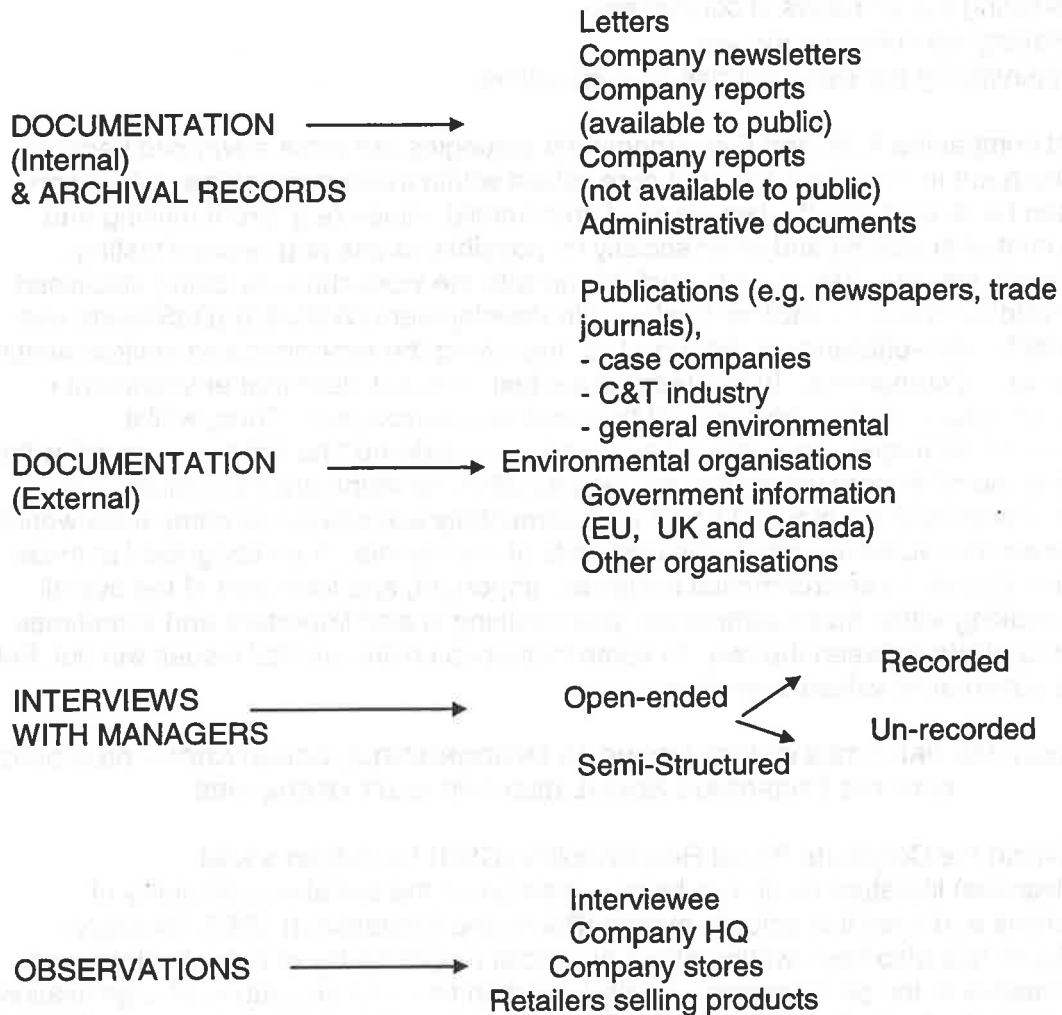
In order to achieve an ecocentric world Gudynas (1990) suggests we (society) need,

To achieve a holistic perspective on the world, we need to acknowledge the tight ecological relationships between all living and non-living elements, and to recognise that all living beings and living systems have the right to fulfilment. .... In other words, we should seek to maintain synergy in the ecosystem, and to extend it to human social groupings and all human-environment relations.

These issues are also discussed in relation to management by Purser *et al* (1995). The authors argue that the various environmental approaches adopted by managers are anthropocentric in nature and cannot be considered in conjunction with what the authors term the ecocentric organisation paradigm.

This study considers how cosmetics and toiletries companies have been endeavouring to develop an ecological orientation. Both the ecology literature and the more recent business and management literature emphasise that moves to become an ecocentric organisation will also have implications for government, industry, and society on a global scale (Bookchin 1987, O'Connor 1994, Macnaghten and Urry 1995) and thus also have macromarketing implications. The study aims to consider what ecological

**Table 1 - Sources of Information**



(Source: Adapted from Prothero 1996)

**RESEARCH FINDINGS - DEVELOPING AN ENVIRONMENTAL ORIENTATION**

As stated earlier this study investigates what environmental policies companies had in place within their organisation and to assess how these compare to the ecocentric management philosophy.

All of the organisations in the study perceive their environmental orientation in different ways and thus the empirical study found that the development of any environmental orientation varies within companies. Essentially this is because of the priority placed upon ecological issues within companies and the reasons why companies develop environmental strategies.

The development of an environmental orientation at companies C, D, E, and G can be considered piecemeal and incremental and based on the companies' prime objectives of developing ecological strategies for one or more of the following reasons:

**FIGURE 1 - THE SOCIALLY RESPONSIBLE ACTIONS OF ORGANIZATIONS**

<b>Company ideology</b>	<b>Based on:</b>	<b>Company response</b>
Obligation to company economic performance	Economic forces	Reactive
Social obligation	Legal/ market forces	Defensive
Social responsibility	Ethical forces	Accommodative & prescriptive
Social responsiveness	Discretionary forces	Proactive & anticipatory

The first ideology can be viewed very much as a main focus upon the economic performance of the company. The other three have an element of concern for society as a company objective, but to varying degrees. These ideologies and the response of companies to CSR can also be applied to the ecological priorities of companies and the extent to which they have developed an environmental orientation.

For companies C, D, E, and G it is possible to state that ecological issues are not a priority within the company. Any ecological decisions undertaken are implemented as a consequence of the four reasons highlighted earlier. The main priority for these companies is profit making. In relation to the CSR literature one can say that ecological decision making is both reactive and defensive in nature. Ecological strategies are only undertaken where the companies perceive they have an obligation to the economic performance of the company or are based on legal/market forces. Consequently, implementing particular ecological strategies will improve the economic performance of the company. This ties in with the 'beginners' and 'firefighter' typologies discussed in Hunt and Auster's (1990) work in the environmental management area where ecological issues are not a key priority. Thus, the companies themselves will only have a few people employed to work on ecological matters. The companies could be called 'concerned citizens' in some areas and companies do have good intentions as far as the environment is concerned. However, they "only express a commitment to good environmental management" (Hunt and Auster 1990). This commitment is only acted on for the areas outlined above. A similar point has also been made in the CSR literature (Robin and Reidenbach 1987) where it has been recognised that whilst companies view socially responsible issues as important they fail to incorporate these at the strategic level of the company and therefore issues of importance are not implemented or part of the company strategy.

At Company A ecological issues are one of four priorities (quality, cost, performance, environment), profit making is the primary company priority. In this case the company does have what Frederick (1987) refers to as 'corporate rectitude' "whereby firms inject social values into their decision making calculus and reject a single minded emphasis on profitability" (Mirvis 1994). The company can be said to have a 'social responsibility' typology in its decision making in this area. The company not only responds to legislation, but is also concerned for the prevailing norms and values of

highlighting that companies' actions can be 'socially responsive' for some issues, but based on 'economic obligations' for others.

### **EGOCENTRIC ENVIRONMENTAL ORIENTATION VERSUS ECOCENTRIC ECOLOGICAL ORIENTATION**

From an overall consideration of the organisational strategies of organisations in the environmental area it is possible to stress that four of the seven companies in the study have adopted what Purser *et al* (1995) refer to as an egocentric orientation. In other words, companies have been,

finding the means whereby rational, self-interested agents can optimise and exploit the social and natural environment for their 'competitive advantage. (Purser *et al* 1995)

In their discussion of an egoistic organisation, Purser *et al* (1995) using the work of Morgan (1986) and Boje and Dennehy (1993) suggest that in an egocentric company any environmental changes will only be conducted if this is in the self-interest of that company. Based on the earlier discussion this can be considered true for the four companies C, D, E and G in the study. Consequently, the extent of the development of an environmental orientation within these companies is limited. It is fair to say these companies adopt an environmental and not ecological management approach to environmental decision making. Environmental management can be seen essentially as,

a philosophy of reform that avoids the necessity of having to examine the deeper philosophical causes of the ecological crisis and that side-steps issues regarding fundamental changes in lifestyles which are virtually unthinkable. (Purser *et al* 1995)

The research study shows that for the other three companies their key values appear to indicate that ecological changes are not introduced solely for self-interest reasons. What then is the extent of an environmental orientation for these companies? Is it possible to say they have any ecocentric policies? Such an approach to management challenges the DSP, reductionism, and recognises the need to change human values, ethics, attitudes, and lifestyles (Purser *et al* 1995). The DSP has been defined as "a society's belief structure that organises the way people perceive and interpret the functioning of the world around them" (Milbrath 1989, In Kilbourne *et al* 1997). Consequently,

A firm's strategies should not simply define its domain of operation and scope at the corporate level, and competitive approaches at the business-unit level. They must include some conception of the firm's relationship with the natural environment and an ecological strategy for the renewal of environmental resources and for managing environmental impacts. (Shrivastava 1994)

Therefore, it is possible to state that the final three companies in the study do not have ecocentric policies, because some of their values are also based on neo-classical economics. This is also considered by Hunt and Auster (1990) who suggest proactive environmental management should be conducted because it provides a competitive advantage to organisations. This is where "Proactive environmental management means responsibly addressing business, moral and social obligations to protect both a company

ecological orientation. It is also possible to define an egocentric environmental orientation. These definitions are based, to some part, on the empirical findings of this case based research study. It is recognised that it is not possible to generalise from these findings. Thus the definitions, propositions and framework proposed are areas in which future research is necessary. The findings of the study have shown it is important to make this distinction because none of the companies in the study have an ecocentric ecological orientation.

From the empirical study and the synthesis of literatures one can define an egocentric environmental orientation as,

The environmental strategies in place in organisations are piecemeal and incremental and only exist where they serve the self-interests of the organisation.

It is possible to conclude that if a company is to have an ecocentric ecological orientation then the overall value of that company has to be to provide centrality to nature (Shrivastava 1994),

Instead of understanding 'the environment' from an organisational viewpoint, we need to understand 'the organisation' from an environmental viewpoint. (Shrivastava 1994)

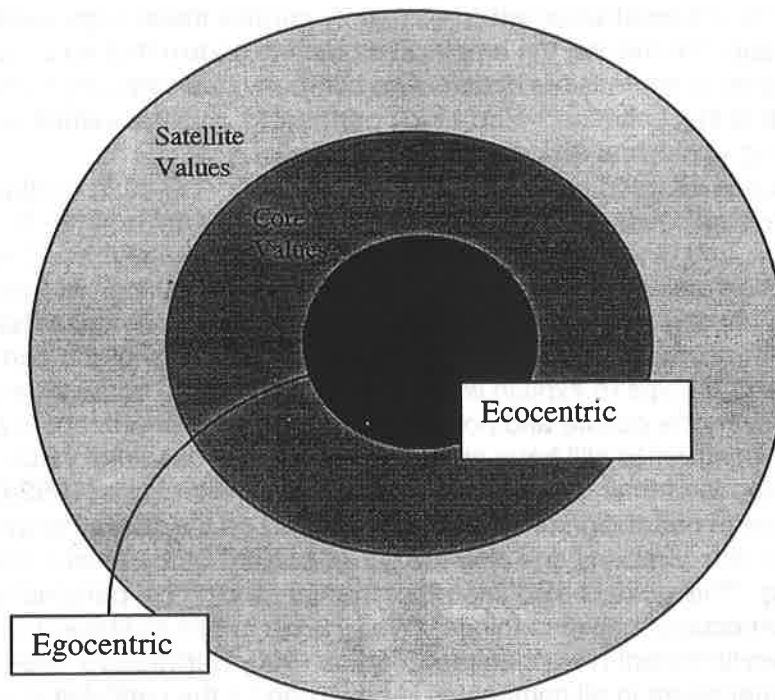
The first stage in becoming ecocentric Shrivastava (1994, 1995) argues is for the organisation to consider itself as a part of the natural environment and not central to it. Utilising this literature and the findings of the empirical study an ecocentric ecological orientation can be defined as,

The ecological strategies in place in organisations are based upon managing for ecocentric sustainability. These strategies are integrated throughout the organisation and are radically different to existing managerialist practices. This allows consideration for the natural environment to be the central factor from which all company decision making stems.

It can be argued, using the work of Kilbourne *et al* (1997), that an ecocentric ecological orientation is not achievable because of the DSP (DSP) in which companies exist and the anthropocentric values of companies who do not consider centrality to nature as being of fundamental importance in their organisational values. The findings of this study have illustrated that movement towards an ecocentric ecological orientation is hampered by both macro and micro phenomena. The macro phenomena of importance centre upon the society, economy, and polity in which companies operate.

Consequently, it is important to assess the way in which an organisation views its external environment. From an environmental perspective this area has received little academic attention (Shrivastava 1994). It can be argued that anthropocentrism forms the basis of the current macro environmental climate in which companies exist. The author suggests it is for this reason that four of the companies in the study have an egocentric environmental orientation. This is important because it is argued (Pauchant and Fortier 1990) that the anthropocentric philosophies of organisations is the root cause of global ecological problems. It is also contended that the global ecological crisis will only be solved when one re-examines the operations of developed capitalist countries (O'Connor 1994). It is only after one has re-examined the economy, polity and society (O'Connor 1994, Kilbourne 1995, McNaghten and Urry 1995) that the development of ecocentric organisations can be further explored. Consequently, whilst this research study focused

**FIGURE 2 - ORGANISATIONAL VALUES**



**Satellite values** - In this category environmental issues are one of a number of peripheral values which need addressing within companies. However, it is only a company value because of the self-interest of the firm in dealing with the issue. This can be seen by reflecting upon the reasons why companies in the study developed an environmental orientation. Therefore, the environmental orientation in such companies are piecemeal and incremental, because ecological strategies are peripheral to the core strategies within companies. Therefore, the author classifies the environmental orientation of these companies as egocentric.

**Core values** - Core values consist of a small number of key values which are of vital importance within companies where concern for the natural environment is one such core value. Other core values can centre on other socially responsible and ethical issues and/or issues of commerciality such as meeting customer needs. Thus, the environmental orientation for companies in this scenario would be based more on the CSR principles of 'social responsibility' or 'social responsiveness'. Consequently, companies would be moving towards an ecocentric ecological orientation, but this would not be attainable because centrality is not provided to nature.

**Universal value** - In this instance one is considering the overall philosophy that guides the business. An ecocentric ecological orientation will be achieved if the organisations universal value is concerned with providing centrality to nature.

For companies C, D, E, and G in this study we can say that the environment is one of a number of satellite values within the company. Thus these companies have an egocentric environmental orientation. The universal value of these companies is profit

This is true, but capitalistic principles and economic returns are the universal value of companies, because of the DSP in which companies exist, the political economy constructs of economic and socio-political forces have an influence in deciding the external and internal determinants of institutional change. Consequently, the macro phenomena embedded in the DSP means all companies have a universal emphasis upon economic returns. The key difference between the companies in the study is whether the environment is a satellite or core value.

From the empirical study and the recent literature in the field we can propose that the implementation of an ecocentric ecological orientation in commercial organisations is impossible, because of the macro phenomena which ultimately curtail its implementation (i.e. the DSP). In other words, the overriding capitalistic environment stops companies becoming ecocentric. Thus, we have shown that no organisation in the study has centrality to nature as its universal value. Whilst the literature, discussed in the previous section, has shown what an ecocentric ecological orientation would look like we now need to take further the grounded developments of this study and consider how centrality to nature can become the universal value within organisations (Fitchett and Prothero 1998).

It is clear, however, that we need further research to continue this exploration. Thus, we can propose that no organisation will have a universal value of providing centrality to nature because of the DSP. Consequently, an ecocentric ecological orientation within companies is an ideal. Therefore, one avenue for further research is to examine how the DSP could be altered to allow centrality to nature to become the universal value within organisations. It is also expected that this move should be gradual and consequently one must examine the movement along the continuum from an egocentric to an ecocentric position.

Consequently, from the empirical study and the ecology and management literatures we can propose the following,

**P1: When the natural environment becomes the universal value within organisations the organisation will be in a position to develop an ecocentric ecological orientation.**

However, upon reflection we can also propose,

**P2: The achievement of an ecocentric ecological orientation is unattainable in commercial organisations.**

This is because the DSP curtails ecological issues from becoming universal values, as a result, we can also make a proposition on the marketing activities of organisations,

**P3: The reliance upon the marketing concept and the satisfaction of consumer needs (perceived or otherwise) results in the organisation having an egocentric environmental orientation.**

It is then possible to utilise the research from this grounded study and conduct further research in a number of areas,

1. How would it be possible to move ecological concerns from satellite to core values within organisations?



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## CONTESTED RATIONALITIES IN THE ECOLOGICAL CRISIS

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dominant, not because it is held by the majority of people in a society, but because it is held by dominant groups who use it to legitimize and justify prevailing institutions. It becomes the justification for social and political action by the group and, as such, functions as ideology. While there is some inconsistency in the use of the term paradigm and there are different views of what constitutes a paradigm, its origins do not seem at issue among the authors cited above. The DSP of Western industrial societies was engendered during the Enlightenment and has informed both scientific and social analysis since that time.

Whereas most crises of the past have had negative origins, The ecological crisis was precipitated by factors universally considered to be positive (Mesarovic and Pestel 1974; Davies and Mauch 1977). Specifically the problems are considered a function of accelerating levels of consumption world wide which was the professed goal of technological and scientific development dating back to Bacon in the 17<sup>th</sup> century. Mobilizing the forces of change to transform a "cultural good" has proven to be problematic since the good is defined as such within the DSP. Gladwin, Newbury and Reiskin (1996) attribute this to the Northern elite culture and its mindset, ie., paradigm and suggest that such beliefs are antithetical to sustainability

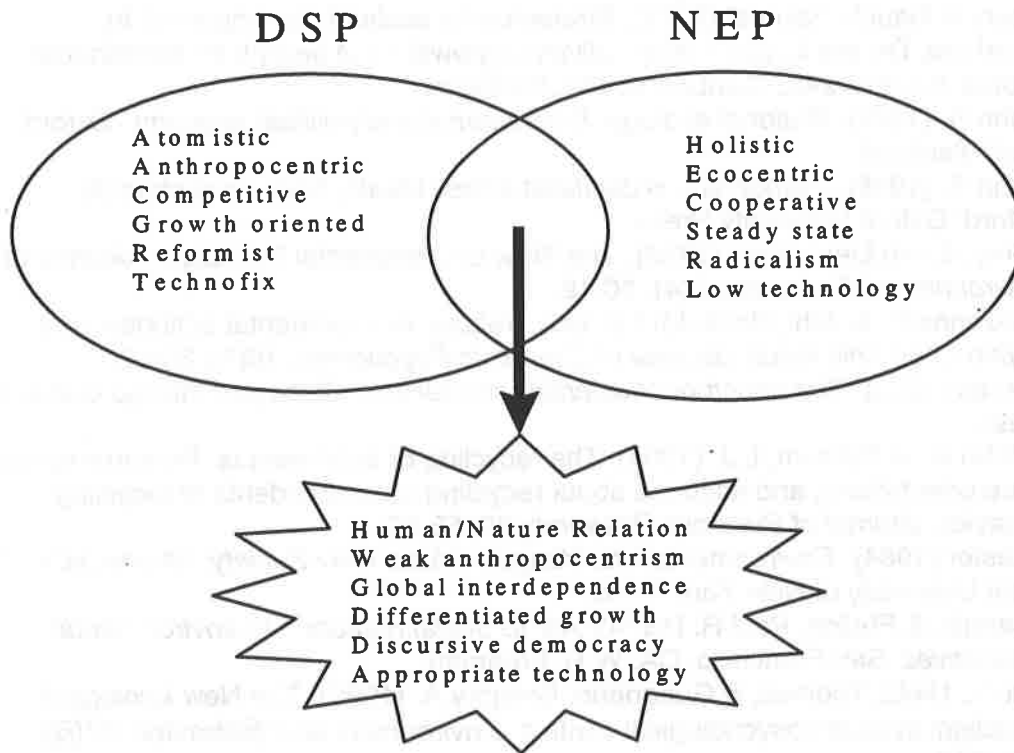
Problematizing the imminent ecological crisis as a crisis of paradigms has implications which must be considered. The purpose of this paper is to examine those implications. To do this, the nature of paradigms and paradigm change will be examined. Assuming that the DSP is the product of Enlightenment liberalism as suggested by many authors, what then is its relationship to the NEP against which it is in competition? Do paradigms change as a result of historical and intellectual forces within them, or can they be changed from within (or without) by competing forces? What are the intellectual conditions under which such change is possible? How can such change be effected and controlled? These are some of the questions to be addressed in this paper.

A critical assumption in what follows is that Enlightenment liberalism has become the DSP in Western industrial societies. This suggests that a form of rationality unique to this tradition is the basis for virtually all intellectual endeavors within the paradigm. While the form of rationality may variously be argued to rest in the pursuit of self-interest (economic), self-government (democratic politics), efficiency (technological), or pursuit of the greatest good for society (ethical) the role of liberalism is to inform and direct inquiry in its own image. Cultural fragmentation accommodates these diverse perspectives because it is a collection of relatively disjoint subsets rather than an integrated whole. Disagreements are not acknowledged as such because issues within each are decontextualized and viewed ahistorically so incompatible beliefs can be maintained within an agreement to disagree on some issues. While economists may, for example, disagree with political scientists, their disagreement is not over their premises since both are within the liberal tradition. Disagreements are reduced to policy issues, not paradigm issues. Paradigm disagreements are fundamentally different, and this type of conflict is characterized in Figure 1 that contains two competing paradigms.

the required forum does not exist. While few live at the extremes of their paradigm, they are generally not free from it making it difficult to establish the conditions of debate even with good intentions. What is required is individuals or disciplines having the capacity for crossing the margins of paradigms as in Figure 2 indicating an overlapping subset between paradigms however small it may be.

FIGURE 2

## Merging the DSP and the NEP



This condition may develop during periods of epistemological crisis when intractable anomalies appear within the dominant paradigm. While they may initially be characterized as externalities, their persistence belies their character and opens the door for transformation. The inadequacy of mind within the old paradigm is revealed in the intransigence of the anomaly. The question to be answered with respect to the environmental crisis is whether or not its anomalies are recognized as an epistemological crisis or as an externality that can be dealt with through the intellectual and technological resources of the DSP.

This suggests to us the function of macromarketing in the process of transformation. While much of the marketing discipline remains entrenched in the DSP, the multidisciplinary nature of macromarketing places it in a unique position regarding changing paradigms. Because of its diverse intellectual character, it is unique in the business domain and is the only area capable of spanning the margins of a competing paradigm and is simultaneously less committed to the DSP that is the mainstay of other business related disciplines. Macromarketing needs then to push the limits of the DSP

# MACROMARKETING IN RISK SOCIETY: COMMUNICATION, ENACTMENT AND THE POLITICS OF PARTICIPATION IN SUSTAINABLE CONSUMPTION

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## ABSTRACT

The paper focuses on the role of the communicative act in postindustrial risk society in two ways. Firstly at the academic level of situation analysis relating to the desired outcome of sustainable consumption and secondly at the local context of change participation. There is further contemplation of the term risk society (see also Shrivastava 1995) drawing heavily on the insights of Ulrich Beck who characterises risk as a systematic way of dealing with hazards and insecurities induced and introduced by modernization itself. Reflection is given to the language and usage of two terms, *risk society* and *progress* from a macromarketing perspective. Questions arise over the (re)definition of what is macromarketing in this context and whether or not good risk communication practices (see Powell and Leiss 1997) actually lead us towards a goal of sustainable consumption.

The paper next considers how best the emergent theory of sustainable communication (McDonagh 1998), which has ecological sustainability as its focus, can be applied to the local community context of Ireland in respect to both sustainable recreation and transportation. The politics of such change is examined drawing on the Irish perspective and calls for less passivity by those in the field of macromarketing are made in preference for a more proactive macro lobbying process.

This paper concludes with an emphasis on the pragmatics of the politics of sustainable consumption. It is nigh impossible to ignore the lack of widespread participation in Agenda 21 across Europe. Perhaps the USA is more advanced in this regard? As Baker (1998) notes in 1995 European Environmental Agency's found that most production and consumption trends in the EU have remained unchanged since the introduction of the 5<sup>th</sup> Environment Action Programme in 1992. Pessimism rules the day in the EU in this regard and, while policies have been introduced to change consumption patterns (i.e. recycling, repair and re-use), policy has steered away from changing levels of consumption. In this respect we fall short of even acknowledging hyper consumption (Kilbourne *et al.* 1997) let alone moving beyond it! Consideration and contrast is made as to representation in society between ecological conflict resolution and other moves at establishing conflict resolution in the Northern Hemisphere.

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# THE POSSIBILITY OF SUSTAINABLE CONSUMPTION: CONCEPTUAL, EMPIRICAL AND PRAXIS CONSIDERATIONS

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Consumption cited in Reisch 1998: 9). Underlying definitions of sustainable consumption is the concept of basic needs.

An alternative approach to sustainable consumption connects the prospects of sustainable consumption with the need to communicate the link between ecological degradation, modern hyperconsumption and prevailing economic and political institutions - the Dominant Social Paradigm (Kilbourne, McDonagh and Prothero 1997). Within this analysis, hyperconsumption connotes consumption where the ecological referent is obscured - consumers are no longer aware of the natural resources utilised in the manufacture of goods. While this may be the case, this paper argues that the prospects of sustainable consumption must be connected to the cultural frameworks of consumption, and it should be acknowledged that modern consumption is logical within those cultural frameworks. The author will attempt to outline some prominent theories purporting to explain such consumption, and the difficulties they present for the possibility of sustainable consumption. Incidentally, the term hyperconsumption has also been used differently by Ritzer (1999), who uses it to describe the growing levels of consumption globally, rather than as a descriptor of types of consumption. However, firstly, we must examine the inherent tensions of the concept of sustainable consumption within the lexicon of ecological sustainable development.

## THE NATURE OF NATURE

### CONSTRUCTIVISM V. REALISM

It would appear that Social Constructionism has extended its almost monolithic influence to include the emerging discourse of ecological sustainable development (Hannigan 1995). In such a situation, ecological crises are presented as socially constructed, meaning that though ostensibly objective conditions such as the depletion of the ozone layer, the destruction of the earth's rain forests, or the shrinkage of the earth's resources, may not have substantially changed in recent decades (insofar as these destructive processes were long under way), the public imagination of such problems does appear to have changed:

...environmental problems do not materialise by themselves; rather, they must be 'constructed' by individuals or organisations who define pollution or some other objective condition as worrisome and seek to do something about it.... From a sociological point of view the chief task here is to understand why certain conditions come to be perceived as problematic and how those who register this 'claim' command political attention in their quest to do something positive. (Hannigan 1995: 2-3)

Consequently, and ironically, discourses of ecology can be seen to *transform* (in the ideological sense) situations of technological and creative utilisation of resources into destructive practices. This perceptive or, more properly, cultural reorientation occurs due to the availability and sustainability of an alternative discourse to that of man's use of nature towards the progress of humanity. An exploration of the social conditions which permit the articulation of alternative concerns is not the premise of this paper, but is nevertheless absolutely necessary to any convincing account of the social construction of ecology. What is equally vital is an account of the social and cultural structural development of the discourse of progress and modernity within particular social contexts which so dominated the citizen worldview. This necessity has been recognised by



The above quote obviously demonstrates a constructivist sensibility, but Beck seems to propose the 'science of nature' as a means of justifying the ecological critique of industrial society. But such 'science of nature' is positivism writ large. As he admits, "Of course, everyone has to think in the concepts of natural science, simply to perceive the world as ecologically threatened. Everyday ecological consciousness is thus the exact opposite of some 'natural' consciousness: it is a totally scientific view of the world, in which chemical formulae determine everyday behaviour." (Beck 1996: 4) Within the realist-constructivist debate, Beck (1996: 5) sways back towards constructivism again:

...the unreflexive realist viewpoint forgets or suppresses the fact that its 'realism' is sedimented, fragmented, mass-media collective consciousness... ecological images and symbols do not all have intrinsic certainty: they are culturally perceived, constructed and mediatized; they are part of the social production of knowledge, with all its contradictions and conflicts... The definitional power of realism rests upon exclusion of questions that speak more for the interpretative superiority of constructivist approaches. How, for example, is the borrowed self-evidence of 'realistic' dangers actually produced? Which actors, institutions, strategies and resources are decisive in its production? These questions can be meaningfully asked and understood only within an anti-realist, constructivist perspective. In a social-constructivist view, then, talk of a 'world risk society' rests not on a (scientifically diagnosed) globality of problems but on *transnational 'discourse coalitions'* ... which assert within public space the issues of a global environmental agenda.

Beck seems to suggest that any engagement with the notion of 'real' would be a wholesale adoption of a simplistic and deterministic materialist philosophy. His anti-realism seems to stem from a readiness to distrust and be sceptical of any representations of 'reality', and perhaps represents his sociological sensibilities. This approach seems eminently sensible but does not warrant the adoption of realism's antithesis, social constructionism. What appears to be required is a critical interpretive approach which aims to demystify the obscuring processes of the reality-makers. This is most common within Marxist approaches which, for example, treat the commodity form not simply as an object but as the materialisation and commodification of the exploitative social relations of production (Harvey 1990). In other words, there is a truer, more significant reality beneath the superficial reality. However, within this approach there is no need to forego the notion of reality altogether. Ecological issues, while obviously socially constructed, also need to uphold the axiomatic truism that the earth's resources are depleting. The ontological and epistemological security of that argument logically relies on the ontological security of natural resources as, at least in some sense (even though such resources are only knowable in the social sense), beyond the social.

## **SUSTAINABLE MEASURES**

Another problem with sustainability, whether conceived as socially or naturally constructed, is, to use a positivist phrase, the operationalisation of the concept. We can attempt to conceptually understand the notion of sustainable development, but how do we empirically state the precise level of development which is sustainable, i.e. the level which if maintained in terms of a constant growth rate will ensure the indefinite supply of petroleum or coal or gas, or the slowing of the depletion of the ozone layer, or the regeneration of the rainforests, or the preservation of species around the world. We can,

provide a constellation of products with functional and symbolic uses. There have been attempts to interpret prospects of sustainable development from the perspective of producers (O'Connor 1994), and from consumers: "Consumption is the reason why anything gets produced, and consumption and production together are the source of all man-made stress on the natural environment. In a market economy, the main responsibility for environmental degradation thus lies with the consumer" (Heiskanen and Pantzar 1997: 409). It is more valuable to examine the dialectic or circular process of production/consumption in order to provide a broader context for the understanding of consumer practices, and to see possibilities of moving towards a more sustainable situation.

Notwithstanding this, the assumed economic determinism of Marx led to the articulation of the centrality of material interests, which in turn led to the Marxist interpretation of historical materialism, a teleological account that has been criticised by Giddens (1981) amongst others. Even if material interests were responsible for historical change, interests are still an idea. In other words, they are still mediated by the prevailing symbolic order, the means of reflexive interpretation, which is part and parcel of the cultural system. Consequently, material interests can only be recognised and identified culturally. Following this, needs can only be identified in the same manner (Slater 1997a). Given that there are a multiplicity of socio-cultural and socio-subcultural systems within and between any national space, any attempt at universalising a set of human needs is immanently and unavoidably ethnocentric. Purveyors of a discourse of sustainable consumption would, in such a scenario, be attempting to *speak for* other subjects in divergent subject positions. Such an attempt would be reminiscent of the widely-criticised ontology of Maslow's hierarchy of needs as universal and instinctoid, a highly psychological approach which defies anthropology's view of human needs and wants as intelligible only within the context of a particular cultural model (Douglas 1992).

Maslow's division of biogenic and psychogenic needs fails to take account of the cultural constitution of human motivation (Buck 1988). An obvious empirical example would be the religious cult of asceticism in India whereby the absolute minimisation of nutritious needs and the abandonment of the satiation of sexual needs (Maslow's most basic biological needs), are seen as essential precursors to spiritual enlightenment (analogous to Maslow's self-realisation, although, admittedly, his conception of the self was highly ethnocentric). Here we have a cultural imperative which is a direct inversion of Maslow's hierarchy. Slater (1997b) points out that statements of need are bound up with questions of how people should live - they are social and political. Needs are not absolute or mere individual preferences, "they are very serious political statements which are not made on the wing in a shopping mall or in a mad consumerist moment of impulse buying, but rather arise from core values of historically and collectively evolving ways of life..." (Slater 1997b: 57). The constructivist position on needs is also acknowledged by Phillips (1997:114) - "The most basic human needs are socially constructed" - and he cites Jhally (114-5) in defence of the notion of the symbolic use of products:

The contention that goods should be important to people for what they are used for rather than symbolic meaning is very difficult to uphold in light of the historical, anthropological and cross-cultural evidence. In all cultures at all times, it is the relation between use and symbol that provides the concrete context for the playing out of the universal person-object relation.

the symbolic and material resources on which they depend, is mediated through markets." The topic of consumer culture has of course led to numerous theoretical accounts over the past decade. These usually fall either between historical examinations of the source of consumer culture, however defined, or what could be regarded as perhaps more typically postmodern examinations of the present. The latter often concentrate on the effects of consumer culture on the contemporary ability to derive meaning from the cultural world, the marginalisation of the social, and the glorification of the symbolic - a realm where meaning is presented as both everything and nothing. As Falk and Campbell (1997:3) have identified, such a position "builds on a kind of inverted perspective" whereby examples of contemporary life are assembled and elaborated into all-powerful conceptualisations, which are subsequently used to 'explain' examples of contemporary life. They are essentially ahistorical, and thus do little to explain cultural change.

The historical perspectives obviously provide greater opportunity for social and cultural explanation. Laermans (1993) and Williams (1991) have posited the department store as the forerunner to consumer culture, in the sense that such urban spaces provide an arena for display and the promise of pleasure. While such spaces are indeed important to the consolidation of a culture of consumption, it presupposes that public display and pleasure mediated by commodities was a latent desire among the general populace. This may be the case, but that in itself implies that a consumer culture was already in existence and that department stores were a manifestation rather than a genesis of such a culture. Even if an identifiable consumer culture was not prior to department stores (or any other new development, whether that be material or cultural or both, e.g. television, radio), there is a need to examine how a new culture folds into, opposes, overlaps or marginalises existing social and cultural frameworks. Michael (1998) emphasises the ability of consumer culture to fold into existing cultures that do not overwhelm them. While he is not specific on the reasons for this, one could speculate that consumerism is not an essential culture in itself, but provides a means for cultural materialisation and reproduction. In other words, it is an accessible way of making existing cultural values and orientations, Bourdieu's habitus (1984), visible. Viewed in this light, consumption is not a culture per se, nor is it an end in itself, it becomes a cultural strategy, a performative action for making real and visible social and cultural differentiation. This is close to the concept of cultural hostility in explaining consumption as an expression of a cultural pattern (Douglas 1997).

There also needs to be an appreciation of the contested nature of culture, of the lack of integration within any socio-cultural system (Archer 1988). The same problems emerge in neo-Marxist and critical accounts (Adorno 1991; Tomlinson 1990; Schudson 1984; Ewen 1976) which adopt a production of consumption perspective (Featherstone 1991) - consumer culture is reduced to an epiphenomenon of capitalism as a mode of production. In such scenarios, the social agency of consumers is minimised or denied, and the consumer culture is rather unproblematically built by capitalists and is all encompassing and all transforming in its embrace.

### **CONSUMER POWER?**

However, the micro perspectives on consumer culture, particularly in audience research (Nava 1991), are limiting in the sense they follow the postmodern problem of concentrating on the present. These do not necessarily focus exclusively on the symbolic, but nevertheless espouse the power of the consumer to resist the preferred meanings of advertisers. While this is undoubtedly possible, simply because consumers *can* resist does not mean they always *do*, and even if they do, surely it is on the basis of

Commodities offered ideal vehicles for the vicarious consumption of the erotic and the exotic, and hence self transforming experiences, through the use of early advertising: "...I wish to demonstrate that this (the Romantic construction of the Oriental woman) is finally recuperated in hegemonic fashion by utilizing a discourse of the Other to promote a commodity fetish and an alternative space of consumption that conceals the contradictions posed by the emerging order of capitalism. I will argue that this recuperation was made possible because Romanticism, besides being responsible for constituting the discourse of orientalism, also ironically advanced a psychology that directly functioned to legitimize the emergence of a consumer culture." (Lalvani 1995: 265)

The central point is that commodity consumption came to offer opportunities for self transformation, for the construction, deconstruction and reconstruction of personal identity. The problems of self-identity have become progressively more acute in the twentieth century. In the political sphere, Laclau and Mouffe (1985) refer to dislocated subjects to describe political agents. The structures of the economy or the relations of production or kinship structures no longer determine the identity of the multiplicity of subject positions in socio-cultural space. And yet, the construction of identity became a modern cultural imperative. The massive growth in self-help discourses extolling us to find ourselves, get in touch with our real selves, to be true to our selves, to learn to love our selves, reflects the existential preoccupation with self-realisation and self-construction, and the communication of that self-project to others. Commodities and other consumption practices offer the most accessible means of identity construction and expression.

#### **ACKNOWLEDGING (HYPER?) CONSUMPTION**

Of course, there are other ways to conceptualise consumption. Baudrillard (cited in Featherstone 1991) focuses on the implosion of the social and the heightening of the cultural (purely in the symbolic sense). Yet, the symbolic and malleable codes of commodities remain central to this implosion. The increasing individualisation of society inevitably leads to a greater reflexive embrace of the sign, as a means of building oneself, expressing what one is not, and to which cultural bias one belongs (Douglas 1992). Commodities are the greatest and most pervasive sign systems of them all in modern society.

Alternatively, we could follow the anthropological approach of McCracken (1990), who stresses the role of commodities to mark social boundaries and hierarchies within any social system, and the potential of commodities to reflect cultural principles. Then again, we can adhere to adage of Levi-Strauss, followed by Douglas (1992), that goods are good to think with, in the sense that they represent the materialisation or visual manifestation of prevailing value systems. This occurs in 'premodern' as well as 'modern' societies. Miller (1998) focuses on shopping and consumption as social markers between emotional relationships - goods come to reflect love or sacrifice. While such anthropological theories stress the continued sociality of modern life, those that emphasis the postsocial nature of contemporary society (see Knorr 1997) conclude that the person-object relation becomes increasingly meaningful. The one thing unifying all these divergent theories of consumption, is that consumption matters and it matters far beyond the "logical functionality" of the commodity. In other words, whether you see modern consumption as the reification of the social structure, the effect of the ethic of the self, the manifestation of cultural values, the manipulation of advertising's captains of consciousness (Ewen 1976), or the opportunity for subversion and resistance to advertiser's preferred meanings (Nava 1991), consumption matters, and that includes so-

“...there is no way of demonstrating that one or other myth of nature is the right one. At some point the summoning of evidence becomes unnecessary; more evidence will not settle the divergence of opinion. Somewhere along the line the debaters realize that they are facing infinite regress, more explanations calling forth more counter-explanations, and when this happens, theorizing has to end. In a debate about what to do with the environment, explanations come to rest on their appropriate myths of nature. The task of cultural theory is to decompose the elements of the argument, and to show how each vision of nature derives from a distinctive vision of society, individualist, isolated, hierarchical or egalitarian.” (Douglas 1997: 21)

Douglas (1992) suggests that to reduce environmental risk what is required is a shift in cultural orientation, from individualist to reflexive hierarchical. While some writers on sustainable development stress the need for more information for consumers about ecological dangers (Hansen and Schrader 1997), or highlight the need for greater awareness of the relationship between political and economic institutions and environmental degradation (Kilbourne, McDonagh and Prothero 1997), others (van Dam and Apeldoorn 1996) doubt the adequacy of informed, rational consumers as the basis for sustainability. What this paper suggests is that Macromarketing as a discourse needs to acknowledge the connection between any individual action, including consumption or nonconsumption, and the consumer's cultural bias. If the aim is to change modes of consumption, it is not enough to tell consumers of the dangers, or of the connection with industrial capitalism, a cultural shift is required, because consumption largely is the outcome of culture.

Just as the romantic and consumer ethic were conflated through the symbolic system of advertising, the ethic of sustainability needs to be conflated with another ethic that possesses emotional and actionable force, from a reflexive perspective. This seems an impossible task, but we must remember that no social system is culturally integrated (Archer 1988), which is the dynamic which allows cultural change. Rather than simply focusing on sustainable consumption, we need to be aware of the (re)production of culture as well as commodities, and as everyday life becomes more aestheticised, the everyday commodity becomes more a cultural and symbolic artifact. Macromarketing discourses can examine how alternative cultures can be reproduced and modified, and how these alternative meaning, value and ethical systems are connected to particular social groups and alliances within larger socio-cultural systems. However, this would require a firm shift towards a cultural analysis of sustainability.

As both Featherstone (1991) and Slater (1997a) have commented, there is still a need to locate changes in the nature of consumption practices in the politics of social alliances, oppositions and struggles. There is a need to contextualise consumer practices and desires in terms of social relations, structures, institutions, and systems (Slater 1997a). Essentially the goal of sustainable consumption needs to be seen as a political project, recognising the power relations between social groupings (capital and labour; the state and sectional interests and alliances; business and consumers) and between cultural value systems (environmentalism and consumer sovereignty; capitalism and socialism; collectivism and individualism). This is the context within which the idea of sustainability will stand or fall. However, it is vital to be aware of the present space of consumption as identity shaping. To the extent (and the exact extent of course is indeterminate and variable from person to person) that the citizen lifeworld has been collapsed with the consumer lifeworld, we have to be aware of the potential of sustainable discourse to be reflexively viewed as a colonisation of the lifeworld (to use Habermas' phrase). This is particularly important in the light of the ethic of the self. The cultural desire to be 'free' will not be served simply by regulatory frameworks seeking to structure

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**TEACHING GREEN MARKETING:  
AN EXAMPLE OF A UK UNDERGRADUATE COURSE OPTION**

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**ABSTRACT**

This paper assesses the development, implementation and student assessment of an undergraduate course option in Green Marketing taught and introduced at the University of Stirling, Scotland, UK in 1998. It discusses the process followed to initially introduce the course onto the Marketing degree curriculum and both the positive and negative feedback encountered during this phase of the course's development. The Green Marketing course was one of few courses within the overall marketing programme not to have a primarily managerialist flavour to it. The response of students to such a course is discussed. Similarly much of the reading for the course was from a range of disciplines outside of both marketing and the business area generally, and again students' response to undertaking such readings are provided. The course outline, and its mix of ecology, macromarketing, and micromarketing literatures, is assessed. Finally, this paper considers the student evaluations for this course. It is concluded that undergraduate marketing students are capable, interested, and enthusiastic about learning about environmental and macromarketing issues. It is argued that more courses of this type are necessary in our marketing degrees, at both undergraduate and postgraduate levels.



## **MARKETING EDUCATION: A FOREIGN LANGUAGE TO SOME CONSUMERS?**

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### **ABSTRACT**

A major challenge for Macromarketing relates to how this process can be implemented effectively in the classrooms. Many marketing educators acknowledge that marketing concepts have different meanings to consumers particularly where developing versus developed countries are concerned. Studies have shown that there are significant differences between developing and Western countries in their commercial evolution, perceptions of and conduct of marketing practices. These differences have also been reflected quite sharply in the educational environments, specifically in the interpretations of educational content.

Despite this knowledge very little effort has been expended towards re-examining marketing philosophies and their derivative concepts particularly in the contexts explained above. The main concern of this paper, is the issue of marketing education. Western institutions have been and continue to transfer marketing education to international students in a standardized fashion. This situation quite often leaves the international students with the difficult task of grappling with programs that may not include appropriate content and which for all intents and purposes appear to represent a *foreign language*.

In the case of marketing education, this paper argues that a major contribution to the deficiencies such as those outlined above, lies in the lack of a clear understanding of the metaphorical origins of Western marketing education. This paper argues that the development of appropriate marketing education content can only be achieved when the nature of the prevailing metaphors in less developed economies are clearly understood and included for implementation.



# **MACROMARKETING: ISSUES, PROCESSES, VISIONS A COURSE SYLLABUS**

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## **ABSTRACT**

This course departs from the managerial perspective characteristic of most business courses to examine the relationship between marketing management -- with responsibilities for product conceptualization, pricing, distribution, and promotion -- and the marketing firm's environment -- demand (especially buyer behavior), competition, trade (inputs and downstream), government, and society.-- from the perspective of stakeholders -- consumers, citizens, and society at large. This shift from a managerial perspective leads to an approach to facts and theory that is both more aggregative -- concerned with systems rather than particular parts of systems -- and more normative.

The course is organized into three sections:

1. Issues - Major sources of social criticism or impact: (a) ecological concerns, (b) social and economic development, (c) social justice (including both disparities among regional economies and consumer issues), and (d) quality of life.
2. Processes - Functions and structure of markets: (a) coordination and consumption, (b) conduct and consequences (i.e., performance criteria), (c) ethics and morality, and (d) control (measurement, feedback, and regulation).
3. Visions - Alternative futures based on the character and extent of government intervention and the degree of social responsibility exercised by consumers and marketing managers.

Target questions and suggested readings are included in the syllabus.

This syllabus is adapted from an outline originally prepared by George Fisk. William Redmond's input is also gratefully acknowledged.