It seems proper, given that we are now two years into our new millennium, to ask some simple (and complex) questions of our society. These questions concern our business practices within that society. It is a global society made up of a diverse myriad of interlinked emerging and developed economies and communities. While we acknowledge the cultural relativity of such questioning, we use this privileged space to blend tales from both the Celtic Tiger and the American Eagle, as well as views from other parts of the globe, to debate the values and power of the current global market logic. In the first place, it seems oxymoronic to be talking of ‘globalization and equity’, but when has that ever stopped marketers. In a spirit of critical assessment of the accepted global market logic, we ask the group of academics at this meeting to consider ‘What constitutes globalization and equity?’

Again, it seems appropriate to ask such a question when the macromarketing conference is visiting an area of the globe historically implicated with inequity. We could not have anticipated that globalization issues would have also sparked protests and rioting in major cities across the developed world as we readied our submissions for the conference. Against such a backdrop, we may wish to explore the underlying market structures and paradigms that have contributed to the current disaffection of these elements of our society. Far too often, marketers and non-marketers are happy to see the restriction of the marketing discourse to applied efficacy or novelty (see the growing tributes to both the relationship and the postmodern) without opening it to what marketing does or does not effect or perpetuate in society. The resultant scholarly work may, in fact, leave our students open to a blinkered view of the world. A view that, more often than not, is one naively groomed for the graduate programs of the multinational corporation. We teach them how to do strategy and not how to think about strategy and its consequences.

The following program is a happy exception with speakers from Australia, Austria, Cambodia, Croatia, China, England, France, Germany, Ireland, India, Israel, New Zealand, Norway, Thailand, Wales, Vietnam, and the United States all offering their insights into what research they consider as important in addressing this area. Many of the same issues were being discussed in the taverns of Williamsburg in the 17th and 18th centuries as trade between the New World and the Old World evolved. Slavery, global trade, business development, taxes, resource exploitation, and freedom were all topics of conversation on the same streets that conference participants will stroll centuries later.

From 1699 to 1780, Williamsburg was the capital of a very prosperous and growing Virginia colony. In the 17th and 18th centuries, the colonial capital acted as a hub for commerce, culture, and politics. As the 18th century passed its midpoint talk of equity and revolution was in the air. Driven by economic development and perceived disparity in economic and political power, Williamsburg became a catalyst for change by providing a meeting place for a variety of American patriots like George Washington, Thomas Jefferson, and Patrick Henry.

A special thanks to HE Roland Eng, for helping us to understand what development issues really are in the global setting. Let us close by also recognizing one of those, who in his own quiet, revolutionary way, pushed for marketing to address equity and other macro issues, as others pursued potentially less noble paths in the discipline. We are, indeed, pleased to have an honorary chair of the Macromarketing Conference this year, George Fisk. George is an individual whose academic body of work has significantly contributed to the progression of social and macromarketing causes. Lastly, a special thanks to Bruno Grabc and the University of Rijeka in Croatia for providing us with an ISBN number for this volume.

Pierre McDonagh
Conference Co-Chair

Don R. Rahtz
Conference Co-Chair
Globalization: The Prologue is Past

Whether celebrated, criticized or condemned, the effects of globalization are as important to micromarketing students as they are to policy makers and social activists. Since 1981, when a picture of the Globe appeared as the Macromarketing symbol in the inaugural issue of the Journal of Macromarketing, the focus of macromarketing investigation has been on unintended and unsought consequences of trading activity. The effects of trade on the level and nature of economic development, the impact of marketing on consumption levels and quality of life, the environmental consequences of strip malls and shopping center construction and the influence of marketing on social and distributive justice have been explored not only in the Journal of Macromarketing, but also at each annual Macromarketing Conference.

Now this prologue is past. As globalization accelerates, new questions warrant study: The World Trade Organization has already issued challenges to national sovereignty as trade disputes and questions about intellectual property copyright challenge trading relations between developing and developed nations. The intrusion of Regional Authorities such as the European Union into questions concerning transatlantic anti-trust implications of mergers between U.S. corporations, privacy protection among internet users and drug pricing in international commerce are among issues we expect to find high on the Macromarketing research agenda in the years ahead. The central role of innovation in spurring industrial productivity exemplifies issues waiting for multidisciplinary collaboration within the social sciences and engineering disciplines. While the list of useful studies may extend far beyond our ability to provide resources to explore them, macromarketing students can attempt to find where their research efforts can provide the largest spillover rewards for business and public policy makers as well as for more immediate externality management decisions. We cannot presume to foresee how the nascent field of global standards of ethical behavior will develop but if we take research risks, there is little doubt that some of us will enjoy a retrospective view of these emerging issues from the perspective of the 2021 Macromarketing Conference twenty years hence.

George Fisk, Founding Editor
Journal of Macromarketing

Honorary Chair 2001 Macromarketing Conference
New Economy and Market Organization Principles
Marketing as a Strategic Approach and Collective Project

Frederic Jallat Groupe, ESCP –EAP, Paris School of Business

Abstract

In the context of the “New Economy”, managerial creativity and inventiveness apply not only to the restructuring of sectors and business lines but also impact the nature of services, solutions, codes and messages issued by economic players. Such approaches reflect the transversal and dynamic features of marketing in a market-oriented approach, already experienced in the “Old Economy”, but which has actually become indispensable and truly strategic.

Introduction

For the most inventive, creative and imaginative people, ‘new economy’ constitutes an historic opportunity. Our objective is neither to ignore the criticisms and crisis that the so-called ‘new economy’ is facing at the moment, nor to deny the fact that it is based on quite similar rules and subject to almost the same hazards than the ‘old economy’ (3). At the same time, we would also underline that certain economic actors, inventing new organisation methods -others ‘business models’ according to the conventional expression- threat sometimes powerful and ‘settled’ organizations. Moreover, some new entrants -instead of conforming themselves to the traditional and well-established rules- reinvent their channels and recombine their business-related activities in order to become even more competitive than the traditional players: Dell vs. Compaq, Autobytel vs. the most powerful car dealers, AOL vs. Time Warner, discount brokers -like E*Trade or Charles Schwab- vs. the major American investment bankers such as Merrill Lynch or Salomon Brothers.

‘New economy’ is not so new. And many of the principles which rule it –we will come back to this subject later- are already known for a long time. However, democratisation and extensive use of information and communication technology in the business sphere ‘amplify’ a large number of phenomena (disintermediation, supply chain optimisation processes, economy of free products and services, interpersonal ‘contagion’ phenomena and ‘viral marketing’ techniques, dynamic pricing methods, customized services…).

In such a context, managerial creativity and imagination are applied to many fields: new channels ‘architecture”, business-related activities reconfiguration, new codes and messages, new types of services and solutions offered by new economic actors…

Current changes are sometimes multiform and concern as much technology, market structures and competition rules, as consumption modes and behavioural patterns of potential or current customers.Internet is indeed not only a major evolution in the manufacturing process and distribution models of the company’s value chain, it is also a ‘disruption’ in the consumer’s relations to the product, a sudden evolution in his/her behaviour and preferences (6).

In that respect –and whatever the conclusions of the actions undertaken by the ‘Majors’ and the current legal battles- the music industry will never be the same after the introduction of the MP3 standard (1).
MP3: Process of value creation and change of the demand on the Music Industry

Apart from a "revenge" of hardware on software after Philips has launched its CD burner and has enabled consumer to make his own compilations; beyond all the forms of piracy that represent today an annual loss of 5.3 billion dollars for the whole market, compression of digital audio files has been indisputably the most important revolution appeared in the record sector since origins.

The acronym MP3 calls totally into question the classical industry business model and it is enough to terrify the 5 major labels (Universal, Sony Music, BMG, Warner et EMI), which share nearly 80% of the market. Some even bet on the next death of the disc. The MP3 format developed first at the Fraunhofer Institute in Germany is the dominant standard for compressing audio digital data. It reduces approximately 12 times the size of the required files for audio digital data storage without forfeiting quality and enables a musical broadcasting of an equivalent quality to the CD, including on low density business related activities as Internet ones. In fact, Internet user can afford required software to play MP3 files for free, download his chosen songs and to make a compilation of 150 titles on a single CD. MP3 is an open standard; a "free" technology, which can be run by anybody who fits in the current "cyber culture". Some figures are spectacular and explain how this technology looks as though it transforms the record industry: 3 million songs are downloaded everyday and MP3.com, the most popular web sites in this sector, would have installed 25 million software and made a deal with de 10,000 artists for a virtual distribution. According to IUMA (Internet Underground Music Archive) – which is certainly not impartial- 20% of sold music would be sold directly by 2009.

Beyond the war between hackers and major labels, the release of the MP3 format represents a new configuration that change value and "content" of the record edition, transforms the industry organisation in its whole and modifies strength relations among actors. First, it is "base level revolution", which gives back power to artists, fans and independent labels. When the Tom Petty’s success song, "Free Girl Now", is downloaded more than 157,000 times in two days, it shows that, MTV or NRJ are not the only promotion tools to reach a large audience anymore and "marketing apparel" of major labels is not a required way for an author. From a logic of independent and marginalized artists profiting from the MP3 opportunity in order to make him know, the scheme widens quickly to famous artists. To paraphrase Dave Hermann, guitarist of the Fire Ants, well known rock and rap groups resort to what record labels have made for years, using this new way to meet their public: offer "singles" copies to prompt people to buy an album or to promote a coming concert thanks to a free download of free unreleased "live" songs. These technological transformations have also changed consumer behaviours. The active, "actor" and passionate audience, participates freely to its own consumption and expresses its choices in a total personal way. Moreover, many young Internet users think music is an expression mode, which aim is first to entertain those who listen to without direct retribution for composers. According to artists, they can find other ways to earn money to guarantee their creations and ensure their developments (derivative products, concerts, videos clips).

The "MP3 revolution", recovered by new intervening parties -Microsoft in front- puts in danger the dominant position of major labels and modifies market powers among actors. Under the growth of digitalisation and its more and more common mathematical and virtual character, frontiers among music, video games, cinema, computer science and television tend to become blurred while the stake of current battles is growing (5).
Marketing as A Main Strategic Weapon: New Economy and ‘Market Orientation’

‘Market orientation’ or ‘customer logic’\(^1\) is nowadays one of the dominant ways of thinking, one of the factors commonly developed in the New Economy, one of the constants used as a reference and a frame by many specialists in strategy as well as in marketing.

These concepts are not new in themselves. Even on quasi-monopolistic markets, everybody now takes into account the importance of adapted products and services to market needs. Since the middle of the fifties, customer orientation has been promoted by marketing and management gurus. And market orientation constitutes the fulfilment of the ‘idealistic’ objective of the marketing concept since its creation.

Customer orientation and the strategic importance of the perceived value concern all the company functions. At least, it couples information systems and marketing; most of the time, it results from a generalisation of a shared and extended approach to human resources, production, logistics and sales.

Market orientation shows also truly direct implications on structures and firm activity outlines. Moreover, it does not only concern a company as an isolated actor compared to its final market, but the whole set of economic partners in a ‘related business organization’ instead (suppliers, subcontractors, economic partners, consultants, service providers…).

In plain language, market orientation should be able to prompt the company to find new architectures for its economic activities which can combine disintermediation, flexibility, and real time to market processes. And, as shown by Cisco for example, closely link information management, technology and marketing.

\(^1\) We have decided here to merge these two approaches even if some authors have underlined the existing differences between ‘market orientation’ and ‘customer orientation’. For an in-depth discussion of the concepts, see Christensen et Bower (2). Furthermore and as we will see, the extension of new business models to economic actors enlarges the customer orientation perspective in a significant way.
Cisco or the art to manage technological convergence and anticipate market transformation

A company like Cisco redefines its competition every two or three years. Actors change, technological changes impose new logics to the company, its competitive frame evolves permanently. With a nearly 550 billion dollars capitalisation, this company achieved in may 2000 to become the first worldwide stock-exchange valorisation, passing Microsoft, because it applies to itself the precepts it has strongly recommended to the others. The company was the first to make of its principles and strategic management the answer to market evolutions.

This hardware manufacturer for computer networks, the champion of convergence, has succeeded since the beginning of the eighties, to manage few niches at the crossroads to computer science and telecommunications in order to transform fast growing markets, having a never reached technological commercial and potential. Its products, such hubs, routers, data switches, have been totally neglected at the beginning of the eighties by Alcatel, ATT and other telecommunications and computer science giants. Sort of "switching boxes", they orient data and multiply tenfold transport capacities in computer, telephone and telecommunications networks.

An explosive market, in continuous growth from 30 to 50 % a year during the nineties, due to the development of computer networks, virtual company, tele-working and generalisation to Internet access is today relayed by another even more giant market offered of course to the company: audio and video data transportation and telephony on Internet.

In this "moving" and extremely complex environment, where each technological changes can call into question the competitive game rules and threaten fundamentals of actors company values development become absolutely essential and constitute "safeguards", directive principles of a team about motive projects. According to John Chambers, the CEO, there are today 5 Cisco values:

1. "Customer advocacy": within a company but also by the way of information technologies. The customer himself is integrated in the value creation process and takes part to the technological development of the company.

2. "No technology religion": technology is not an aim in itself but it is certainly more a mean to satisfy or sometimes to anticipate the evolution of the needs and market transformation, to serve value creation for the customer.

3. "Frugality": logic, behind an implacable organisation, consists to avoid paralysis of the big company having for main objective to be fit. The virtual company notion is here extremely well followed. Cisco has no plant. The whole manufacturing of the number one of the sector is sub contracted. It enables Cisco to concentrate on the core de métier, la management and technological development. On the other side of the chain, distribution is also totally dedicated to Alcatel in Europe for example. To conclude, Internet is used at the maximum. John Chambers explains: "To process all the customer orders, it would have been necessary to double the after sales department every year. So we created a Web site, which processes three quarters of calls and reclaims. The gain of productivity we benefit is phenomenal."

4. "Partnering": the company has followed its growth and managed its strategic development in three ways (internal development, partnership development and external acquisition) without a specific preference one of these modes.

5. "Increase of customer satisfaction": Like the first of Ten Commandments, it is this principle that explains in fact all the others; it orients the company in its whole. "In an economy in permanent evolution, hyper-competitive and turned towards demand, which imports", recalls John Chambers, "it is the created and perceived value by the customer rather than the systematic research of segments funded on technology or market".
Consumption as a New and Redefined Dimension of the ‘Economic Game’

Whatever new or not, ‘virtual economy’ changes not only the way offer and demand fit together but also modifies the transaction process in its entirety. There are at least four factors that increase the growing integration of consumption in the economic game of the company. This evolution has major consequences as it changes the power map among actors in the transaction process and the company’s strategic orientation.

1°) Creation of communities is one the main consequences of the Internet, linked to the characteristics of the electronic medium itself (connection, ubiquity, fluidity, swiftness, universality). The sociologic dimension of the Internet -thanks to the amplification of already well-known phenomena such as network externality, "tribalized" marketing and interpersonal "spreading" mechanisms- takes a significant importance because it modifies fundamentally power terms among actors: unity and coordination of on-line groups enable their members to take back a part of the power terms at the expense of the company (7).

2°) This increased bargaining power is also strengthened by the relative transparency offered by the ‘cyber world’ which give a larger and more available information to the consumers. On the automotive market for example, on-line consultation and purchases put into question the classical negotiation principles and replace it by an ‘inverted negotiation’ system which define a new purchase logic between dealers and customers. The client - who is now perfectly aware of prices and alternative marketing conditions-, is not negotiating a discount anymore but the margin he accepts to leave to the dealer instead.

Therefore, some new players have a real driving role in the current economic reconfigurations. These ‘metamediaries’ (12) enable the consumer to find themselves in the ‘saturated’ space of the virtual economy. They reassemble available offers among the vertiginous range of on-line suppliers or specialised service providers into economic entities having a marketing logic for the consumer (for example seniornet.com groups all the products and services offered to the senior market; TheKnot.com brings together all the activities related to wedding…).

3°) In a virtual environment, companies cannot do without information on their current and future markets. In such a context, each organisation deprived of possibilities to know and run data concerning their customers is threatened to disappear after a short period of time, unless it finds a more powerful and better ‘connected’ partner which allows access to its networks and consumers base. Amazon.com -more than an on-line bookshop or an intermediary in a general sense- is today the owner of one of the information ‘nodes’ on Internet and benefits from a privileged position in the core of the virtual economy. To access to its 17 million-customer potential market and to be listed on the web site of the company, some of its ‘partners’ pay an expensive entrance fee when they are not simply taken over.

Information -new ‘sinews of war’ for the company- is going to be more and more hardly negotiated by the consumer who will, in a way or another, take the best part during the transaction (4).

4°) The consumer becomes more and more active in the economic process and sometimes even integrates himself within the value chain of the company or the organisation of related business activities. In an economy of information, consumer also is by definition its co-producer: using the information, he gives it a true added value.
Therefore, the key point between offer and demand is less determined in terms of optimum than in terms of growing interrelations: the intrusion of the consumer in the value chain of the firm creates new consumption and wealth conditions. As such, it also increases the economic value of the 'production-distribution-consumption' whole (extension of products or services range, increase in available information, co-production systems, linking value...).

In this regard, the "formula" developed by Ikea in Europe (where the consumers transport and assemble their furniture themselves) foreshadows other virtual approaches where value creation is not defined like a chronological combination of operations anymore but more like a 'constellation' of conjointly achieved transactions by a net of different economic players in which consumer makes his own contribution as a real 'value designer' (9).

On the World Wide Web, free on-line access to certain financial data –traditionally ‘owned’ by specialists and professionals only- can induce consumer to make his own arbitration and to escape from intermediaries. These arbitrations (negotiated price, requisite time for information collection, required comparison effort among alternatives, perceived risk in transaction…) will eventually enable specific and more specialised providers to intervene in the service.

All these reasons redefine the company as one of the players integrated into a ‘satisfaction-related business model’. As a consequence, the final customer orientation is probably one of the most important strategic components of the new economy and marketing represents one of the most important variables for the success of an organization.

Beyond the strict frame of their ‘logistic borders’, successful companies should be able to recompose their activities through an interactive network of numerous partners and a whole set of new interfaces and value creation systems rather than through a chronologically organized value chain. As it has just been said, marketing is to be defined as a shared common vision or a collective project in and among companies working for the same clients.

On Market Transformations and their Consequences on Strategic Marketing

In this virtual, evolutionary and "disturbed" context, the "Cartesian and rational" mind must be acquired at the exciting school of haziness, relativity, permanent change, precariousness and visible antinomy. On a methodological plan for example, and because the information chain is today based on the customer, the most recent data analysis methods take into account complexity and contingency as two essential dimensions of the company environment. Therefore they often combine qualitative and textual approaches, coming from content analysis contribution, psycho-sociological theory, and powerful technical and statistical means based principally on various analyses.

Paradoxically maybe, organisation must in parallel take into account very technical data and implement extremely sophisticated technological processes.

1. Databases, relationship marketing and company competitiveness

First of all, information systems become major tools of consumer loyalty development and market controls, as B-to-B platforms.
Be better informed to be able to control markets: B-to-B platforms

B-to-B platforms represent such market power that they even scare American and European competitive authorities. The Federal Trade Commission, which ensures the respect of free competition in the United States, has announced to have opened investigations on the platform developed jointly by Ford, General Motors and Daimler Chrysler. The Commission worries indeed about an eventual price fixing, power abuse from the shareholders of the site (the "Big Three" of automotive industry) towards the others members and finally the establishment of a monopoly in terms. The European Commission has also announced its intention to approach the three manufacturers in order to establish or not the opening of investigations.

the "Big Three" aim to use this platform to optimise their purchases (240 billion dollars a year) and wish then spare 500 billion dollars every year.

In a similar way, giants of aeronautics and American defence have also launched their B-to-B platform. Commerce One made an alliance with a Boeing, Lockheed Martin, Raytheon and British Aerospace to launch an on-line exchange market. This market will put in relation manufacturers and 37,000 suppliers for an annual exchange volume estimated to 500 billion dollars, which will make of it the biggest exchange platform in the world, only if the development of this joint venture is approved by the Federal Trade Commission (14).

Currently, yield management, management system of available capacities based on the analysis of historic data (no-shows, booking, flexible tariffing), forecast and sophisticated optimisation models, enables American Airlines, precursor in the field, to generate more than the half of its annual profit thanks to its information and booking system GDS (Global Delivery System) to the detriment to air transport, its initial activity.

Already known techniques (data mining, geo-marketing and customer database techniques) enable today to tailor company services and offers and to enrich the technical and technological value and the firm "communication territory" by a strong relational content. Beyond the impact analysis of a relational optic on the company profitability -company before the emergence of "new economy"- in a virtual economy, the value of an offer is based on symbolic, cultural and relational dimensions (15).

Technology enables also to the firm to "shortcut" if need be its intermediaries or to better control final services quality and information it needs absolutely. For example, the French taxi company "Les Taxis bleus" appeared on the market in finding a way between offer (the fleet of available taxis) and demand (companies or private persons) while organising an information system between the two parts. Thanks to its satellite guiding system by GPS and call centre, the company is then able to reduce customer wait, to identify drivers and passengers with precision, to tailor the established relation and to guarantee a better quality level, to minimise unexpected events and "critical incidents", to reduce and control the approach time of the booked taxi and optimise its route if necessary.

"Les Taxis bleus" do not replace drivers (the company does not own the fleet) but they play a role of "information processors" and brokers and consequently perform logistics and service relationship between drivers and passengers. However, to balance a strict technological approach, which could be sufficient, Jean-Marc Leblanc, Managing Director of the company affirms in a perfect conformity with the marketing optic: "our true capital is neither the 2,000 taxis of the company, nor the company call centre, nor our GPS system. It’s our customer service image combined to our customer database."
2. Technology, fundamental element of the reflection and marketing analysis

Marketing, as well as strategy, must consider value creation process in its entirety, impact of the technology on services and company products but also on the processes of choice and consumer behaviours.

Like VoIP (Voice over Internet Protocol) applications, new current technologies have a strong impact on many companies, on some business related activities in their wholes –going beyond the strict frame of the defined organisation as a full entirety- and consequently modify significantly the market data.

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<th>Technological evolution and market revolution:</th>
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<td>The telephone case on Internet</td>
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| Text, graphics such as audio and video files can, from now on, be transmitted on the Web by using the existing infrastructure network Internet. In the similar way, E-mail, until recently used for the textual data only, can today to transport attached documents such as audio and video files. Vocal communication in real time among users is the next logical extension of these new technological evolutions. Therefore, Internet gurus consider than really cheap or free mass communication means are one of the major benefits and the main vocation of Internet technology. The IP (Internet Protocol) networks have already revolutionised data communication and they are on the way to have the same consequences on vocal communications. The current transformations and possible evolutions linked to VoIP (Voice over Internet Protocol) technologies are absolutely extraordinary. Whereas Internet had been until now a bless for telecommunication operators, it represents today a gigantic risk: the one to make obsolete more than 1,000 billion dollars investments in "classic" telephone infrastructures…This evolution, privileging computer systems and IP networks, in a comparable way threatens although profitable and technologically efficient companies as Nortel or Lucent, which funded theirs developments on telephone networks.

Technological choices made by certain companies modify radically marketing policies to conduct and the use characteristics of the sold service.

To resume, the study of the current revolutions on the music market can show fundamental differences between the pure immaterial transaction represented by "streaming" where Real Networks becomes a leader) and "downloading" on Internet where MP3.com is dominates the market. Of course, these two modes constitute first-class alternatives for the listener. But, representing also dissimilar distribution modes of the value and really different conditions of development for the companies that master it, success of one over the other could have repercussions on the market structure itself and individual behaviours. In the cinema industry for example, merge technological processes and companies in their respective branches would be equal to include in the same marketing logic and a strategic development comparable to pay-TV business related activities (Canal+ or HBO) and huge distributors of videotapes (Blockbuster or Tower). The analysis of change from computer to telephone as major vehicle of Internet data is even more relevant. It can only demonstrate the major disruptions and underline radical breaks -strategic, competitive, sociological et behavioural- which are coming probably in a near future.

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2 Meaning that, we do not want to be opposed to the more academic and articulate discussion of Trinquecoste (13) who establishes a clear and extremely relevant dissociation between strategic marketing and strategy.
3. New ways of knowledge and company structures to answer to the evolutions of the demand and be able to anticipate market expectations

Combined to these new technological components, customer orientation has new very direct implications on structures and configuration of the company activities as a whole. As it has been said, the idea of a necessary "twinning" between technical and managerial skills emerges from a more transversal and extensive relationship to customers (inside and outside the company "borders"). This notion appears like a more and more compulsory "associative" spirit in order to know how to develop and manage projects turned towards the demand. Other approaches, other representations, other styles, a "melting pot" and a permanent "state of alert" are required to be able to put in place a systematic follow-up of the market evolution, technologies and new autonomy modes in the company.

Moreover, creation and anticipation requisite in the company has become more and more important in the management of interfaces and new forms of associated services becomes predominant in the company competition: the company must not only adapted but more anticipate customer needs. Competitive differentiation comes from a precise follow up of emerging trends, company ability to track social deviancies, low intensity trends. Less conformist and more innovating than a market study, the track of trends, the analysis of behavioural modifications –at an individual level as a collective level- and a cultural and environmental watch constitute major innovation instruments, of competitive differentiation and anticipation of market evolutions (6).

4. Recomposition and disintermediation, new modes of the company "virtual proximity " to its final market

Like the " MP3 revolution", information technologies appear sometimes to be at the origin of the most important change of the "established order", of a major "creative destruction". In an economy of the sign and symbol, the visible disorder perceived by many companies must more be understood as a new organisation, a recomposition of structures and business related activities. Those who will able to "decipher" the logic of these new configurations will win some of entering economic battles. For example, Les Taxi Bleus or Federal Express know perfectly how to take advantage of the dissociation of the physical flow of the products and the "virtual" flow of the information to give birth to new activities. In an immaterial, "nervous" and more fluid environment, the marketing vision and marketing analysis must take into consideration all the actors within the business related activities, its organisation in its whole. Then, it becomes imperative that companies, like Dell Computer for example, know how to be equipped by the technological and analysis tools, which enable them to take a favourable position within the "transformed" markets (5).

Dell Computer generates today more than 12 billion dollars after less than 15 years by "short cutting" the PC distributors and deciding to make its products depending on the demand and to sell them by mail order (Direct business model). But the success of this reconfiguration activity -beyond the economy of the distributor realised margin and consequently the competition on costs- enables the company to have a direct and followed relationship with its final customer and the generated information by this relationship can also be useful to optimise its relationships with other actors (suppliers and subcontractors). Closer and closer, these new organisation forms enable the company to adapt and perform permanently its global services (technology and associated services) to the final consumer and increase its "agility" -its ability to answer more and more precise needs, in a more and more tailored and quick way.
Conclusion

In the new economy context, some companies can make profit from a marketing step that becomes truly strategic and build a "market orientation" in order to increase the added value of global service, comfort or reinforce theirs positions within a business related activities and orient the organisation in its whole towards the final customer.

The customer does not concern only the company in its entirety but also the economic business related activities within the organisation is. Taking into account the demand that was previously the "property" of a single one department in the company, now it becomes information, that concerns technology, affects human resources management and orients logistical organisation and sales.

Internet revolution is an innovation on a technical plan but before all it concerns a major evolution of marketing because a big part of the information and technological potential the company disposes today is directly in the hands of the final customer. And to paraphrase Philippe Lemoine, Co-president of the Groupe Galleries Lafayette and CEO of Cofinoga, the major differentiating factor between companies will be the marketing audacity able to conduct to turn round the market logic and to transform sometimes the economic principle in a step in which people are helped to buy rather than to try to find ways to sell them services. Mohanbir Sawhney (12) does not say anything else when he analyses the "metamediary" notion and predicts its phenomenal development in the following years.

Exploring further the logic, we could add that the company customer database and its ability to ensure the means to make it loyal constitute two of these most precious assets. Then, the company can only be defined thanks to its link to the market. More than in the "old economy", it is not a productive entity anymore, it is a "relational government" privileged with a market, a state and a consumption place. And in this optic, "rediscovered" marketing can only play a motive and structuring role.

References


Macromarketing and Globalization: A View of the Issues

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Abstract

Globalization (a macro phenomenon) has captured the public imagination and has been established as a part of current political and economic orthodoxy. However, it is being questioned not only on philosophical normative grounds but also on the veracity of its existence. We examine globalization within the macromarketing context by addressing the following interrelated issues: (1) the nature and essence of macro phenomena; (2) the evaluation of globalization as a macro phenomenon; (3) the constituent elements of human welfare (quality of life); (4) the philosophy of ethics and justice associated with the living of a good life; and (5) the market system and its alternatives, and their role in the globalization process.

Introduction

"Peace in parts," the challenging title of Nye’s (1971) text on regionalism expressed the liberal hope that transnational corporations will so enmesh the nation states within an interdependent global economy that the nations will be forced to co-operate and that peace and prosperity would emanate from this global co-operation (Gilpin 1976; Keohane and Nye 1972). At the macro, level Nye (1971) was among the first to at least indirectly recognize the possible link between Multinational Corporations (MNCs) and the development of some form of global integration. Since then globalization has become the oft repeated leitmotiv of economics, politics and science that has imbued the international cultural psyche and polarised public opinion. The contrasting views are exemplified by the following quote from a speech by McCormick (2000, p70) to the Denver World Trade Center:

My agenda at the ICC has been largely written for me, by some sincere but misguided activists who put themselves on the map, from time to time, in Seattle, Geneva, Washington, D.C., Prague, New York, Sydney and elsewhere. In these protestors' view, globalization is a form of cannibalism, out to destroy workers' rights, peoples' rights, smaller companies, entire cultures, and the planet itself.

…But I'm afraid experiences like Seattle left a bad taste in the public's mouth for what is actually an amazing - exciting - peaceful revolution. It's a revolution that is raising standards of living throughout the world; bridging age-old gaps between religions and cultures, without weakening them; and, in my view, is the force "most likely to succeed" in building world peace. … Globalization is not a dirty word.

Although the speaker’s position on the issues is clear, his evocative juxtaposition of the extremes must lead us to forcefully question both positions. How is it that despite this “peaceful revolution” we live in a period of unprecedented conflict and poverty? The figures are stark and readily available, for example, Klugman (1999, p vi) states:

Between the early 1980s and the early mid 1990s, the number of humanitarian crises escalated from an average of 20-25 to about 65-70 a year, while the number of people affected rose more
than proportionately. The International Red Cross now estimates that the number of persons involved is increasing by about ten million annually. As a result scores of people have been left dead, starving, displaced, homeless and hopeless, while many others could be affected in the not too distant future unless preventative corrective measures are urgently introduced. Emergencies cannot be attributed to an increase in natural disasters rather to factors which are man-made, and a growing proportion of them are Complex Humanitarian Emergencies (CHEs), a phenomenon which has become most serious threat to human security in the present world.

Yet, despite this kind of evidence, there are those who consider globalization as “the fundamental dynamic of our epoch” - a positive process of change which is promoted with religious fervour (Held and McGrew 2000). From our vantage point, and even though our sympathy is initially with those who make sacrifices for no immediate gain, it is possible that both positions are “partly right.” Further, the “partly right” possibility should not preclude us from recognising that the debate concerning globalization is clouded by imprecision, distortion and even deliberate lying (Leitner and Stupak 1997). It is our purpose in this paper to attempt to enumerate and clarify the issues associated with Globalization within a Micromarketing perspective. We emphasize that this is not to be seen as a sort of formal final resolution, far from it, our objective is simply to provocatively discuss the issues so as to challenge the orthodoxy from both sides although we make no apologies for taking a stance when necessary.

The structure for our discussion of the issues emanates from Hunt’s (1976a; 1976b; 1991). In the first instance we focus on Macromarketing and Globalization (a macro phenomenon) in particular on the conceptual meaning of the term and its normative and descriptive implications. This is followed by an examination of the economic and ethical issues involved in the attainment of maximum human welfare (quality of life). Finally, we elaborate on the critical issues associated with Globalization – a macro concept linked to the achievement of higher quality of life.

**Macromarketing and Globalization**

Communication is a critical function not only in marketing but is almost a *sine qua non* of daily life and forms the foundation of scientific knowledge development. Scientific progress is difficult without at least a partial understanding of the concepts even if disagreements exist. It is, therefore surprising that in many debates involving economics, macromarketing and globalization terms are used without even cursory attempts at definition and explanation of their meaning (e.g. Held and McGrew 2000). The debates often resemble old-fashioned alchemy or witchcraft where the meaning of terms such as culture, globalization, democracy, freedom and justice, for example, is taken for granted and their use implies a mantra (such as “abracadabra”) with magical properties to dissolve all arguments and cure all ills. Well, life is no “Fantasia,” and it is important to countenance the possibility that many of the postures taken may indeed be based on false “social constructions” that are even deliberately advocated for selfish reasons for personal, corporate and national gain. Our statement here should not be regarded, at this point, as a condemnation of “selfish reasons” but rather as a reproach for the deception that is regularly practiced by public policy makers who take the moral high ground in appealing to the higher authority for justification for their actions. It is, therefore, important that even a cursory discussion begins with a critical re-examination of the some of the terms that form the critical structure of the sentences that frame the debate (Zaltman, Pinson and Angelmar 1964; Hunt 1976a).

The first term of interest is *macromarketing* because it is the overarching inclusive term from which the other issues flow. Macromarketing as a combined term is accepted as descriptive of a legitimate field of enquiry although there is still controversy as to its specific meaning (Venkatesh and Dholakia 1986). The term consists of two words, macro and marketing. The second of these is easiest to deal with in this context because although it forms the fundamental delineation of the general discipline
area it is not of direct derivative relevance in this discussion and has been extensively discussed elsewhere (e.g. Hunt 1976a and 1976b), and we must accept some terms as given.

Hunt (1976a and 1976b) in his classic work on the “nature and scope of marketing” enumerated the fundamental dimensions that capture the essence of a structure for the evaluation of the issues associated with Globalization in Macromarketing. He presented three dichotomies, profit (organizations whose objective is the attainment of profit)/non profit (organizations whose purpose is other than profit attainment), micro (involve individual units)/macro (involves aggregations) and positive (descriptive current states)/normative (prescriptive aimed at appropriate desired states involving values) (Hunt 1976a, p8). Although there has been controversy (e.g. Hunt and Barnett 1982; Sheth, Gardner and Garrett 1988) Hunt in 1977 (as cited in Sheth, Gardner and Garrett 1988, p. 140) elaborated further on the nature of macromarketing as follows: “Macromarketing refers to the study of (1) marketing systems, (2) the impact and consequences of marketing systems on society and (3) the impact and consequences of society on marketing systems.” Moyer and Hutt (1978, p.5) in a similar vein suggested that there are two aspects that capture the essence of macromarketing, i.e. it essentially deals with macro or aggregations of activities or institutions and that it is concerned with “social welfare” rather than the individual. Given this it is logical that a discussion of macromarketing and globalization needs to deal with the following interrelated issues: (1) the nature and essence of macro phenomena; (2) the evaluation of globalization as a macro phenomenon; (3) the constituent elements of human welfare (quality of life); (4) the philosophy of ethics and justice associated with the living of a good life; and (5) the market system and its alternatives, and their role in the globalization process.

Conclusion
Each of these five issues has both descriptive and normative dimensions and the overlays within the Hunt (1976) system are complex but hopefully clear. It is our objective to elaborate on each of these in a systematic overlapping discussion of the issues that will challenge and as well as summarise the current position of macromarketing and globalization.

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Firm Size, Location, Competition and Globalization
An Extended Working Paper Abstract

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William A. Ward, Clemson University
Maya Vijayaraghavan, Centers for Disease Control

Abstract

The last thirty years have been marked by a number of changes in the global business environment, impacting the ways in which firms and nations compete. Among the changes in the global business environment, we have seen a reduction in artificial trade barriers among nations, a liberalization of markets within nations, a decline in the cost of natural barriers to trade, and market standardization. These, along with other trends, constitute the phenomena of what we often refer to as “globalization.” What effects do these trends have on how firms and nations compete, and what are the market implications of this competition? This paper examines the effects of globalization on the competitiveness of firms, by size and location, and considers the implications for economic development and objective quality of life, in the United States and around the world. The premise of this paper is that firm size and urbanization affect the ability of firms (and their host nations) to compete in the global economy, but that this competitiveness is not without consequences for nations.

Changes in the Global Marketplace

At least four major changes in the global economy are at the heart of the globalization process that has been building in the last quarter of the 20th Century. First, there has been a general decline in the artificial barriers restricting the flow of goods, services, information, money and people across borders. Tariff barriers have been reduced dramatically as a result of a series of General Agreements on Tariffs and Trade, hammered out among nations since the end of World War II. In the case of the United States, import duties decreased from 12.35% in 1960 to 4.7% in 1996 (Ward 2000). When calculated as a percent of total value of imports (whether dutiable or not), tariff collections were reduced from 7.5% of the value of imports in 1960 to 2.3% in 1996.

Second, liberalization of marketing WITHIN countries has increased. In many ways, this is as important a factor for trade liberalization as the reduction in artificial barriers to trade across nations. The movement of capital, goods and services, the integration of banking systems within countries, and the enforcement of property rights and the rule of law has increased the ability of the marketplace to be an arbitrator of business activities and economic development in nations. This is important because it makes little sense to liberalize across national boundaries when countries are still burdened domestically by regulatory and other inefficiencies.

Third, the natural cost of moving information, people and things has fallen dramatically, whether crossing borders or not. For example, between 1960 and 1990 the cost of a three minute phone call from New York to London fell from $45.86 to $3.32, and between 1960 and 1996 airfares decreased 58% in real terms, rail freight dropped 58%, port costs dropped 54% (Ward, Bhattacharai and Huang 1999). Rauch (1996) calculated the cost of international shipping as a percentage of goods shipped between 1970 and 1990. Table One summarizes his findings. For finished goods (differentiated) and components (near-homogenous), the cost of shipping as a percentage of value has fallen. The same cannot be said for homogeneous goods (i.e., commodities). In other words, while transportation costs have fallen generally, they have fallen most for those who add the most value in production.
Table One. Transport Costs as a Share of Customs Value (%)

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<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Homogeneous</td>
<td>15.59</td>
<td>12.45</td>
<td>13.51</td>
</tr>
<tr>
<td>Near-Homogeneous</td>
<td>13.06</td>
<td>12.19</td>
<td>12.05</td>
</tr>
<tr>
<td>Differentiated</td>
<td>6.58</td>
<td>6.40</td>
<td>5.88</td>
</tr>
</tbody>
</table>

Source: Rauch (1996)

Finally, there has been a tremendous increase in market standardization. Standardization of specifications, terminology, and management practices represent an often overlooked force shaping globalization. Of particular importance is the growth in standardization of management processes, codified by systems like ISO 9000 and IOS 14000. These standards represent the privatization of contract enforcement through certification. A firm can order narrow-woven synthetic cargo straps, for example, from ISO certified suppliers from anywhere in the world, knowing that global quality standards have been met. For suppliers, ISO is a necessary requirement for a seat at the global trading table.

Implications for Small and Large Firms

Taken together, these (as well as other) forces have changed the manner in which firms and nations compete, but not equally. As a consequence, reductions in natural and artificial barriers to trade expand the geographic markets in which firms compete. Proportionally, however, large and small firms are affected differently by these changes. Recent developments in “new” international trade theory and economic geography (Krugman 1990; 1991; 1995; Fujita, Krugman and Venables 2000) suggest that reductions in transportation costs and spatial frictions will advantage large scale operations over small ones. This is true for several reasons. First, cost reductions benefit those whose operations are based on scale economies of production. In particular, standardization favors those who can produce in large quantities. Second, in the arena of international trade, tariff barriers have been replaced by non-tariff alternatives to restricting trade (Naumann and Lincoln 1991). Unlike tariff barriers, non-tariff barriers tend to impact large and small firms equally, but not proportionally. Small firms feel the impact of NTBs more heavily than large producers, because they are unable to distribute the cost over as many units of production. Third, the cost of ISO certification serves as a barrier to trade, just as certification itself serves as a ticket to trade. In South Carolina, for example, the cost of certification ranges from $30,000 to $750,000 (Mittelstaedt, Harben and Ward 2000). This is a prohibitive barrier to entry for many small manufacturers.

Implications for Urban and Rural Firms

Though less clear, the new trade and geography theories suggest that external economies of scale advantage urban firms over their rural counterparts. Increased trade opportunities require that firms have a greater understanding of the mechanics of trade. Especially for small firms, engagement in international trade requires banking, legal, packaging and freight forwarding services to navigate the international marketplace. These services tend to congregate in urban centers, amounting to an external economy of scale. Thus, we would expect to see greater concentrations of exporting firms in urban areas than in rural areas. Second, while the cost of labor and land may be higher in urban areas, these costs are offset by the advantages of agglomeration (Berry, Conkling and Ray 1997; Camangi 1996). High quality labor, specialized outsourcing and managerial know-how are particularly important to those firms that cannot compete on the basis of internal scale economies. As trade barriers fall, the relative effects of agglomeration increase.
Effects of Globalization: Some Empirical Evidence

Taken together, what does mean? Reductions in barriers to international trade should work to the benefit of large firms over small firms, and urban firms over rural ones. Do we see evidence for this? Two sources of evidence were examined, the South Carolina Industrial Directory (South Carolina Department of Commerce 2000) and the World Bank’s World Development Indicators (World Bank 2000).

The South Carolina Department of Commerce has produced a directory of manufacturing almost every year since 1943. Since 1980, directories have tracked whether firms import and/or export, in addition to information on goods produced, number of employees, location, and other information. Firms were classified as “micro” (fewer than 20 employees), “small” (20-99 employees), “medium” (100-500 employees) and “large” (more than 500 employees), for purposes of this analysis. Table Two summarizes the exporting effects of size on 3,771 manufacturing firms in South Carolina. Overall, a little more than one in three manufacturers export. But, while among the largest firms, three in four export, among the micro firms only one in five exports. As expected, it appears that firm size affects decisions to export.

Table Two: Percentages of Firms Exporting, by Size

<table>
<thead>
<tr>
<th>Size</th>
<th>Firms</th>
<th>Exporter</th>
<th>% Exporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>3771</td>
<td>1398</td>
<td>37.07%</td>
</tr>
<tr>
<td>Micro</td>
<td>1594</td>
<td>344</td>
<td>21.58%</td>
</tr>
<tr>
<td>Small</td>
<td>1265</td>
<td>501</td>
<td>39.60%</td>
</tr>
<tr>
<td>Medium</td>
<td>764</td>
<td>440</td>
<td>57.59%</td>
</tr>
<tr>
<td>Large</td>
<td>148</td>
<td>113</td>
<td>76.35%</td>
</tr>
</tbody>
</table>

What about location? Firms were classified as “urban” if they were located in counties classified as Metropolitan Statistical Areas (MSAs). Firms in non-MSA counties were classified as “rural.” Table Three summarizes the effects of urbanization on exporting, overall and by firm size. Urban firms are 12 percent more likely to export than rural firms. The largest gap between the percentage of urban and rural firms exporting is among micro firms. Urban micro firms were almost 70 percent more likely to export than their rural counterparts. At the other end of the size scale, though, is a different story. Among large firms, urban firms are 4 percent less likely to export than their rural counterparts.

Table Three: Percentages of Firms Exporting, by Size and Location

<table>
<thead>
<tr>
<th>Size</th>
<th>State</th>
<th>Urban</th>
<th>Rural</th>
<th>U/R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>37.07%</td>
<td>38.35%</td>
<td>34.19%</td>
<td>1.122</td>
</tr>
<tr>
<td>Micro</td>
<td>21.58%</td>
<td>24.51%</td>
<td>14.44%</td>
<td>1.697</td>
</tr>
<tr>
<td>Small</td>
<td>39.60%</td>
<td>41.63%</td>
<td>34.91%</td>
<td>1.192</td>
</tr>
<tr>
<td>Medium</td>
<td>57.59%</td>
<td>56.71%</td>
<td>59.25%</td>
<td>0.957</td>
</tr>
<tr>
<td>Large</td>
<td>76.35%</td>
<td>75.26%</td>
<td>78.43%</td>
<td>0.960</td>
</tr>
</tbody>
</table>

What does this mean? Larger firms are more likely to export than smaller firms. Urban firms are more likely to export than rural firms. Those firms least likely to export are very small, rural firms. (These are almost 23 percent of all manufacturing firms in South Carolina.)

Do these results replicate internationally? We have found no reliable data on international firm size distribution, but the World Development Indicators (World Bank 2000) records information on trade
as a percentage of GDP, and urbanization, for most countries of the world. From this we can see whether, internationally, there is a relationship between urbanization and international trade.

Table Four summarizes correlations between urbanization, trade as a percentage of GDP and per capita income from 1980 to 1998. Two things should be noted about the relationship between international trade and urbanization. First, the relationship is positive and significant. Second, while the correlation has been fairly stable since 1985, there was a substantial increase in the correlation between 1980 and 1985. Note, as well, the strong and growing correlation between international trade and GDP per capita PPP. One interpretation of these data is that increases in per capita income require international trade, and international trade requires urbanization. The new economic geography and international trade theories argue (and the data indicate) that urban countries are better suited to take advantages of globalization. The data suggest that, as the forces of globalization increase, so do the advantages of globalization for urban nations.

<table>
<thead>
<tr>
<th>Year</th>
<th>Urbanization</th>
<th>International Trade</th>
<th>GDP per capita PPP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>Urbanization</td>
<td>1</td>
<td>0.48</td>
</tr>
<tr>
<td></td>
<td>International Trade</td>
<td>1</td>
<td>0.70</td>
</tr>
<tr>
<td></td>
<td>GDP per capita PPP</td>
<td>0.60</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Number of countries</td>
<td>203</td>
<td>158</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year: 1995</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urbanization</td>
</tr>
<tr>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Year: 1990</th>
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<tbody>
<tr>
<td>Urbanization</td>
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<table>
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<tr>
<th>Year: 1985</th>
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<tr>
<td>Urbanization</td>
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<table>
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<th>Year: 1980</th>
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</table>
What is a Country to Do?

What these numbers ignore is that there are hidden costs to urbanization. At first blush, we might infer that urbanization is a necessary first step for nations wishing to capitalize on the benefits of globalization. Conversely, urbanization is not without cost. It can cost a country fiscally, culturally, politically, and in terms of its quality of life. De Soto (2000), for example, notes that as countries urbanize large shantytown populations develop around urban areas. Residents of these communities live without rights to their property. The result is that any capital they hold is “dead,” in the sense that they cannot access it to improve their lives. The strain on infrastructure from urbanization can easily overcome the ability of a nation to respond to the needs of its citizens.

While South Carolina does not suffer from this problem of social dislocation, the single most volatile policy question is urban growth. In the last twenty years, South Carolina incomes have increased, and the quality of employment opportunities has increased (textile mills have been replaced by Fuji, BMW and Michelin). These phenomena are linked to the increasing importance of international trade to South Carolina’s economy. But at the same time, South Carolina has gone from a largely rural population to a largely urban one. This change will affect what it means to be South Carolinian. Are the advantages of trade worth the price? Fortunately, South Carolina has the luxury of answering this question peacefully. What about the rest of the world?

References


Value Chain Ethics: Power and Responsibility

Abstract:

As value chains span different jurisdictions, problems concerning the adequacy of local institutions may arise. Do institutions adequately protect the citizens from unreasonable hardship and suffering? If labor is exploited upstream or end users are suffering downstream, should the other actors in the value chain assume responsibility for the suffering? The article discusses a framework for ethical analysis of value chains across jurisdictions.

Key words: value chain, ethics, natural resources, LDC, MNC, outlaw states.

Introduction:

In the discussion of ethics and justice, we often confine ourselves to the analysis of one firm and its acts as they may affect others. It gets more difficult if we were to analyze complete value chains. What may be perfectly legitimate transactions between agents at one end of the value chain, may cause problems at the other end. It is the purpose of this paper to take a closer look at ethics and justice across different participants in different jurisdictions in the value chains.

Value chains are networks of firms that create value for themselves and for their customers by transforming a variety of resources (human and natural) into offerings valued by end users. From crude oil in a well at one end of the value chain, we wear polyester socks at the other end. Sometimes, there are ethical problems associated with this process which could, and perhaps should, create a challenge for firms. This is often the case when the actors in the value chain are located in different countries or jurisdictions, particularly if there are large cultural and economic differences between countries in the same value chain.

An international value chain may have the following participants:

![Diagram of a value chain with participants and jurisdictions]

There could be problems upstream in that the citizens of a resource exporting country do not get any benefit from the country’s natural wealth, or that workers or the environment upstream have been abused. There could also be problems downstream with dangerous products, illegitimate marketing or that the end users are unable to use the products safely or as intended. In addition to this we have the
problems of negative externalities which the parties to the transactions may pass on to innocent third parties; upstream as well as downstream.

There are a number of questions we should ask ourselves as we seek to analyze the value chain from an ethical perspective. Are the institutions adequate in the jurisdictions involved? If not, then how do we deal with “outlaw” states? What are the mechanisms by which some sellers gain the property right to their resources? What determines if there is responsibility across actors in the value chain? In this paper, these questions will be raised and discussed to some extent. However, more work is needed before we have workable solutions to some of the problems discussed below.

Inadequate institutions:

Institutions are “the humanly devised constraints that shape human interaction. In consequence, they structure incentives in human exchange, whether political, social or economic” (North, 1990). Institutions consist of cultural norms and values as well as laws and regulations which frame our behavior. Institutions change over time and from one place to another. The issue in question here is if the institutions present in some jurisdictions are adequate in terms of ensuring basic justice, human rights, environmental protection, and well-functioning markets. DeGeorge (1993) presents seven principles of conduct when doing business in a country without adequate background institutions. One of these principles states that a firm should follow the local culture as long as this does not result in unethical acts. Thus he opens the door for the possibility that local institutions could be directly unethical. It is not always that we should do what the Romans do when we are in Rome. They did feed Christians to the lions, and this is wrong even if accepted in a given place at a given time.

John Rawls (1999) classifies countries in part based on the adequacy of their institutions. On one side he has:

1) “reasonable liberal peoples” who live in a constitutional liberal democracy.
2) “decent peoples” who live in a consultation hierarchy or other such structures worthy of membership in a society of peoples.

Both “reasonable liberal peoples and decent peoples would agree on the basic principles spelled out in the Law of Peoples. This law has eight parts, which include a focus on issues such as independence, freedom, human rights and basic equality.

In the class of states with questionable practices he has two categories:
3) “Outlaw states” which violate the basic human rights of their people or are outwardly hostile to other states.
4) Societies burdened by unfavorable conditions. These countries would like to be well ordered, but are unable to achieve that position because of an external factor beyond their control.
5) “Benevolent absolutisms” which do honor human rights, but do not consult the people in making political decisions. As such they are in violation of a basic right by not letting people speak for themselves.

It is in dealing with value chains that cross into states with questionable practices that we have problems, especially with the outlaw states.

In addition to the institutional framework for basic justice, rights and the environment, we also need a set of institutions ensuring distributive justice, especially in the arenas in which we allow the market to allocate resources. If one chooses the market mechanism in some arenas, the markets need to function well. In many jurisdictions, we find major weaknesses in the institutional framework for well-functioning markets. Some of weaknesses include lack of competition, presence of monopolies and
excessive use of government permits, few buyers and sellers, inability to enter and exit markets at will, lack of relevant information, lack of choice, or externalities being passed to third parties indiscriminately. Often, autocratic governments control both the political and the economic sectors of a country with little or no room for a functioning democracy or functioning markets. We experience centralized sovereignty as opposed to decentralized sovereignty.

The relationship between ethics, institutions and justice is depicted in figure one below. Building on Rawls (1972) notion of an original position under a veil of ignorance we can say that people in the original position not knowing what lives they would be granted, might agree on three principles of the good. These are: 1) that the lives be are assigned be livable i.e. “survival” 2) no one would chose to be a second or third class citizen i.e. “equal moral worth” and 3) that one might choose a principle of distributive justice which maximizes the welfare of those worst off i.e. the “maxi-min” principle. (Falkenberg 1997) It follows that an institution which promotes “the Good” is just and one which promotes non-survival, inequality and a worse condition for the poor are unjust. The local institutions in each jurisdiction (or state) frames our lives and our acts, and if these are inadequate for the promotion of the good, then they are unjust. Basic human rights, concern for the environment and well functioning markets in selected arenas would be part of an adequate set of institutions. Thus an act is ethical, if and only if, it is in accordance with a set of just institutions.

In this scheme, an “outlaw state” or a “state burdened by unfavorable conditions” would be states with severe problems of justice in its institutions, or in DeGeorges language, a state with “inadequate background institutions”.

One basic assumption to all transactions (markets or not) is that a seller has legitimate property rights to what is being sold. In many value chains, one can question the legitimacy of the property rights claimed by actors up stream. Does the seller, often a government, have legitimate property rights to the resources being sold? A buyer is implicitly granting these rights to the seller by accepting to buy from a seller. This is known as the granting of the “resource privilege” to the seller (Pogge 1999). In liberal and decent societies, buying a product from a fence3, or from someone who has bought it from a fence, does not transfer legitimate ownership rights. Stolen articles can in general be reclaimed by the original owner without compensation to the current owner. However, if a ruler of an outlaw country has forcefully taken control of a resource and proceeds to sell it on the international market, the buyer is seen as a legitimate owner as are all subsequent owners down the value chain.

A similar problem exists down-stream, when governments of outlaw states borrow money. Some times, private or public banks accept kleptocratic rulers as legitimate borrowers of large sums of money. The loans are typically secured by government guarantees. The rulers have thus been granted the “borrowing privilege” (Pogge 1999) by the banks. This situation is similar to the resource privilege. A good portion of the borrowed money and the money from illegitimate sale of resources is spent in ways which benefit the rulers, be it on “their” military forces needed to keep them in power or on their personal holdings at home or abroad. Later, when the rulers have been ousted, the country is left with a debt problem, which will have to be borne by people who suffered under the previous rulers and in many cases never got any benefits from the borrowed money. However, enlightened bankers might have foreseen

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3 Fence: a person who receives and disposes of stolen goods
that some of these loans would turn into bad debts almost instantly. By accepting these governments as borrowers, the banks are exercising power downstream and adversely harming the lives of innocent third parties. What may in most cases look like a legitimate loan, turns into hardships on people who never benefited in the first place. The market has failed in that the parties to the transaction did not carry the full burdens and benefits generated by the transaction.

The money earned by selling ill-claimed resources or borrowed from foreign banks is often used to enhance the power of the rulers. This is also an incentive for potential rulers to seize power of the resources in the first place. Once in power with the funds needed to remain in power, it becomes increasingly difficult for the citizens to affect a change in a democratic direction. Thus if we have “outlaw” states as sellers of natural resources upstream in the value chain or as financial customers downstream the value chain, one ought to question the legitimacy of these transactions as they have not been conducted in an environment with adequate background institutions. When a buyer grants the resource privilege to an illegitimate seller or a bank grants the borrowing privilege to an illegitimate government, buyers and banks are not acting in compliance with just institutions.

As a general rule it is up to each jurisdiction to ensure that the background institutions are indeed adequate for its people and that this is not something for which members of an international value chain can be held responsible. However, if the activities of the value chains are such that they create or stimulate hardship for the local population, then we need to take a closer look at the mechanisms at work.

**Power and responsibility:**

Value chains typically exercise power upstream and downstream. Power is defined by the ability to change the behavior of others. This can be done by physical force and/or by oral persuasion and/or with money. I can provide you with economic incentives so that you will do as I suggest. Prize money attracts athletes and gamblers, bonuses attract salespeople and skilled CEO’s – who, because of the rewards will change their behavior and enter certain arenas. One could perhaps even persuade the reader to get out of her chair, immediately, and walk 5 miles if one were to offer a reward of $10 000. Similarly, the promise of a large order will change the behavior of suppliers upstream. Demand will create supply. Downstream, we seek to influence demand (behavior) by conducting our marketing activities so that we create value for our owners. “Buy our solutions! We give you more value for your money than our competitors”.

Buying and selling need to take place within an institutional framework that ensures well functioning markets. Some of these institutions include basic property rights, informed participants who act rationally and transact freely without imposing costs on third parties. However, not all transactions take place in jurisdictions with adequate institutions, so that the use of power under these circumstances may have adverse effects.

When it comes the question of responsibility, one is certainly responsible for ones own acts. This means that we are also responsible for our use of power vis a vis sellers and buyers. A person or a firm is “response-able” for something if they are able-to-respond to the phenomenon. If it is in my power to affect a good, or a bad outcome, by acting or by not acting, I am at least partly responsible for the outcome. One can choose to use or not to use ones power to stimulate good outcomes and not to engage in situations which may result in bad outcomes. The exercise of power happens throughout the value chain, and it is the combined effects that may be felt by those who may be suffering as a result.

In the following section, some current and historical examples are presented to illustrate how harm can be inflicted in certain value chains (figure one) that span different jurisdictions with unjust institutions (figure two).
The Coffee Trade:

Eduard Douwes Dekker worked for the Dutch colonial authorities in Indonesia in the 1850’s. Shocked by the way native princes treated locals working on the coffee plantations and how the Dutch profited from this exploitation, he tried to report to his superiors on the conditions with little success. Dekker (1860) writes: “I have undertaken to protect the population from the extortion and tyranny…” (p. 300). To the Dutch Governor General he writes; “Your Excellency has sanctioned the system of abuse of authority, of robbery and murder, under which the humble Javanese groans…” (p 316). “Your Excellency there is blood on the pieces of silver you have saved from the salary you have earned thus!” (p 317). Dekker was eventually fired for what today would be called whistle blowing. In 1860, he published his experiences in his famous novel “Max Havelaar or the coffee auctions of the Dutch Trading Company” under the pseudonym “Multatuli” (= I have endured much). In addition to its literary qualities, the book has had a great impact on the morality of trade practices under the Dutch colonial rule.

Today, the coffee trade is still surrounded with controversy. Coffee drinkers in the first world are enjoying coffees that are getting better year by year. At the other end of the value chain, there are, in addition to a few large growers, numerous small farmers and tenant farmers who produce barely enough for subsistence. (Biasco et al 1993) These growers are usually chronically in deficit to local landlords and local merchants/traders, who may not always pay full market prices for the crops. The sellers are not well informed, nor are they able to exit their situation and chose other channels. The power relationship between the grower and the initial buyer is quite asymmetric, and the institutions of the market are not functioning. The farmers cannot enter and/or exit at will, the buyer may be a local monopsonist and the sellers do not have the information required to ensure a win-win transaction. As a response to this situation, Caritas and other foreign aid organizations founded the Max Havelaar Foundation (MHF) in Bern, Switzerland in 1992. MHF encourages fair trade and respect for the environment in the coffee, honey and chocolate trades. The foundation acts as a licensor and puts small cooperatives of small producers in direct contact with clients in the North, bypassing local middlemen and the commodity markets. This ensures a better power balance and fair price to the small farmers and removes the dependence on the local merchants and traders. MHF cooperates with other organizations to promote “fair trade” in Europe hoping to ensure a value chain in which no one suffers or acts under duress.

Historically, the Dutch traders acknowledged the local princes of essentially outlaw states with inadequate institutions as legitimate owners of the coffee and granted them the “resource privilege”. This strengthened their power. It was clear to the coffee buyers that the princes were tyrants, yet they apparently did not see themselves as partly to blame for the adverse conditions. Today, the MHF works to make sure that the original upstream value creators, the small farmers, are not exploited by more powerful actors further down the value chain. The power imbalance has been corrected. MHF makes sure that the initial transaction takes place in a well functioning market; a market that did not function properly under local institutions.

Slaves:

Over several centuries, the slave trade may have abducted about 15 million people from Africa. It is estimated that some 9.5 million slaves (plus/minus 20%) arrived in the Americas from Africa between 1451 and 1870. (Curtain, 1969) In addition came those who died in transition, perhaps some 13%, as well as several million who were taken into the Arabic/Asian slave trade. Initially, European pirates caught slaves as they raided coastal villages on the West Coast. Later, the slave traders made war like alliances with local chieftains who received horses, firearms and weapons for the slaves. In the third stage of the evolving trade, the coast was divided among the European powers, which established trading centers on the coast. The African traders had to provide slaves in addition to other goods in order to get the Europeans to trade at all. At the end of the 1600’s the slave trade was the business of kings, rich men and prime merchants (John Barbot cited by Basil Davidson). The slaves were typically branded with the
initials of the owners such as “DY” for the Duke of York. The strong demand created its own supply. As Davidson (1980) writes:

Whenever the trade found strong chiefs and kings, it prospered almost from the first; wherever it failed to find them it caused them to come into being. Whether in the accumulation of wealth by customs-dues, gifts or trading profits; or in the political authority which slaving lent to those who organized it; or in the military superiority which derived from buying of firearms, slaving built chiefly power where it did not exist before, or else transformed that power, where it was already present, from a broadly representative character into an autocratic one.”
(Davidson p 105)

Africans had for centuries conducted international trade and developed complex societies hundreds of years prior to the slave trade with the Europeans. Early Arabic sources date the kingdom of Ghana to 800 AD, with extensive stone cities and trade of gold and salt across the Sahara to the Mediterranean. Several accounts report that the African Chiefs were as professional and shrewd in their trade practices as were the Europeans.

Money is power and the demand for slaves seems to have created its own supply. Demand seems to bestow “ownership” to willing sellers, who do not ask for the legitimacy of the initial transaction. As would be predicted by the “resource privilege”, the sellers chose to give the buyers what they demanded. They gave into the power exercised by the buyers and engaged in illegitimate transactions. In this case, both buyers and sellers transacted under inadequate and unjust institutions violating one of the most basic of all human rights. Slaves were then used in the cotton fields and the sugar field in the Americas. However, the subsequent transactions of cotton fabric and sugar further down the value chain were not seen as questionable, neither were the fortunes made by actors further down the value chain.

In a curious turn of events, the 27 million people who are currently regarded as slaves live under worse conditions than the slaves of centuries past. Under the old “market” system, a slave owner held title to the slave and had money invested in the slave. He had an incentive to protect his investment. It would be to his benefit to make sure that the slave was healthy, well fed and not overworked so that she/he would be productive over many years. Today’s slaves are “disposable people”, be it in the farm fields of India, in the brothels of Europe or Asia or in the sweatshops upstream in the garment industry in Europe, North America or Asia. The supply seems plentiful and the price is low, so one may abuse and discard people at will (Bales1999).

Diamonds and Oil:

The current war raging in Congo (the former Zaire) is to a large extend a war for the control of resources (New York Times, Jan. 27th 2000). Congo is one of Africa’s richest countries when it comes to natural resources including diamonds, oil, uranium, gold, water and fertile agricultural land. Now, it seems that “everybody” is trying to get a piece of the action. In addition to several internal fractions, Rwanda, Burundi, Uganda, Zimbabwe, Zambia, Tanzania, Angola, Namibia and Sudan are in the conflict hoping to get a piece of the revenue. In a tangled web of rebels and government supporters, multiple alliances are made and remade in the quest for natural resources. Laurent Kabila, the ex president of Congo, accused his neighbors (Rwanda, Burundi and Uganda) of forced recruitment of exiled ethnic Hutus and of plundering his country of diamonds, cobalt, gold and zebras. (NY Times Jan 25th 2000) One of Kabila’s allies in the struggle is Robert Mugabe of Zimbabwe. The conflicts are exceptionally brutal and represent

“horrific abuse of fundamental human rights by all sides… There is no rationale of past grievance or ethnic difference that excuses murder, torture, rape or other abuses. Here today we must vow to halt these crimes and to bring them to justice under the due process of law.”
In Angola, the government controls the oil and the UNITA rebels control the diamonds. The two have been at war for decades, a war financed primarily by the exports of natural resources. Sierra Leone is another country with vast diamond deposits. Two thirds of the country is in rebel hands. The mines have been guarded by South African mercenaries, but are now controlled by RUF (Revolutionary United Front). The rebel leader Foday Sankoh uses massive force against the civilian population, including chopping of hands and arms of women and children in order to get to the diamonds. The rebels exports diamonds through Liberian friends, including ex. rebel, now president Charles Taylor. Both Taylor and Sankoh were trained in Libya. Liberia’s has exported diamonds for a long time, but during the last few years, the quantity exported is equivalent to some 200 years of the country’s own production. (Harden 2000). The governments of South Africa, Botswana and Namibia seem to have a better hand in the diamond trade with far less violence.

When the diamonds leave Africa, most of the end up in Antwerp and with the DeBeers diamond cartel. However, it is hard to know the origins of the diamonds once they are part of the international marketplace. South Africa has asked the UN to help initiate an international certification system for gems, saying that it is concerned that the diamonds are fueling civil wars and that the adverse publicity may affect the rest of the diamond industry. (Croissette 2000). However, just because a country does not have a civil war associated with its diamond exports, does not mean that the resulting wealth is not used to prop up kleptocratic governments.

Wantchekon (1999) writes that natural resource dependence and rentier economies tend to generate authoritarian governments and sociopolitical instability. All African petro-states have authoritarian governments or have experienced a very slow process of political reform. The countries include Algeria, Angola, Nigeria, Libya, Gabon, Cameroon and Congo. In fact, there is a slight negative correlation between developing countries’ resource endowments and their rates of growth (Pogge, 1999). For example, in Nigeria, the real per capita income has declined by 20% since 1977 (HDR 1997) despite enormous incomes generated by the country’s oil reserves. Other resource rich countries with declining real per capita income over the past decades include Angola, Mozambique, Kenya, Congo, Venezuela, Brazil, Saudi Arabia, the Philippines under Marcos and Burma. (see also Karl, 1997) Again, kleptocratic governments seem to take control of the resources, sell them on the world market, and then stay in power with the help of the money earned. As the Economist (2001) writes:

The charge is that Shell and other oil majors - Total/Fina/Elf, Texaco, Chevron, Mobil and Eni - cooperated with successive military governments which took billions in oil revenue while doing nothing to develop the region from which the oil came. Human rights organizations accuse all the foreign operators of colluding with in violent crack downs and dealing willingly kleptocratic regimes. (p 40)

Today, diamonds and oil are important export items for Africa. However, this trade is in some ways reminiscent of the slave trade of the past. As with the slave trade, the strong demand for these products seems to encourage concentration of power with the sellers, who use part of the massive revenue to build and operate oppressive regimes with little regard for their fellow citizens. Many countries endowed with valuable natural resources seem to ruled by dictators assisted by strong police and military forces. Pogge (1999) suggests that the possible revenues generated from the control of natural resources encourage potential dictators to seize power, take control of the natural resources and sell these on the world markets. The revenue generated will sustain the rulers and their supporters, leaving most of the population in poverty. In such cases we have totally inadequate institutions resulting in extensive suffering.
Looking down stream in the value chain, we have already presented the problems with e borrowing privilege which has resulted in a massive and burdensome 3rd world debt. Other examples of possible problems down stream include situations in which a product is marketed towards particularly vulnerable segments or segments which are unable to use the product safely as intended. Marketing of tobacco, alcohol, guns and drugs is typically regulated so as to not end up in the hands of minors who are not believed capable of using these products in a safe manner. Nestlé and other producers of infant formula have been held morally responsible for selling products into situations where the end user was unable to use the product in a safe manner. If one does not have access to clean water, it can be dangerous to use the milk powder as baby food. There are many examples of products that when in the hands of the wrong people can cause harm. These groups are either particularly vulnerable (like for children and cigarettes) or unable to use the products as intended (infant formula). In either case, the power of the firm in its ability to influence demand in these segments are in part responsible for the damages done.

Thus we have several important examples of illegitimate up-stream transactions in part stimulated and driven by demand further down in the value chain. The same value chain contains the practice of chopping off the arms of women and children to get to the diamonds of Sierra Leone, that are later offered down-stream as symbols of love on one’s wedding day. We have smiles and tears in the same value chain. Many of the countries in which this is a problem are governed by kleptocratic autocrats who serve themselves rather than their peoples. The autocrats may benefit by their activity at a tremendous humanitarian cost to the local populations. In Rawl’s terms, these nations would be considered “outlaw states” (Rawls 1999) and should be dealt with at arms length. Violent kleptocratic regimes should not be allowed to increase their power as a result of being granted the resource privilege by multinational buyers further down the value chain.

**Conclusion:**

Firms have power and can change behavior up- and down stream. When this force is exercised in countries with inadequate institutions so that harm is inflicted, or vis a vis groups particularly vulnerable or unable to use the products safely, then we can say that the firms are responsible. Being part of a value chain in which power is exercised with harmful effects, makes all the participants responsible. A lot could be gained if we were to become cognizant of how these mechanism work inside the value chain and then take action to make sure we have win-win-win-win-win chains instead of loss-win-win-win-win-win situations.

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Examine the Transmission of Prejudice as a Consequence of Our Marketing Communication Strategies

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Abstract

The purpose of this paper is to conceptually extend a discussion that began with the first author’s Presidential talk to the Society for Consumer Psychology in 1999. This talk was entitled The Transmission of Prejudice: What Do Our Marketing Strategies Really Reinforce? That talk began by providing a historical overview of the study of prejudice (see Duckett 1992 for a helpful review) that is summarized in the table below. From that overview Duckett proposed four causal processes underlying the existence of prejudice. One of these processes involves the transmission of certain forms of communication that serve to reinforce prejudicial attitudes within our society.

Table 1: The study of Prejudice

<table>
<thead>
<tr>
<th>Early 1900’s</th>
<th>Race Inferiority in both America and Europe (e.g., evolutionary backwardness, limited mental capacity)</th>
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<tbody>
<tr>
<td>1920’s</td>
<td>Challenge to racial superiority (conceptualization as a social problem)</td>
</tr>
<tr>
<td>1930’s/40’s</td>
<td>Shift to universal processes underlying prejudice (e.g., psychodynamic theory)</td>
</tr>
<tr>
<td>1950’s</td>
<td>Focus on personality variables (e.g., authoritarian personality)</td>
</tr>
<tr>
<td>1960’s/70’s</td>
<td>Focus on sociocultural perspective (e.g., intergroup conflict, social structures)</td>
</tr>
<tr>
<td>1980’s/90’s</td>
<td>Reemergence of a focus on the individual (e.g., stereotype activation)</td>
</tr>
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</table>

The first author proposed two forms of marketing communication posited as prejudice reinforcement transmitters. The first of these transmitters was the direct use and portrayal of minority populations in advertising. A content analysis of a subset of the literature on stereotyping in advertising by the first author revealed four major types of stratification: Gender, Ethnicity, Age, and Attractiveness. Within each type, several dimensions providing possible transmission of prejudice were found. These included:

1) the roles in which people were presented,
2) the presence or absence in advertising (usage),
3) the types of behaviors and habits shown to be representative,
4) the perceptions that are represented including beliefs and attitudes,
5) the types of product associations projected, and
6) the environmental settings presented.
These studies, taken as a whole, reflect the continuing existence of prejudice and stereotyping in advertising and its effect on the consumer. While it appears that advertisers have become more sensitive by including minorities in more ads, recent content analyses suggest stereotyping is still present (e.g., Taylor 1997).

The second type of transmission occurs primarily through a more systematic marketing strategy. It is very directed and today is ever-present in our society. In part, the modes of transmission through advertising (and even through the personal selling relationship) are pieces of this larger marketing phenomenon. The name of this phenomenon is market segmentation.

Kern-Foxworth’s in her book entitled *Aunt Jemima, Uncle Ben, and Rastus: Blacks in Advertising, Yesterday, Today, and Tomorrow* reached a conclusion reflected in the following quote: “In other words, the people who visit our homes day in and day out, trying to get us to buy this or that, are still not reflective of the society in which we live.”

Joseph Turow from the Annenberg School for Communication at the University of Pennsylvania has written several books on media. One of his books entitled *Breaking Up America: Advertisers and the New Media World* takes a hard look at market segmentation and its impact on advertising and society. From the past 20 years of studying the media, Turow notes “I noticed that media were increasingly encouraging people to separate themselves into more and more specialized groups and to develop distinctive viewing, reading, and listening habits that stressed differences between their groups and others.”

With budgets that add up to hundreds of billions of dollars, the media industry including advertising is arguably better than the church or schools in its ability to promote images about our place in society – where we belong, why, and how we should act toward others. The increase in cable stations, radio, and specialty magazines, catalogs, and direct mail is no accident. It is the result of advertisers seeking to segment their markets.

As Turow suggests, “these activities have centered on entering individuals’ private spaces – their homes, their cars, their offices – with lifestyle-specific news, information, entertainment, and especially, commercial messages. They also have involved tailoring public spaces – concerts, (automobile) races, and other open-to-the-public events – so that they attract customers who fit narrow profiles demanded by particular sponsors.”

In his book, Turow tries to demonstrate how “marketers look for splits in the social fabric and then reinforce and extend the splits for their own ends.” How do they do this? By incentivising consumers to use media specially designed for them and discouraging the use of media designed for others.

Cass Sunstein, a professor of jurisprudence at the University of Chicago Law School and the department of political science makes the same point in a recent article in the Chronicle of Higher Education (March 16, 2001). Sunstein reflects that, as communication media become more controlled by the individual and driven by individual interests, exposure to diversity will be significantly decreased (see also Schumann, Artis & Rivera, 2001).

Let’s think for a moment about what the consequences of market segmentation are? To a marketer there are numerous positive consequences including

1) the ability to match products and services to certain value drivers that define a segment, thus creating the potential for more loyal customers
2) the ability to accurately target consumers most likely to be customers
3) the ability to collect more accurate and timely market data
4) the ability to purchase more cost effective media  
5) the ability to create an effective sales proposition that is unique to a segment  
6) the ability to design cost efficient distribution systems  
7) the ability to keep “undesired” segments away from a product  

To society it also has positive benefits to include  
1) greater likelihood of receiving a product designed to meet the customer’s needs,  
2) lower prices due to cost efficiencies in promoting and delivering the product.  

These benefits are important to both the marketer and consumer, but they may not be without cost to society. The strategy of segmenting markets, whether intentional or not, may minimize exposure and knowledge of other groups in our society. It presents a “me” as owning certain products, doing certain activities, socializing with certain people, and a “they” as being different in their choice of products, activities, and friends, etc. Is it possible that market segmentation leads to a type of market segregation? The degree to which market segmentation is harmful to society and perhaps counter to basic positive societal values is an empirical question, one that deserves further investigation.  

Recent literature in the social psychology has investigated the impact of stereotype activation on our prejudicial responses. The marketing communication transmitters mentioned above are thought to serve as reinforcers. By employing stereotyping in advertising as in the case of the first transmitter, advertising may activate certain stereotypes evoking in some cases a prejudicial reaction. The absence of exposure described in the second transmitter reinforces stereotypes by not exposing one to contexts that might counter the stereotype.  

What are the questions we as researchers should be asking? How should we be examining these questions? In considering the first form of transmission, although there is a significant amount of existing research that has attempted to document prejudice and stereotyping within product presentation, it is important to take our research a step, just as social psychology has. Borrowing the social psychology, questions we might want to address might include:  

1) Can advertising stimuli, believed to transmit direct or indirect prejudicial messages, influence the audiences automatic prejudicial responses?  
2) If so, what types of specific advertising stimuli are particularly influential?  
3) What, if any, emotion is involved in transmission that might serve to establish or reinforce an automatic prejudicial response?  
4) Are there certain motivational and/or personality factors that might moderate this influence?  
5) Is it possible to desensitize the automatic prejudice response by providing more, not less mixed group advertising and promotion?  

We also need to move beyond examining simple consumer response, e.g, recall, aad, abrand, PI, as dependent measures, and begin to look more long term at how this transmission of prejudice influences individual values, and people’s attitudes and treatment of others not in their defined ingroup.  

In considering the second form of transmission, market segmentation, there are several questions that we can address:  

1) Does market segmentation result in significantly less exposure to other groups in our society?  
2) Does market segmentation serve to enhance insecurity or fear toward outgroups?  
3) What impact does market segmentation have on the formation or reinforcement of prejudicial attitudes towards outgroups?
4) Do market segmentation strategies alter cognitive categorization?
5) What are the long-term costs of market segmentation on society?

This presentation attempts to make a case for further examination of the potential negative impact that certain transmissions of prejudice have on society. Two forms of transmission through marketing communication strategies have been described. The first form considers the ongoing way in which certain groups of people are presented to consumers via advertising. The second form, market segmentation and its resulting communication strategies, is a broader phenomenon.

References


This article utilizes the Economic Detour theory of enterprise development to assess the origins and development of black-owned advertising agencies in the U.S. In light of this theory, key socioeconomic phenomena – racial segregation, desegregation and multiculturalism – are explored in terms of their impact on opportunities and practices among black advertising entrepreneurs.

Introduction

Much of the historical literature on the topic of “minorities in advertising” deals with ethnic images in advertisements and discusses the socio-political and psychological ramifications of these portrayals (Stern 1999). For example, several scholars have traced the evolution of the portrayals of blacks in advertisements (Humphrey and Schuman 1984; Kassarjian 1969; Kern-Foxworth 1994). With the exception of limited references provided by Fox (1984), Kern-Foxworth (1994) and Weems (1998), scholarship on advertising history has typically ignored the experiences of minority advertising entrepreneurs and career professionals. This research void is particularly glaring as the industry increasingly embraces “multiculturalism” as a marketing orientation and seeks to enhance minority participation among its professional ranks (Holman 1993; Kim 1997).

This article examines the origins and development of advertising firms owned by African-Americans – among the oldest of the “ethnic” or “multicultural” agencies in the U.S. – in the context of the Economic Detour theory of business enterprise development postulated by Stuart (1940) and Butler (1991). The roles of three major socioeconomic paradigms – racial segregation, desegregation, and multiculturalism - are also assessed in light of this concept with respect to the impact on opportunities for and practices among black entrepreneurs in the advertising industry.

The Economic Detour Theory of Enterprise Development

The theory of Economic Detour is important because it provides an understanding of how racial groups relate to opportunities in the marketplace. This concept was first articulated by Stuart (1940), an historian and businessman, upon his reflection of the business conditions typically encountered by black entrepreneurs. In essence, he argued that the legal and social practices of racial segregation drove black entrepreneurs, often unwillingly, to cater exclusively to black consumers in order to have reasonable opportunities for business viability. In a landmark quantitative study of business activities among black firms, Pierce (1947, 19) concurred with Stuart, illustrating that American business operated in a dichotomous “Negro-white caste system,” concluding that racial prejudice was the fortifying agent of such a system.

There is substantial agreement that the socioeconomic conditions under segregation created a peculiar paradox for black entrepreneurs, who, denied access to the broader marketplace, benefited from racial separation in that it created what consumer market they had. Moreover, there has been general agreement that the most viable lines of business for black entrepreneurs were those which white entrepreneurs elected not to pursue (Stuart 1940, xxv; Pierce 1947, Butler 1991, 74). Several scholars stress that the Economic Detour theory applies only to black-owned businesses, not to ethnic immigrant enterprises, where the latter were not legally separated from the rest of society nor were forced to cater only to their own ethnic groups in business, as were blacks (Stuart 1940, xxiii; Butler 1991, 76).
About fifty years later, Butler (1991), constructing a socioeconomic theory of enterprise development, expanded Stuart’s original concept. He developed a “Heuristic Model of the Theory of Economic Detour” which proposed the following six stages: 1) societal hostility (in the post-Civil War South and North) 2) prompted governmental interventions (such as Jim Crow laws) and local customs 3) which resulted in the relocation of black firms away from the central business district (i.e., away from the general consumer market) and 4) into a “one-race” market for consumers. 5) These phenomena had the effect of decreasing the total amount of business opportunity available and prompted a significant decline in the total number of black firms. 6) Conditions responsible for this decline eventually result in the complete removal of black entrepreneurs from the competitive marketplace. Butler (1991, 75) argued that the model was applicable to the vast majority of black-owned firms operating between the Civil War and the 1960s, with major elements of the model still relevant into the 1990s.

Given American society’s evolution into a more integrated and multicultural environment, questions arise as to the validity of the Economic Detour as a model of enterprise development. To this end, two recent studies applied the Economic Detour model to black-owned firms in key industries, finding empirical support for its assertions. Weems’s (1996) study of black-owned life insurance companies – historically considered among the most prestigious of black enterprises – indicated that these companies over the years found themselves increasingly at a competitive disadvantage, given their tradition of generally catering to black consumers, the increasing attraction of black consumers to white-owned insurance companies, and difficulty in attracting non-black policyholders. Where in 1945, there were 204 black-owned insurance companies in the U.S., by 2000 there were only 21 (“Then and Now,” 2000). His findings led Weems (1996, xvi) to conclude that contemporary black-owned insurance companies “find themselves in a de-facto version of the Economic Detour described by M.S. Stuart more than fifty years ago.”

Similarly, Silverman’s (1999) study examined contemporary black-owned manufacturers of beauty aids products, using Butler’s model. He found that a number of these firms had operated successfully for decades, catering exclusively to the black consumer market, which its owners had perceived as the only viable option. However, by the 1980s, the black beauty aids market had attracted the attention of major white conglomerates and these smaller black firms found it increasingly difficult to compete. Despite vigorous attempts to mobilize group resources, educate consumers and shore up financing and marketing efforts, by 2000 all but three of these firms had either failed or been acquired by white concerns (Hocker and Spruell 2000; Silverman 1999).

Bates (1997) offers a somewhat alternative view on enterprise development among African-Americans, based upon his study of black and Asian enterprises, which utilized data from the U.S. Department of Commerce. His conclusions regarding black business development between the Civil War and the 1960s are consistent with those of Stuart, Pierce and Butler, but he indicates that an “emerging” form of business development began around 1970, as greater access to education, training and capital was made available to African-Americans. He argues that these firms could compete in the broader marketplace, due to the erosion of discrimination, and were more likely to serve government and corporate clients. He named accounting, computer programming, engineering, and advertising among these “emerging” lines of business (Bates 1997, 154). Asserting that entrepreneurship makes sense only in light of prevailing socioeconomic constraints and opportunities, he paints a fairly rosy picture of business development in the contemporary era, drawing the following conclusions:

“Breaking into larger-scale lines of business and serving diverse clienteles has always been difficult for self-employed blacks due to barriers and constraints deeply rooted in American society. Although many of these constraints still linger, they have lessened, and since the 1970s, the black business community has increasingly entered the business mainstream” (Bates 1997, 258).

Research Focus

When Butler’s (1991) and Bates’s (1997) conclusions are juxtaposed, a contradiction emerges. Despite recognition of traditional societal barriers and constraints to business development among African-Americans, Bates’ conclusions regarding the future of black enterprise are quite optimistic and
suggest that broader access to the general marketplace is imminent. Butler’s conclusions, on the other hand, are more pessimistic, asserting that the “one-race” tradition of market development among black entrepreneurs drives these firms to eventual ruin. Here it makes sense to question whether the Economic Detour model has bearing on the study of black-owned firms in the advertising business, in light of their inclusion among the contemporary “emerging” sectors identified by Bates. On the surface, it would seem too easy to dismiss its relevance in light of a desegregated, increasingly multicultural society. Yet, the evidence regarding contemporary black-owned insurance companies and beauty aids manufacturers strongly suggest that major elements of the Economic Detour theory remain, at least in some industries. With respect to the marketing industry, Cui (1997) suggests that effects of race-driven “separated” marketing practices still persist today. To this end, this paper examines the following chronological record of development of black-owned advertising agencies between 1940 and 2000 and questions the validity of the Economic Detour theory of enterprise development from historical and contemporary perspectives.

The 1940s - 1950s: Early Black Advertising Pioneers in the Era of Segregation

Before the 1950s, employment opportunities for African-Americans in advertising firms were essentially non-existent (Fox 1984, 278). The few minorities interested in advertising as a vocation entered via entrepreneurship. Vince Cullers Advertising in Chicago, launched in 1956, is popularly cited as America’s “first” African-American-owned advertising agency (Lloyd and Hayes 1995). However, other sources indicate that black-owned advertising agencies existed as early as 1940. Vomack Advertising of Inwood, New York was founded in 1940 and two black agencies were founded in 1943: Fusche, Young and Powell in Detroit and David Sullivan in New York City (Mitchell 1979; Fox 1984, 278). Sullivan was the most prominent of the three, largely due to his research, consulting, and published essays on the “Negro market” during World War II (Sullivan 1943; Sullivan 1944; Weems 1998, 32). While little is known about the specific business activities of the 1940s-era firms, which are now defunct, it is generally acknowledged that these firms were mainly involved in promoting black-oriented products (such as hair care products and “race” music recordings) to black consumers through black media - a practice labeled the “special markets” approach (Fox 1984, 278). These practices were consistent with the common racial segregation and overt discrimination of the period, whether codified via Jim Crow laws in the South or practiced as custom elsewhere.

World War II and its aftermath had a significant impact on the marketplace. The war heightened blacks’ awareness of the disparity between America’s democratic rhetoric and its treatment of them at home, which included widespread segregation and racial oppression. Blum (1976) suggests that the end of the war brought with it heightened consumer expectations among blacks, Italians, Jews and other “ethnics” who desired to reap the benefits of freedom and prosperity. Some marketers capitalized on these rising expectations. In 1948, Lever Brothers Corporation announced a major campaign in the black press. Its president, Charles Luckman, a member of President Truman’s Commission on Civil Rights, was known as a “champion of opportunity” for minority groups, which he saw as helping to realize the democratic ideal (Walker 1998, 350).

By the 1950s, additional factors fueled interest in black consumers by other corporate marketers. These factors included census data which indicated that the black population had increased significantly in size and in urban concentration (Weems 1998); evidence of a growing and economically viable black middle class (Frazier 1957); proliferation of “Negro-appeal” radio stations in urban areas, where disk jockeys were successful in selling to black consumers (Williams 1998, 12); and the landmark 1954 Supreme Court decision in Brown vs. Board of Education, which outlawed segregated facilities in public education. Although many desegregation efforts were met with tumultuous public resistance, the Supreme Court decision indicated that a more integrated society was approaching. Some mainstream marketers and advertising agencies, interested in capitalizing on these phenomena, sought help in courting black consumers. Clarence Holte, described as “the Jackie Robinson of advertising’s big leagues” was hired in 1952 by Batten Barton Durstine and Osborne (BBDO) to handle advertising for the “Negro Market”; Roy Eaton, a Yale-educated classical pianist and Phi Beta Kappa, was hired by Young and Rubicam in 1955 as probably the first black American on major accounts (“Negro Market...” 1952; Fox
Another notable pioneer was John Small, who had been a media buyer and analyst with Grey Advertising and became the first black advertising salesman at a major New York television station around 1960 (Fox 1984, 279). He would eventually start his own advertising agency – among the largest of its era – in 1970 (“Advertising Agencies” 1972).

The 1960s: Civil Rights, Desegregation and “Special Markets”

Civil Rights Efforts
The early 1960s ushered in a confusing array of social ideals and controversial issues and the Civil Rights movement had become more strident. Several prominent Civil Rights leaders had become major proponents of racial integration, espousing the perceived benefits of an equal and inclusive society. Congress passed a Civil Rights Act in 1964, outlawing discrimination in key areas, including public accommodations and employment, again providing the foundation for greater societal integration. Research suggests that the Civil Rights Act and the shifting social climate dramatically increased consumption opportunities for people of color. Weems (1998) demonstrates that the monies of black consumers became increasingly infused into the broader economy. There is substantial opinion, however, that desegregation and the related spending behavior of black consumers ultimately undermined traditional local black-owned firms which lost their black customers, who now embraced the opportunity to patronize white-owned firms without fear or disparagement (Anderson 1994, 186; Weems 1998, 69). Exacerbating this loss was the fact that white consumers largely did not patronize black-owned businesses (Weems 1996, xvi).

Several civil rights efforts focused directly on the advertising industry. Investigations by the Urban League and the New York City Commission on Human Rights suggested discriminatory hiring practices at the major advertising agencies and prompted hearings and picketing in the early 1960s (Fox 1984, 279; Winski 1992). Employment statistics for the advertising industry indicated that blacks accounted for only between 2-3 percent of all advertising jobs with a preponderance of those in clerical positions (Winski 1992). The few blacks who were hired into professional career positions found themselves largely assigned to the “special markets” area. Late in 1963, the NAACP and CORE - the Congress for Racial Equality - citing social responsibility, formally lobbied the American Association of Advertising Agencies (Four A’s) and the Association of National Advertisers, the industry’s leading trade groups, requesting greater employment opportunities as well as expanded portrayals of black models in ads (Boyenton 1965, 229-230; Fox 1984, 279-280). Agencies, however, largely dismissed the social responsibility argument, claiming that their hiring decisions could not be justified on social and moral grounds, but only in light of marketing objectives and advertiser concerns (Boyenton 1965).

Cultivating the “Special Markets” Approach
Despite debates over the impact of Civil Rights legislation, interest in black consumerism grew and questions emerged as to how to appeal to these consumers. D. Parke Gibson, a marketing consultant whose influential text - the $30 Billion Negro - appeared in 1969, forcefully advanced the idea of a sizable and lucrative black consumer market and advocated treating this market as distinct, arguing “Customer-oriented programs aimed at Negro consumers are not segregation in reverse, but simply provide the Negro with what he wants - recognition” (Gibson 1969, 12). Gibson’s book complemented the efforts of John H. Johnson, publisher of Ebony magazine, the era’s most financially successful black-owned publication, which had been launched in 1945 with no mainstream advertiser support until about 1948 (Dingle 1999, 7). Johnson had spent much of the decade attempting to convince mainstream advertisers of the value of the black consumer market, running educational ads in Advertising Age and the New York Times (“Uncle Tom magazine...” 1968). Like Gibson, Johnson encouraged majority firms to treat the black consumer market as separate and unique, and to use black models in ads, arguing that blacks had a psychological need for “self-identification” (Berkman 1963). These efforts helped to cultivate the idea of treating minority consumers as distinct “special markets” into accepted marketing practice and significantly advanced the practice of using ethnic models in advertisements.
Corporate interest in courting black consumers increased toward the end of the 1960s and general market firms believed themselves unprepared for this challenge. Weems (1998, 77) suggests that Vince Cullers Advertising, the only full service black-owned ad firm at the time, emerged as the leading consultant perceived able to address black consumers effectively. Desegregation also provided new opportunities for black entrepreneurs. In the late 1960s and early 1970s, other black entrepreneurs and expatriates from general market agencies began establishing their own advertising agencies, capitalizing on chances to assist mainstream advertisers in catering to the newly recognized black market. Benefitting from a lack of significant research on black consumption habits and from the social unrest of the era, they were able to credibly position themselves as “experts” on black consumers.

The 1970s: The Golden Era?

Black-owned advertising agencies were opened at a fast pace: by 1972, there were 25 in the U.S. Several of these firms would become the biggest names among black-owned agencies, including Uniworld in New York City, founded in 1969; Proctor and Gardner founded in 1970 and Burrell McBain (later Burrell Advertising and Burrell Communications), founded in 1971, both in Chicago; Mingo-Jones-Guilmenof (later Mingo-Jones, the Mingo Group and Chisholm-Mingo) in New York, launched in 1977. Each of these firms would produce significant work or be led by individuals who would receive special notice within the industry. Uniworld Advertising, founded by Byron E. Lewis, was noted for attracting “blue chip” corporate advertising accounts such as Avon, AT&T, General Motors and Gulf Oil (Lloyd and Hayes 1995; Mitchell 1979). By 1979, Uniworld’s billings had grown to about $9 million (Mitchell 1979) and over the next 20 years, it would often jockey with Chicago’s Burrell for billings dominance as the leading black-owned advertising firm. Burrell’s Tom Burrell was credited with developing an advertising method called “positive realism” - depicting black models using ordinary consumer products in ways realistic and relevant to black consumers, contrary to many of the stereotypical images and omissions of the past (Kern-Foxworth 1994, 170; Fawcett 1996b). By 1979, Burrell had grown to about $10 million in total client billings from such firms as McDonald’s and Coca-Cola (Fawcett 1996b). Proctor and Gardner Advertising, led by Barbara Gardner Proctor, acquired Kraft Foods, Sears Roebuck and Jewel Food Stores as clients during this decade. Her firm became one of the top female and black-owned agencies of the era, billing $6.2 million in 1978. As a career highlight, she was publicly cited by former U.S. President Ronald Reagan as a “shining example of American entrepreneurship” during his 1984 State of the Union Address (Dates and Barlow 1990, 441). Mingo-Jones-Guilmenof Advertising emphasized professional management and was probably the first agency led by a cadre of black professionals with significant general market agency management experience. Frank Mingo had been the first African-American account executive at industry giant J. Walter Thompson and a vice-president at McCann Erickson; Caroline Jones and Richard Guilmenof each had been vice presidents at BBDO. Key clients of the era were Miller Brewing Company, L’Oreal and Uncle Ben’s Rice. By 1979, agency billings reached about $3.5 million (Mitchell 1979). Nearly twenty years later, in 1996, Frank Mingo, posthumously, became the first and only African-American named to the American Advertising Federation’s (AAF) Advertising Hall of Fame (“Mingo marks...” 1996).

Black Enterprise magazine, which began covering black-owned advertising firms in the early 1970s, published its first listing of the top black-owned advertising firms in June 1973, reporting data for fiscal year 1972. This information is reported in Table 1. The publication said these agencies did well by acting as “translators” between corporate boardrooms and black communities (Mitchell 1979). While some agencies aspired to general market assignments, others believed the most viable opportunity was in catering to the black consumer market. Pioneer Vince Cullers explained: “Black separation is a fact and we deal with it in a positive way” (“Advertising Agencies” 1973). Thus, most black agencies tended toward adapting national advertising campaigns - initially intended for white audiences - to fit the cultural nuances of the black consumer market (Mitchell 1979). Many also engaged in corporate public relations projects relative to the social uneasiness of the period. At the time, although substantially trailing general-market agencies in total billings, it appeared that black-owned advertising agencies had arrived.
The Influence of National Black Media Outlets

By the early 1970s, corporations generally agreed that using black-owned media, along with black advertising agencies, was an effective strategy for reaching the black consumer market (Weems 1998, 96). While black-owned newspapers had existed since 1827, most had a decidedly political agenda which probably put off many mainstream corporate advertisers. However, in addition to Ebony and Jet magazines, both published by John Johnson, and black-oriented radio stations, the early 1970s witnessed a proliferation of black-oriented magazines, offering advertisers access to a national black consumer market in glossy full color. In 1970 thirteen such titles were launched including Black Collegian, Black Sports, Essence and Black Enterprise; the latter two became exceptionally popular (Dates 1990, 375).

Thus, black-owned advertising agencies developed a dependency on black-owned media outlets, and these entities enjoyed a healthy symbiotic relationship. Uniworld’s Byron Lewis claims that his firm survived the era largely due to black magazines, black radio and nationally syndicated TV programs like Soul Train (Dingle 1999, 103). It would be more than a decade later, in 1986, when the first and only black-owned television network – Black Entertainment Television (BET) – would begin programming.

Despite the popularity of the black magazines, they too encountered significant difficulty in the advertising arena. In 1972, a study by ad agency giant Young and Rubicam refuted the idea that black media were best for reaching black consumers (“Black Media…” 1972). The study concluded that advertising in black media was less cost efficient, on a cost per thousand basis, than using general magazine titles. Ebony publisher Johnson, by now the unofficial spokesperson on black media issues, challenged this conclusion and spent the next several years re-convincing the advertising industry of the appropriateness of the black media-black consumer connection (Johnson 1972; Johnson 1979). Over the years, another major problem facing black media, similar to the early years of Ebony magazine, was in attracting corporate advertisers, especially for upscale product and services. When another spate of black magazines emerged in the early 1990s, publishers expressed concern that there would be “enough” advertising dollars to support the various titles (Ross 1993). Reflecting upon these difficulties, Black Enterprise publisher Earl G. Graves summarized some of his encounters with prospects in his book How to Succeed in Business without being White:

“Why should we advertise with you? There aren’t enough black people out there interested in our product. Are you really trying to convince me that African Americans will invest in financial instruments? In stocks and bonds? In insurance? In luxury cars? In personal computers? Well, what you say makes sense, but we’re still not interested. We don’t want our product associated with African Americans” (Graves 1997, 23.)

Fallout

The golden age for black advertising firms was short-lived. John Small, whose agency was the largest black-owned agency in the early 1970s, complained that black agency billings were low due to a reluctance on the part of business to do business with black firms and that corporations were using black agencies in a token fashion (“Advertising Agencies” 1973). Where at the beginning of the decade, merely being black seemed sufficient to ensure a minimum level of prosperity, by the late 1970s many of these agencies fell victim to the mid-1970s economic recession, poor management, heavy debt load, and reduced commitments from corporate advertisers. By 1979, the number of black-owned agencies had been cut nearly in half from 25 to 13 (Mitchell 1979). Commenting on this development, agency chief Frank Mingo commented “the era of tokenism has given way to the era of accountability” (Mitchell 1979). Another reason for the decimation was that too many agencies were seeking the same small slice of the advertising pie. In 1977, for example, it was estimated that the total billings by black-owned agencies accounted for only 1/2 of one percent of the advertising industry’s $35 billion total, that only about 20 corporations were targeting black consumers on a consistent basis, and that advertising budgets were disproportionately small (Mitchell 1979).

In order to promote the viability of black-owned agencies, two major solutions were entertained, namely that the leading three or four firms merge into a black “superagency” in order to gain tactical and
financial advantages or that the agencies do more “crossover” work - i.e. produce more ads designed primarily for black audiences, but which were also extraordinarily appealing to general audiences. There were several examples of successful crossover work of the era. Among these were Burrell’s Clio-award winning TV campaign, “Street Song,” for Coca-cola in 1976 and “Daddy’s Home,” a poignant 1977 McDonald’s TV campaign (Fawcett 1996b). Mingo-Jones-Guilemenof provided the “It’s Miller Time” slogan for Miller Brewing Company in 1977. Despite significant efforts in that regard, by the end of the decade, no consolidation of black-owned agencies materialized and substantial crossover work appeared difficult to generate and maintain. There was also talk of black-owned agencies pursuing non-ethnic general market assignments, however, in the fall of 1979, Black Enterprise concluded:

“although their expertise in selling to blacks is usually unquestioned, an opportunity to pitch ads to the general population has been virtually out of the question. It is the advertising industry’s equivalent of separate but equal. Black agencies start out aspiring to general market business, but, with few exceptions, they are forced to limit their sights to the black specialty market - a fact which restricts them to smaller budgets and even smaller profits” (Mitchell 1979).

The 1980s: Hanging in and Hanging on

While the black-owned agencies which survived the 1970s had achieved a significant degree of business success, in the early 1980s, dissension continued over the value and appeal of specializing in the black consumer market. While some black advertising executives believed that the black specialty market offered ample business opportunities, among others, interest in crossover and general market assignments intensified and it was suggested that the performance of these firms had earned them the right to pursue more lucrative, general market contracts (Smikle 1985). Mid-1980s legislative efforts sponsored by former Congresswoman Cardiss Collins (D-IL) illuminated the problems facing black-owned advertising firms (Ellis and Arnold 1996).

Despite difficult times, two black-owned agencies enjoyed significant industry recognition. Mingo-Jones’ slogan, “We do chicken right!” for Kentucky Fried Chicken Corporation, was so popular that the tagline was included into all of the corporation’s advertising of the mid-1980s. Burrell scored a coup in late 1983 when Procter & Gamble hired it to do an African-American-targeted campaign for Crest toothpaste, the first time P&G had gone outside of its usual stable of agencies (Dates and Barlow 1990, 439). This assignment significantly raised Burrell’s profile within the advertising community and is believed to be tied to the agency’s success in future years (Fawcett 1996b). In 1985, Burrell was awarded its first general market account, Martell Cognac, when it’s slogan “I assume you drink Martell” - originally developed for the African-American market - was found to garner more recall among all consumers than themes developed by its general market agency (Smikle 1985). In 1985, Burrell led all black-owned agencies in billings, climbing to $50 million.

In the meantime, Chicago’s Proctor and Gardner Advertising was experiencing a reversal of fortunes, losing about 1/3 of its billings between 1983 and 1985 (Dates and Barlow 1990, 441; Smikle 1985). In a 1985 magazine interview, Barbara Proctor said, “We have concluded that the long term prognosis for black agencies is not good and I do not see us existing 20 years from now as we do today” (Smikle 1985). By 1995, the agency which had been publicly cited on national television by the President of the United States would go bankrupt (Fawcett 1996a).

The 1990s: New Industry Dynamics and the Rise of Multicultural Marketing

While the recession of the late 1980s-early 1990s took its toll on the general economy, the advertising industry was hit particularly hard. Business Week magazine asked “What Happened to Advertising?” citing widespread reductions in corporate spending on advertising and dynamic structural changes within the advertising industry (Landl 1991). Such changes included the emergence of account planning as a management approach, shifting compensation paradigms and the growing influence of integrated marketing communications theory (Jones 1999). A key structural change in the industry was the transformation of independent advertising agencies into publicly held entities and consolidations with
holding companies, a trend which started in the 1980s. The aim of these groupings was to establish scale economies and to protect agency incomes from economic fluctuations (Jones 1999, 9). This restructuring was also a delayed response to the slow growth in advertising in the 1970s. By late 2000, six holding companies: London-based WPP group; New York-based Omnicom group; New York-based Interpublic Group of Companies; Publicis Groupe, SA and Havas Advertising, both based in France; and Tokyo-based Dentsu dominated the global advertising arena. Individual advertising agencies within the holding companies were now referred to as “brands,” were managed separately and operated theoretically in competition with one another. By early 2001, 56 of the 100 largest U.S. agency brands were owned by publicly traded holding companies; moreover, those 56 agencies represented 82% of the billings among the top 100 agencies in the U.S. (Chura and Cuneo 2001).

Jones (1999, 12) suggests that despite the structural changes within the industry, the largest advertising agencies at the end of the 1990s were essentially the same as 30 years prior. Trade reports support Jones’ conclusions. Table 1 compares the top ranked black and white-owned U.S. advertising agencies in 1972 with those in 2000, according to Black Enterprise and Advertising Age listings. Among the white owned agencies, 10 of the 15 largest agencies (or their derivatives) in 1972 were also among the 15 largest in the year 2000. Another three white agencies – Bates, Esty and Ayer - had fallen off of the top 15 list by 2000, however they remained listed among the top 100 U. S. agencies, ranked at number 17, 27 (Esty had merged with Campbell-Mithun) and 94, respectively, according to Advertising Age’s 2001 Agency Report. Only two of the leading white-owned 1970s-era agencies - Dancer-Fitzgerald-Sample and Needham Harper and Steers - did not survive into the new millennium. In contrast, only two of the black-owned agencies initially identified by Black Enterprise among the top 15 in 1972 – Uniworld and Burrell - survived into 2000. Recent industry data showed a slight increase in the total number of U.S. advertising agencies billing at least $1 million. The Standard Directory of Advertising Agencies reported an increase of 292 such agencies between 1995 and 2000 from 3,101 to 3,393.

By the mid-1990s, old and new problems faced black-owned agencies, which largely had been left out of the merger and acquisition frenzy. Industry reports indicated that the practice of using minority agencies to produce minority-oriented campaigns was now entrenched in the industry, yet, general market opportunities were quite limited (“Where the 100...” 1997). Robert Dale, CEO of R.J. Dale Advertising and Public Relations in Chicago, among the largest black-owned agencies of the 1990s, bluntly observed: “[Black agencies] often specialize in African-American markets because we are forced to. Black people buy their products, but advertisers refuse to do business with black companies. We are not allowed to compete for and service advertisers on a general market basis” (“Black ad agencies...” 1995). Black-owned agencies now routinely found themselves competing for the same assignments. Lamenting on this situation, Jo Muse, of Muse Codero Chen (aka Muse Creative Holdings), the nation’s first “multicultural” agency, commented:

“The biggest tragedy that I confront everyday is this ‘ghettoization’ of the business. In the ad business, we’re still set up so that if you happen to have a brown skin or if you happen to have a black skin, you have got to create your own league to play in…. If you want to be successful, entrepreneurial, you’ve got to have a Negro league or you’ve got to have a Hispanic league. Do you know how outrageous that sounds?” (Winski 1992, 17).

Multicultural Focus

In addition to the above dilemmas, black agencies faced a new formidable threat: their traditional niche was being pursued - this time by mainstream agencies seeking expansion into the newly popular “multicultural” and “urban” markets. By the mid-1990s, multiculturalism had emerged as a new socioeconomic orientation, prompted by reports of shifting population demographics predicting the “browning” of America and greater cultural plurality. Trade reports indicated that multicultural advertising was becoming one of the dominant trends in marketing and was expected to accelerate into the new millennium in efforts to effectively address a substantially diverse populace (Teinowitz 1998; Webster 1997.) A number of practices emerged in the industry in light of these new multicultural
opportunities. By 2000, 136 agencies were listed in the “Special Markets” section of the Standard Directory of Advertising Agencies, with 32, 30 and 74 indicated as specializing in the African American, Asian and Hispanic market segments, respectively. Several mainstream advertising agencies formed ethnic creative boutiques, which were supported by generous resources available from their parent companies, and many hired away the most talented employees from existing minority agencies. A noted industry insider commented, “Eventually, all of the agencies will have multicultural departments” (Linnett 2001). Noting that since the late 1980s, only about 1/3 of the advertising dollars aimed at African-American consumers was channeled through black-owned agencies (Hayes 1999a), industry observer Ken Smikle argued:

“In a sense, the black agency has been the victim of its own success. It sold white advertisers on the potential of the black consumer market, and now these companies are turning to their white agencies to help deliver the goods. Black agencies are fighting for the very market they helped create” (Ayers-Williams 1998).

In addition to heightened competition from mainstream advertising agencies, newer agencies with black ownership, receiving significant press attention, also caused concern among the more senior African-American agencies. Black Enterprise magazine, in a well-respected annual report, named Don Coleman Associates in Southfield, Michigan, founded in 1988, and Carol H. Williams Advertising in Oakland California, also founded in 1988, as its “Agency of the Year” in 1998 and 1999, respectively (Hayes 1998; Hayes 1999b). By 2000, Coleman had surpassed both Uniworld and Burrell in billings. (See Table 1.) Another highly publicized venture was a 1996 partnership between noted African-American filmmaker Spike Lee and general market agency DDB Needham in New York City, called a unique merger of “Hollywood and Madison Avenue” (Beatty 1996.) Commenting on growing competition among the black-owned agencies, Al Anderson, president of Anderson Communications, ranked 12th by Black Enterprise in 1998, claimed “Only five or six [black] companies are really doing any serious business out there today - particularly Uniworld, Burrell and Don Coleman. Nearly everybody else is struggling, at best” (Ayers-Williams 1998). Indeed, statistics provided in the Black Enterprise 1999 agency report of the top black-owned advertising firms showed that three agencies, Burrell, Uniworld and Don Coleman, accounted for 53% of all billings, and 50% of all employment, among the twenty firms listed (“B.E. Advertising Agencies” 1999). Expressing an undercurrent of tension, Uniworld’s Byron Lewis stated, “It’s ironic that we, the pioneers, must compete with upstarts for our survival” (Ayers-Williams 1998).

Diversity Efforts

A number of high profile diversity initiatives, aimed at increasing minority participation in the advertising business, and improved treatment of ethnic marketing and media firms, accompanied the focus on multiculturalism. These efforts included initiatives sponsored by the American Advertising Federation (AAF), U.S. House Representative Carolyn Cheeks-Kilpatrick (D-Michigan) and civil rights and trade groups (American Advertising Federation 1999; Hayes 1999a; Teinowitz 1999; Teinowitz 2000). A highly publicized 1999 Federal Communications Commission (FCC) study indicated that minority-owned agencies and media outlets were underutilized and underpaid, even when audience demographics were comparable, due to “no urban dictates” practices utilized within corporations (Ofori 1999). As a result, the federal government prompted advertisers to adopt a voluntary code of ethics to eliminate bias in advertising decisions (Teinowitz 1999). In October 2000, President Bill Clinton signed an executive order mandating that the federal government offer more procurement opportunities to minority contractors, with special language pertaining to advertising. The order required federal offices to ensure “that all creation, placement and transmission of federal advertising is fully a reflection of the nation’s diversity” (“Minority ad shops...” 2000). This order came a few months after a controversial directive involving bidding for the U.S. Army’s $95 million advertising contract limited qualified bidders to agencies earning at least $350 million, effectively disqualifying all minority-owned advertising firms.
An *Advertising Age* report in 2000 of the “25 top multicultural agencies” indicated that the largest firm – Don Coleman Advertising - billed only $270 million (“Top 25 multicultural shops” 2001). A modification of the directive resulted in the Army contract being awarded to mainstream agency Leo Burnett and two minority agencies: Hispanic-owned Cartel Creativo and black-owned Images USA (Stavraka 2000).

**The Forty-nine Percent Solution**

In light of the emphasis on multiculturalism and diversity initiatives, minority-oriented advertising firms attracted more attention. Several minority-owned agencies redefined themselves as “multicultural specialists.” News reports indicated that mainstream firms had become keenly interested in acquiring black advertising firms (“Black ad agencies...” 1999). A significant number of Hispanic and Asian-oriented advertising firms had already been acquired by general market agencies and in winter 1999, industry watchers became concerned by reports that the three largest black-owned advertising agencies, Burrell, Uniworld, and Don Coleman were each involved in talks which could result in their merger or acquisition (Hayes 1999a; Snyder 1999). These three firms were the only black-owned agencies to bill in excess of $100 million prior to 2000 (“B.E. Advertising Agencies 1999) and were regarded as icons of commercial success, especially in the black community. Aware of these perceptions, the leadership of these agencies appeared interested in developing relationships which would enhance their survival and opportunities, but at the same time would allow them to maintain management control over their enterprises. In June 1999, Burrell Communications formed a strategic alliance with Publicis SA, a $6 billion French firm considered Europe’s second largest advertising network where Publicis acquired a 49% stake in Burrell (Dreazen 1999). In August 1999, True North Communications, the world’s seventh largest advertising holding company, acquired 49% of Don Coleman Advertising, naming Coleman as CEO of its New America Strategies Group, a newly formed multicultural unit comprised of various ethnic specialty marketers (Chura 1999). (True North, in turn agreed to be acquired by the Interpublic Group of Companies in early 2001.) In June 2000, WPP Group, a British conglomerate, acquired 49% of Uniworld where the agency agreed to work on “appropriate” projects (Alexander 2000).

Business consolidations were not limited to advertising agencies, as the black-owned media outlets were engaged as well. Full acquisitions by and partnerships with white-owned firms dominated the media headlines in 2000. *Essence* magazine merged with Time-Warner (later AOL Time-Warner) along with two popular black-oriented Internet sites – Africana.com and NetNoir.com (Pine 2001). By 1998, a wave of consolidations among black and “urban” formatted stations had led to the smallest number of black-owned radio stations in decades (McCoy 1998). A hotly debated development was the acquisition of BET Holdings, parent company of Black Entertainment Television, which had become the largest black-owned media and entertainment company by the late 1990s. Media conglomerate Viacom purchased BET Holdings for $3 billion in late 2000 in an effort to diversify the appeal of its programming (Ernst 2000). BET founder, Robert Johnson, responding to critics, called the agreement “strategically sound,” and signed a contract with Viacom to manage BET operations for the next five years (Ernst 2000; Smith 2000). Ironically, Robert Johnson had been quoted two years earlier in a *Wall Street Journal* article, saying: “black consumers feel exploited when the ownership of black-oriented media is all white” (Wynter 1998).

**Debate on Multicultural Advertising Practices**

Reflecting on industry performance for the year, Michael Donahue, executive vice president of the American Association of Advertising Agencies, called the year 2000 “a banner year for advertising agencies” due to Internet company expenditures, the Olympics and the Presidential election (Moss 2001). Yet, some industry observers expressed concern that black agencies had failed to garner a greater share of the economic boom. The new alliances formed between the formerly independent top black-owned agencies and corporate conglomerates prompted controversy over their meanings with regard to the control and future of black-owned advertising companies. A related debate on the impact of
multiculturalism on ethnic marketing/advertising practitioners also ensued. Optimists speculated that these developments would yield greater opportunities, stability, and respect for minority professionals. For example, Don Coleman defended his new partnership by arguing:

“In general, the advertising business is going to consolidate more. I think we are going to end up with four major holding companies, when it’s all said and done. The acquisition could only help us.” He added, “I’m a believer, that if you are not on one of the major teams, you are not going to be able to play in the big league” (Moss 2001).

Conceding the trend toward partnerships with minority ad firms, Jo Muse explained: “Because the independents lack the ability to provide additional services, such as event and database marketing, promotions and research, they will find themselves out in the cold. The days of just doing ads with black people in them are over” (Moss 2001). Uniworld’s Byron Lewis, defended his new allegiance, calling it “a matter of survival” in face of increased competition from mainstream firms for minority consumers. “The irony,” Lewis added, “is that this competitive environment comes as a result of the long-neglected recognition of the importance of black consumers. The emergence of rap and hip-hop, whose influence has crossed over to white America, has only heightened mainstream competition” (Moss 2001).

The new alliances also generated criticism, some of it from parties involved in or contemplating such relationships, in addition to general debate over practices fueled by the new multicultural orientation. Agency chiefs Byron Lewis, Al Anderson and Jo Muse each predicted that there would be fewer African-American owned advertising firms in the future due to consolidations or failures among agencies which remained independent (Moss 2001). In response to a question regarding the impact of “diversity” on minority-owned advertising agencies during an Advertising Educational Foundation (AEF) -sponsored Internet chat, Jo Muse responded:

“More business for minority owned agencies can be a result of diversity. But if a general market firm is a great one and also diversifies, it could be bad for firms like mine. The point is, minority shops compete with bigger, stronger general shops who can also diversify” (Advertising Educational Foundation 2001).

Around the same time, several articles in Advertising Age reflected dissention over issues related to multicultural advertising practices. Noted civil rights leader Jesse Jackson (1999) welcomed the principles of multiculturalism but warned, “…multicultural advertising must be more than a short-term scheme to avert some political crisis” arguing for a broader sharing of the industry’s wealth among business partners.

Leo (1999), a multicultural marketing executive, critical of general-market/minority agency consolidations suggested that multicultural marketing is ill-understood and that white corporate America and society are still struggling with such daunting social issues as diversity, bilingualism and affirmative action. Citing opportunism as the motive behind the new business partnerships, rather than elevation of marketing practice, Leo (1999) raised some provocative issues:

“Marketers are merely trying to keep pace with the changing face of consumers. The degree to which a marketer can meaningfully appeal to a cultural script is the degree to which multicultural advertising will be effective. Multicultural agencies have further mystified the discipline by blurring the distinction between marketing and social/political correctness... These agencies, for the most part, are driven by high profile and strong personalities within the various [ethnic] communities. Once they cash out, what will be left of the business? What are mainstream agencies buying? More business? Expertise? Conflict shops?”

In a fiery letter to the editor of Advertising Age, Charles Hall, a freelance creative director, criticized the practice of establishing multicultural departments in mainstream advertising corporations, calling it: “Segregation: Still the advertising way.” Excerpts from his letter highlight several controversies:

“How much longer will it take white, corporate America to realize it lives in a multicultural, multiracial and multireligious society, and that their advertising agencies must reflect that? And how
much longer will educated minorities continue to sell other minorities into a system that confines us like an iron box?

“…suggesting that agencies create separate departments to house minorities, their ideas and cultures would be the worst thing that’s happened since the glass ceilings were installed. Such environments limit the opportunities, contributions, exposure and earning potential of minorities, and imply that the greatest contribution a minority can make is to act as an interpreter for the benefit of getting more minorities to buy a particular company’s goods or services. The creation of such departments, as does the creation of companies that supposedly specialize in urban youth and multicultural marketing, also relieves whites of their responsibility to learn about other cultures and their responsibility to include us in advertising.

“While I’m sure the intentions by most industry leaders are honorable, the language, strategies and practices by many seem to be leading us in the wrong direction, and continue to breed a segregated workplace that creates segregated communications” (Hall 2001, 20.)

Discussion and Conclusions

Black-owned advertising agencies have come to be regarded as emblems of the American Capitalist Dream, particularly among minorities. Historians indicate that they literally helped to change the face of advertising by providing positive and relevant images of people of color, avoiding the often demeaning and stereotypical portrayals of the past, establishing standards which have been imitated throughout the industry. These firms also exemplify the significance of minority business ownership, where among many minority groups, entrepreneurship is symbolic beyond merely making money. There is considerable opinion that, in a free enterprise system, economic power, social status and respect is enhanced by business ownership. Conversely, lack of ownership means a lack of economic power and status. The extent to which the black agency entrepreneurs have derived financial rewards, provided employment, improved the media images of people of color and served as role models is an affirmation of business ownership and has enhanced their reputations in the business and ethnic communities.

Despite the contributions of these firms, the historical record of the opportunities and practices among black-owned advertising firms indicates that generally, their role in the advertising industry has been circumscribed by key principles of the Economic Detour theory of enterprise development set forth by Stuart (1940) and Butler (1991). Specifically, the historical evidence is largely consistent with the first four stages of the heuristic model of Economic Detour detailed by Butler. Namely, societal hostility, in the form of legalized and social segregation of the 1940s and 1950s severely marginalized early black participation in the advertising industry. The Civil Rights movement and related 1960s-era legislation represented social and government interventions which prompted racial desegregation. Desegregation created opportunities for black entrepreneurs to provide advertising services to white corporate concerns, consistent with Bates’ (1997) analysis. However, while the opportunity to serve a primarily white corporate clientele was a major business breakthrough, these black-owned agencies were used merely as a conduit to the black consumer market. While some black agencies aspired to general market opportunities, attitudes among the mainstream business leadership was generally unaccepting of black entrepreneurs in that role. In fact, the idea of a black man running a general market advertising agency was so absurd that the topic was satirized in the late-1960s film Putney Swope. Such prevailing attitudes largely kept black firms from away from general market assignments, a practice which persisted into the 1990s. An observed inconsistency with the Economic Detour model is the fact that a few black-owned agencies did garner several general market assignments. However, these assignments were typically too small and infrequent to sustain the enterprises. Thus, in order to have a reasonable chance of business viability, black agencies were forced to direct their efforts toward the black consumer market. This “one-race” orientation for black entrepreneurs is consistent with the basic premise of the Economic Detour model. Moreover, this orientation was supported, not only by white executives, but by influential blacks as well. It is also important to note that the “one race” orientation did not apply to white-owned
advertising firms, which, in addition to catering to the general population, also provided the majority share of advertising directed at black consumers, according to industry statistics.

Despite the business constraints set forth by the Economic Detour, several black-owned advertising agencies were able to capitalize upon existing opportunities, thereby creating a respectable degree of economic success. From this success, a business model emerged which was replicated by members of other ethnic groups. Hispanic and Asian practitioners established advertising firms which typically specialized in communicating with those respective ethnic categories, serving a predominantly white corporate clientele. While some of these practitioners own their firms independently, a significant number have consolidated with major agencies and holding companies or were brought in as part of a mainstream agency’s multicultural unit.

The fifth stage of Butler’s model predicts that the “one-race” market orientation among black firms eventually leads to a decreased amount of business opportunity and a subsequent decline in the number of black firms. Conversely, Bates (1997) suggests that opportunities to serve a broader marketplace would ensue as discrimination diminished and that black-owned firms in “emerging” fields would flourish. With respect to opportunity levels in the marketplace, two key 1990s phenomena deserve discussion here: the impact of multiculturalism as a marketing orientation and the effect of business consolidations on the advertising industry in general, and on minority-owned advertising firms in particular. Society’s contemporary inclination toward multiculturalism can be perceived as a phenomenon which increases total business opportunity for advertising firms. However, since multicultural marketing opportunities appear to be attracting significant attention from advertising firms of all varieties, it cannot be assumed that opportunities for minority-owned firms, exclusively, will increase. Given that the emphasis on multiculturalism has spawned intensified competition from mainstream firms, who typically have greater resources than independent minority-owned firms and/or have established their own departments to pursue multicultural marketing opportunities, the end result, for minority advertising firms, is that increased competition may offset or diminish the increase in total business opportunities created by the industry’s new emphasis on multicultural marketing. Future data collection, with regard to opportunity levels driven by multiculturalism and the allocation of such opportunities, will provide insight on this issue.

Business consolidations and strategic alliances with major holding companies in the advertising industry also play a role in the number and types of opportunities in the marketplace provided to agencies. Given that these relationships typically provide agencies with greater access to resources compared with independent firms, a distinct competitive advantage is gained. Among the top white-owned advertising agencies, all are associated with a major holding company. While the three largest black-owned agencies recently consolidated with major holding companies, it is too soon to ascertain the impact of these relationships. However, the historical record of development of black advertising firms does not support Bates’ conclusions with regard to long-term prosperity. With respect to longevity, many black advertising firms have come and gone since the “golden era” of the early 1970s. Eleven of the current top 15 firms were established after 1980 – 9 agencies in the mid- to late-1980s and 2 in the 1990s. Over half the billings of the current largest 20 black firms are concentrated among the top 3 – Coleman, Uniworld and Burrell. The longevity and/or prosperity of the remaining independent firms appear somewhat fragile. The vulnerability of black ad firms is underscored by the fact that, of the 15 companies listed on Black Enterprise’s original list of the top black-owned advertising agencies for 1972, only two remain listed today. In contrast, of the top white-owned agencies ranked by Advertising Age for 1972, 2/3 of those agencies remained listed among the top 15 in 2000. Despite the fact that many black-owned agencies have adopted a broader “multicultural” focus, difficulties in securing significant, non-black assignments, bias within the industry, and increased competition for accounts indicate that mere survival has become a priority for most black-owned agencies today, particularly among the firms which remain independent. It is also significant that the leadership of the most successful black advertising agencies today predict a future decline in the total number of black-owned advertising firms, consistent with the fifth stage of Butler’s Economic Detour model.
The sixth and final stage of Butler’s Economic Detour model predicts the complete removal of “Afro-American entrepreneurials from the competitive marketplace.” If, in time, the current independent black agencies fail to survive the contemporary trends in the advertising industry, this aspect of the model would be supported. An additional interpretation is that the “strategic alliances” recently entered into by the most prominent black-owned advertising companies with white concerns are representative of this eventual removal where these entrepreneurs have surrendered partial ownership of their firms. These alliances underscore fears that, as Stuart (1940) and others articulated, the demise of black enterprises is imminent once larger white concerns become interested in that aspect of business. Thus, there is concern that the “forty-nine percent” solution to enterprise continuity involving these black-owned firms will over time devolve into a total loss of autonomy, control and ownership. The likelihood of the latter increases when the founding principles of these agencies retire or otherwise surrender control of these enterprises; new leadership of these firms might be willing to trade off majority ownership for other perceived benefits. As the mainstream advertising industry increasingly embraces multicultural approaches to marketing - via portrayals in advertisements, diversity in employment, the development of in-house multicultural departments, and the acquisition of minority-owned ad firms – minority entrepreneurship in advertising is, ironically, undermined.

In sum, historical data concerning the development of black-owned advertising agencies in the U.S. since 1940 indicate substantial support for the Economic Detour theory of enterprise development. Four of the initial six stages of Butler’s version of the model are validated by the evidence, and it appears that a contemporary form of racial segregation still persists in the advertising business, effecting opportunities among minority advertising entrepreneurs. Future study should focus on additional data, gathered over a number of years, in order to ascertain the long-term impact of current industry trends like multiculturalism and business consolidation on black and other minority-owned advertising firms.
Table 1. Top 15 Black and White-Owned Advertising Agencies, 1972 and 2000
Ranked by U.S. billings (in 000,000s)

<table>
<thead>
<tr>
<th>Rank</th>
<th>1972 Data</th>
<th>2000 Data</th>
<th>Holding</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Agency</td>
<td>Billings</td>
<td>Agency</td>
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<tr>
<td>1</td>
<td>John F. Small, Inc.</td>
<td>7.0</td>
<td>Don Coleman Adv., Inc.</td>
</tr>
<tr>
<td>2</td>
<td>Zebra Associates</td>
<td>4.7</td>
<td>Uniworld Group, Inc.*</td>
</tr>
<tr>
<td>3</td>
<td>Junius Edwards, Inc.</td>
<td>3.5</td>
<td>Burrell Comm. Group*</td>
</tr>
<tr>
<td>4</td>
<td>Uniworld Group</td>
<td>3.5</td>
<td>Chisholm-Mingo Group</td>
</tr>
<tr>
<td>5</td>
<td>Vince Cullers Adv., Inc.</td>
<td>2.5</td>
<td>Carol H. Williams Adv.</td>
</tr>
<tr>
<td>6</td>
<td>Burrell McBain</td>
<td>2.0</td>
<td>Muse Creative Holdings</td>
</tr>
<tr>
<td>7</td>
<td>Proctor and Gardner</td>
<td>1.8</td>
<td>The Wimbley Group</td>
</tr>
<tr>
<td>8</td>
<td>PHAT Advertising Cons.</td>
<td>1.2</td>
<td>E. Morris Comm.</td>
</tr>
<tr>
<td>9</td>
<td>Howard Sanders Adv.</td>
<td>1.2</td>
<td>Spike/DDB</td>
</tr>
<tr>
<td>10</td>
<td>Eden Advertising</td>
<td>1.0</td>
<td>R. J. Dale Adv. &amp; PR</td>
</tr>
<tr>
<td>11</td>
<td>Vanguard Associates</td>
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<td>12</td>
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<td>Sykes Communications</td>
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<td>Washington Daniel Adv.</td>
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<td>Wright, Edelen Adv., Inc.</td>
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<td>15</td>
<td>Few, Hunter &amp; Wilson</td>
<td>.200</td>
<td>Caroline Jones, Inc.</td>
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<th>Rank</th>
<th>1972 Data</th>
<th>2000 Data</th>
<th>Holding</th>
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<td></td>
<td>Agency</td>
<td>Billings</td>
<td>Agency</td>
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<td>Grey Advertising*</td>
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<tr>
<td>2</td>
<td>Young &amp; Rubicam</td>
<td>357.7</td>
<td>J. Walter Thompson*</td>
</tr>
<tr>
<td>3</td>
<td>BBDO</td>
<td>323.2</td>
<td>McCann-Erickson*</td>
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<td>4</td>
<td>Leo Burnett</td>
<td>313.4</td>
<td>FCB Worldwide*</td>
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<td>Doyle Dane Bernbach (DDB)</td>
<td>259.1</td>
<td>Young and Rubicam*</td>
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<td>Ted Bates &amp; Co.</td>
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<td>Leo Burnett Worldwide*</td>
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<td>Ogilvy and Mather*</td>
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<td>Fooote-Cone-Belding (FCB)</td>
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<td>DDB Worldwide*</td>
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<td>Darcy, Masius, Benton &amp; Bowles*</td>
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<td>Saatchi &amp; Saatchi</td>
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<td>13</td>
<td>Needham, Harper &amp; Steers</td>
<td>171.5</td>
<td>TBWA Worldwide</td>
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<td>14</td>
<td>William Esty &amp; Co.</td>
<td>165.0</td>
<td>Lowe, Lintas &amp; Part.</td>
</tr>
<tr>
<td>15</td>
<td>N.W. Ayer &amp; Sons</td>
<td>160.2</td>
<td>TMP Worldwide</td>
</tr>
</tbody>
</table>


*These agencies appear on both the 1972 and the 2000 listings of the top 15 firms.
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Chinese Products in the U.S. Market: Historical Perspectives on Brand Identity Development

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Abstract

Permanent Normal Trade Relations with China means more than just new opportunities for U.S. firms in East Asia. Equally important will be the changes in how Chinese companies do business in the United States, and especially how they manage brand identity development. This paper (1) proposes a macro-model of historical influences on corporate, product, and brand identity and (2) grounds the model through an historical account of how Chinese products have been marketed in the United States. The history covers European and colonial marketing antecedents, the old China trade that began in 1784, and the disruptions to and resumption of trade in the 20th century. The concluding section applies the historical findings to assessing and developing Chinese brand identity in the current U.S. market.

Introduction

Trade relations between the United States and China reached a new understanding on October 10, 2000 when President Clinton signed legislation granting China Permanent Normal Trade Relations (PNTR) status and supporting its admission to the World Trade Organization (WTO). The China Trade bill has been supported by U.S. business interests in agriculture, computers, pharmaceuticals, transportation, and other industries who have predicted new opportunities in the Chinese market due to, among other reasons, lower duties and non-tariff barriers and better protection of intellectual property from rampant Chinese piracy. These hopes may eventually come to pass.

What should not be forgotten, however, is that trade and investment are a two-way street. By lowering trade barriers and thus opening the Chinese market to more competition from U.S., as well as European and Asian multinationals, PNTR and WTO membership will force Chinese firms to strengthen themselves by searching abroad for new customers, technology, and capital. Falling trade barriers at home also means cheaper access to foreign components and raw materials. This favorable cost factor, along with fewer discriminatory barriers overseas, will encourage Chinese companies even more to attain economies of scope and scale (Iritani 2001).

If they are to find a global niche of their own, Chinese companies will need to develop their corporate and product identities. As yet, however, few Chinese enterprises sell under their own brand names in the American market (The Economist 1999a; Saywell 1999). There are exceptions, such as Tsingtao Beer, China Ocean Shipping Company (Cosco), and Haier, the small appliance maker, but their number is small and consumer awareness relatively low. Because of its rich and populous market, its technological savvy, and its large and liquid capital pool, the United States constitute the number one target for the Chinese to expand their business interests (Iritani 2001). A successful identity strategy will require that Chinese companies allocate greater resources to U.S. brand promotions than they have so far (Saywell 1999).

Although there is a now a voluminous literature on markets and marketing in China, very few studies address the needs of Chinese firms operating abroad. To more fully understand present and future prospects for developing the identities of Chinese companies, their products, and their brands in the U.S. market, it is worthwhile to revisit some relevant marketing history -- how Chinese goods have been
adapted, branded, packaged, priced, shipped, distributed, and promoted over time -- and its impact on product/country images of China over time. Americans have admired, purchased, and consumed Chinese goods for more than 300 years and the legacy of this experience shapes the perceptions of today's consumers. Thus, the past has real implications for the future prospects of Chinese companies and products in the United States. Chinese brands will not be built *tabula rasa*, but upon a basis of existing consumer beliefs, attitudes, and associations.

The following section proposes a macro-model of historical influences on corporate, product, and brand identity. Next, the model is grounded in historical data on the marketing and identity development of Chinese products in the United States. This history is divided into four eras: European and colonial marketing antecedents, the "old" China trade that started in 1784, the disruptions to trade in the middle of the 20th century, and its reinvigoration over the past two decades. A variety of literatures have been consulted in the research, with most sources coming from the rather disparate fields of economic and art history. The final section uses findings from the historical narrative to analyze positive and negative influences on Chinese brand identity development in today's American market.

**Historical Influences on Brand Identity Development -- A Macro-Perspective**

Company, product, and brand identity are influenced by country-of-origin perceptions. McDonald's, for example, is largely locally owned and generally uses local foods and labor, but remains a powerful symbol of American culture and, to critics, U.S. cultural imperialism (*Foreign Policy* 2001). Schmitt and Simonson (1997) contend that knowledge (beliefs) and consumer acceptance (affect) of foreign countries shape attitudes toward their companies and brands. Situations of high acceptance and high knowledge allow for image standardization, whereas those of low acceptance and high knowledge require image improvement. Situations of low knowledge require education and, if acceptance is also low, image improvement as well. Using a somewhat similar formulation, O'Shaughnessy and O'Shaughnessy (2000) argue that a nation's image is comprised of two factors -- affect-driven impressions and belief-driven reputation -- which, in turn, rub off on its products through a process of association.

These concepts are illustrated on the right side of Figure 1. Corporate, product, and brand identities are defined as a combination of country reputation and acceptance. The model proposes that

**Figure 1: Historical Influences on Brand Identity**
reputation and acceptance, in turn, are historically determined. Thus, the left side of Figure 1 proposes two influences on reputation, namely, historical associations with product types and quality; and two influences on acceptance, specifically, political and economic animosity and aesthetic attraction. Whereas the determinants of reputation are assumed to be long-evolving beliefs, feelings of animosity and aesthetic considerations are both assumed to have strong emotional content. Witkowski (2000) found a significant negative association between U.S. respondents' political and economic animosity toward China and their evaluation of, and willingness to buy, Chinese products. As the ongoing debate over China's trade status in the United States has indicated, commercial relations can be a lightning rod for a variety of political disagreements between the two countries.

This model does not constitute a comprehensive explanation of brand identity. Other factors, such as current product technology, pricing, distribution and advertising, can influence company brand identity. Similarly, there may be additional historical factors behind product-country reputation and acceptance. Furthermore, history cannot predict the future -- its purpose is to explain past events -- but it can provide an alternative framework for critically assessing evidence and explaining outcomes (Golder 2000; Nevett 1991). Nevertheless, historical research can guide Chinese brand identity development in the United States by identifying some long-term trends that affect the prevailing beliefs and attitudes of today's market.

European and Colonial Marketing Antecedents

Europeans knew very little about China before the time of the Romans, but by the first century B.C., networks of middlemen were regularly moving trade goods overland between the Chinese heartland and the Mediterranean. During the reign of Augustus, as many as 120 Roman ships a year laden with coins, bullion, and merchandise took the sea route by sailing from the Red Sea to ports on the Indian Ocean where they could procure East Asian silks, spices, and curiosities (Vollmer, Keall, and Nagai-Berthrong 1983). With the collapse of the Han Dynasty in 220, the subsequent fall of Rome and gradual decline of Byzantium, and the domination of trade routes by various powers, above all the Muslims, much smaller quantities of East Asian goods worked their way to Europe.

Following the publication of the Travels of Marco Polo in the early 1300s, European fascination with China and demand for its products began to grow again and eventually spurred explorers like Christopher Columbus and Vasco da Gama to seek new sea routes to East Asia that circumvented the Ottoman bottleneck. In 1517 the Portuguese reached Canton (Guangzhou) and, in 1557, established a trading colony at Macau, which became the principal trading port between China and the West for the next 150 years. Spain laid claim to the Philippines and, after the founding of Manila in 1571, did business with Chinese junks carrying trade goods from the mainland. Spanish galleons brought these products to Acapulco where they were transshipped across Mexico and then sent on to Spain. The Dutch East India Company made repeated attempts to establish trade relations with China in the 17th century and even had a settlement on Formosa between 1624 and 1661, but commerce was limited until the late 1700s. The British East India Company traded sporadically with China in the 17th century and, by 1715, had established in Canton a highly organized factory or trading station with a regular shipping schedule (Mudge 1981).

Europeans have acquired a variety of goods from China, ranging from rhubarb and cinnamon to iron and lacquer, but among the more important were, in order of introduction, silk, porcelain, and tea. The Chinese worked out the techniques of sericulture -- rearing silkworms to produce silk filaments -- by
2000 B.C. Romans first saw silk banners during a battle with the Parthians in 53 B.C. Within seven years silk canopies market Julius Caesar's triumphal entry into Rome and later it became such a fashionable material that in 14 B.C. the Senate issued bans against men "disgracing themselves with the effeminate delicacy of silk apparel" (cited in Vollmer, Keall, and Nagai-Berthrong 1983). About 550 A.D. the Byzantine emperor Justinian I dispatched two Nestorian monks to China where they stole mulberry seeds and silkworm eggs and brought them back to Europe, thus ending Asia's monopoly.

In the late T'ang dynasty, circa 900, the Chinese invented a new ceramic -- porcelain -- that would fascinate Westerners for centuries because of its durability and beauty. Only very small quantities reached Europe during the Middle Ages, and probably not before the 1200s, but with the rise of sea-borne commerce in the 1500s shipments increased. In the English language, the word "china" has been a synonym for porcelain since 1579 and "chinaware" has referred to tableware made of china since 1624 (Webster's 1990). After a couple of centuries of experimentation, Europeans finally learned how to make porcelain circa 1710 at the Meissen factory. Porcelain technology and manufacture gradually spread across the continent. In the second half of the 18th century, potters like England's Josiah Wedgwood invented and promoted a myriad of new, inexpensive, and attractive earthenware that were reasonably close substitutes for porcelain. Thus, by 1800, demand for Chinese porcelain was drying up.

The Dutch introduced Chinese tea (Cha or the "China drink") to Europe in 1628. Tea drinking eventually became quite fashionable and, for the wealthy, an elaborate ritual requiring appropriately expensive tea tables and utensils. By the end of the 18th century, greater supplies lowered its cost and so tea became something of a middle-class necessity, at least for the English and Russians. In general, Europeans so appreciated the beauty of Chinese art and architecture that they created imitations in paintings, drawings and engravings, on textiles, on Meissen and Worcester porcelains and other ceramics, and in gardens and buildings such as Frederick the Great's Chinesisches Haus (1754-57) at his Sans Souci Palace in Potsdam. Chinoiserie is a term for the Western interpretation of Chinese decorative styles (Impey 1977).

When they colonized North America, Europeans brought over Chinese products as well as their prevailing attitudes towards these goods. Both archaeological fragments and written evidence in the form of newspaper advertisements, letters to English merchants, and probate documents indicate that Chinese porcelain tablewares were used in colonial America (Baugher and Venables 1987; Detweiler 1982; Mudge 1981). Some Ming dynasty shards have been found in sites dating prior to 1650 (Noël Hume 1970), but the heaviest imports of Chinese ceramics were in the second half of the 18th century when Americans were becoming more prosperous and eager to adopt the finer things in life (Bushman 1992). The target market for these and other Chinese goods consisted largely of middle and upper income consumers living in port cities, coastal areas, and as far inland as upstate New York. This trade was controlled by the mother country. Imports from China were required to pass through the hands of British merchants who then re-sold them to their American clients.

The Old China Trade

The first direct American contact with China was initiated in 1784 when the ship Empress of China sailed from New York to Canton (Guangzhou). She returned in May, 1785 bearing a cargo of black and green teas, silks, nankeens (durable brownish-yellow cloth used to make trousers), cassia (a close substitute for cinnamon), and over 60 tons of chinaware. Newspapers enthusiastically reported her homecoming and stressed how important it was to have an alternative to European sources of supply (Mudge 1981). For the next 150 years, goods like the ones on this vessel -- the "traditional" goods of China -- would be imported again and again, constituting the bulk of this trade and thus shaping the images American consumers have held of China and its wares.
Porcelain

During the first 50 years of the old China trade, porcelain was not the most valuable import -- greater sums were spent on Chinese tea and silk -- but it was arguably the most significant as a consumer product. Whereas tea was consumed relatively soon after purchase, and silk needed to be sewn into garments that later deteriorated from use or became unfashionable, porcelain could be used for many years and the surviving pieces passed on to succeeding generations. Porcelain was a finished consumer good, often decorated according to specifications given by the buyer. The many extant pieces are, in effect, tangible data sources that can reveal -- especially when examined in conjunction with written sources like newspaper advertisements, account books and probate records -- the tastes and preferences of original owners. Museums own documented examples of large dinner services that were given as wedding gifts and handsome punch bowls that were presented to public figures in appreciation for their valuable service (Mudge 1981).

Unlike the British and other Europeans, whose China trade was controlled by national monopolies, each American ship in this early period acted independently and drove the best deal it could. Finding trade goods the Chinese wanted presented a problem since the country was insular and self-sufficient. Cargoes from North America included ginseng and seal and otter furs. U.S. ships also visited far-flung ports to find and barter for other goods, which, on occasion, included Indian opium. Above all, America exported specie which upset mercantilist minded politicians as much then as do trade deficits today. By 1800, more American ships were visiting Canton than those from any other nation (Impey 1977) and the United States became China's best porcelain export market for the next forty years. Britain, the other major importer, had to contend with Napoleon and also began protecting its own porcelain manufacturers with exorbitant tariffs that eventually reached 150%. At the height of the trade (circa 1815-1820), a single American ship could carry 15,000 to 20,000 pieces at a time, mostly items for the table such as breakfast, dinner, dessert, and evening services as well as tea and coffee sets (Mudge 1981). Other imported forms included bathroom porcelains, candlesticks, and garden seats.

Most of this porcelain was decorated with traditional, blue-and-white Chinese style borders, landscapes, and genre scenes. It was comparatively inexpensive and quaintly exotic for American buyers (Mudge 1981). However, some of these wares catered to the highly nationalistic tastes of the time with hand-painted renderings of American ships, flags, eagles, and the Great Seal of the United States (Mudge 1981; Patterson 1979). George Washington and Mount Vernon became popular motifs after his death in 1799. Patterns for these embellishments were taken to Canton by ship captains and supercargoes that turned them over to porcelain merchants who, in turn, gave them to the artisans to copy.

When the goods arrived in U.S. ports, a few special orders went to individual purchasers, but the bulk of the cargo was sold at public auction. The promotion of Chinese porcelain was usually limited to newspaper ads announcing ship arrivals, auctions, and the stock of local shopkeepers, but sometimes Chinese dealers themselves tried to solicit orders. On May 12, 1804, for example, Yam Shinqua advertised in the Providence Gazette:

Yam Shinqua, China-Ware Merchant, at Canton, Begs Leave respectfully to inform the American Merchants, Super-cargoes, and Captains, that he procures to be Manufactured, in the Best Manner, all sorts of China-Ware with Arms, Cypers, and other Decorations (if required) painted in a very superior Style, and on the most reasonable Terms. All orders carefully and promptly attended to.

How Yam Shinqua was able to place and pay for this ad is not known, but he probably depended upon an American supercargo or ship captain as his agent. In general, the Chinese made seemingly little effort to identify and differentiate their exports, but, then again, few makers anywhere in the world circa 1800, save silversmiths and some potteries like the Wedgwood factory, made serious efforts at branding their goods. Branding became much more common in the latter part of the 19th century.

The trade in Chinese porcelains diminished after the mid-1820s due, in part, to a gradual decline in quality and careless packing. In 1827, Matthew Ralston, a Philadelphia merchant, touched upon both issues in a letter to a fellow merchant, John Latimer:

Some Blue & White China plates might answer to all the different sizes--both flat & deep, they must be packed differently--more straw, & not so many put into a Box--as the breakage is very great, in the present mode,-- the quality has been much complained of lately (cited in Mudge 1981, p. 148).

Further, British potters became stronger competitors as they developed new, durable, and inexpensive ceramics and attractive decorative techniques, called "transfer printing," that often flattered the U.S. market with images of American buildings, towns, and historical figures (Larson 1939; Snyder 1995). Typically, these wares were stamped with the maker's name and sometimes include descriptive titles such as the "Beauties of America" series by John and William Ridgway (in partnership 1814 - 1830). Demand for French wares (Sèvres, Limoges) also rose and some American firms entered the market. Thus, by 1840, the China trade in porcelain had pretty much disappeared. Nevertheless, small quantities of chinaware continued to be imported throughout the 19th and into the 20th century.

Tea

Between 1821 and 1895, tea dominated the China trade with import shares ranging from 42.5% to as much as 82.0% of all U.S. purchases from China (Hao 1986; Schran 1986). The tea trade benefited greatly from the Treaty of Wanghia in 1844. The Chinese adopted a simpler system for collecting tariffs and, perhaps of more significance, opened the ports of Foochow and Shanghai to American ships. Congress, in turn, removed all duties on tea in 1846.

Over time, American tastes matured and purchasing power increased. In the years immediately after 1784, Bohea, the cheapest grade of black tea, dominated cargos but was soon replace by Souchong, a better black tea. After 1800, green teas, especially Hyson and Young Hyson became more popular and, by 1837, accounted for 80% of total tea imports (Hao 1986). Marketing techniques included hiring expert tea tasters, using the fastest possible transportation in clipper and steamships, concocting new grading schemes, and inventing novelty names. In 1849, an American supercargo devised a number of promotional labels for Chinese teas including "English Breakfast" which is still popular today (Hao 1986). Tea imports eventually declined, however, in the face of strong competition from Japan and, later, from the British East Indies. Chinese tea imports peaked in 1886 at 215 million pounds, dropped to an average of 199 million pounds in 1909-1913, fell further to an average of 105 million pounds in 1928-1932, and sunk to an average of 80 million pounds in 1935-1939 (Wickizer 1951).

Silk

In 1810, the cargo of the ship Pearl was sold at auction in Boston for $261,343. Porcelain accounted for 2.4% of the total, teas for 14.1% and silks for 83.5% (Schiffer 1975). From 1820 until 1835, silk accounted for about a third of all Sino-American trade, but declined to scarcely 8 percent in 1841 (Hao 1986) and 3.3 percent by 1870 (Schran 1986). In 1861, the federal government added a new
levy on imports of manufactured silk goods to finance the war effort. This tariff was raised in 1864, while, the next year, the duty on raw silk was eliminated. These acts spurred the U.S. silk-weaving industry, which, in turn, raised demand for raw silk. Imports of Chinese silk grew from 102,000 pounds in 1869 to ten times this amount a decade later (Eng 1986). From the turn of the century until 1929, raw silk was the single most important U.S. import from China with around a 30% share (Hao 1986; Schran 1986). By the 1890s, however, Americans were importing more silk from Japan than from China. Although not as good as the very best Chinese silk, Japanese silk was more reliable and had a consistent quality suitable to the power looms of America's silk-weaving industry (Li 1986).

Americans had worn silk garments in the colonial era, but partly because of fashion changes, demand slipped in the middle of the 19th century. Imports of raw silk began rising again in the 1870s and by the early 1900s the U.S. had become the world's largest importer of raw silk. Silk became quite fashionable around the turn of the century -- Alice Roosevelt's wedding gown and the inaugural dresses of Mrs. Woodrow Wilson and her three daughters were made of silk -- and silk stockings became standard dress for both men and women. Silk lent itself very well to the lighter, more casual attire that replaced bulky, Victorian-era dress. According to the Silk Association of America, the revival of dancing in the U.S. was also a boon to the business (Li 1986).

The silk-weaving industry promoted its product aggressively and remained competitive despite the invention of Rayon after World War I. However, advertising for silk apparel did not necessarily mention the source country. In their study of advertising history, Atwan, McQuade, and Wright (1979) illustrate five different ads that mention silk in the headline or body copy -- Phoenix Silk Hose (1915), Luxite Hosiery (1918), Holeproof Hosiery (1921), Blue Moon Silk Stockings (1926), and Stehli Silks (1928). Only one, Blue Moon, alluded to the source country and that was for "pure Japanese dipped dye silk." The traditional silk market collapsed after the invention of Nylon in 1939 and the onset of World War II (Li 1986).

Disruptions to Trade

American trade with China suffered disruptions almost from the outset when the War of 1812 kept most U.S. ships away from Canton (Dulles 1930), but problems became quite serious in the 20th century. Internal political disorder plagued China for fifty years, beginning with the Boxer Rebellion in 1900-1901 and continuing with the overthrow of the Manchu Qing Dynasty in 1912, Chiang Kai-shek's unseating of the warlords in 1928, and the long, intermittent civil war between the nationalists and communists in the 1930s and 1940s. Other major disruptions included the Great Depression and collapse of world trade in the 1930s, the Japanese invasion of Manchuria in 1932 and the rest of China in 1937, and World War II.

Although the U.S. participated in subduing the Boxer rebellion in 1900, it did not help itself to Chinese territory and extract commercial concessions like the British in Hong Kong or the Germans in Qingdao (Tsingtao). Indeed, these raids on Chinese sovereignty so jeopardized growing American trade that, in 1899, the U.S. proposed an "Open Door" policy aimed at equalizing access and preserving China's national integrity. China and the U.S. remained allies through World War II, but the triumph of mainland communism in 1949 and China's participation in the Korean War resulted in a deep freeze in diplomatic relations. The two countries found politically expedient reasons to inflame cold war animosities, which reached a peak during the Cultural Revolution of the late 1960s. Indeed, between 1949 and 1971, the United States waged economic war on China through a near total trade embargo (Lee 1972).

In the late 18th century, Chinese goods accounted for about a seventh of all U.S. imports (Mudge 1981). This figure declined to about 5 percent in the early 19th century, to 3 percent in 1860, and under 2 percent by 1880 (Hao 1986). By the early 20th century this commerce had dwindled to an insignificant
part of both country's total foreign trade. The United States imported more silk from Japan than from China. Furthermore, foreign trade itself was a relatively minor component of the total GNPs of these two large nations (Schran 1986). Filling domestic demand more than occupied most producers. Interestingly, in 1800 China accounted for 33.3% of total world manufacturing output, compared to just 0.8% for the young United States. In 1913, positions had reversed with the U.S. contributing 32.0% versus just 3.6% for China (Bairoch 1982).

The New Era of Trade

The diplomatic initiatives of President Nixon in 1970-72, the passing of Mao Zedong in 1976, and, above all, the economic reforms of Deng Xiaoping in 1978 commenced a new era of U.S.-China business. As shown in Table 1, trade between the U.S. and China has grown very quickly over the past two decades to become sizeable part of each country's overall foreign trade.

When the Nixon Administration relaxed the embargo, it was assumed that the balance of trade would favor the United States, thus offsetting a growing deficit with Japan (Lee 1972). Since 1986, however, Americans have purchased much more from China than China has bought from the United States. Arguably, Chinese workers and American consumers have benefited from this relationship, but trade hawks have worried about the rising deficit while labor leaders and human rights observers have objected to the poor treatment of Chinese workers. A Business Week poll in April 2000 found that only

<table>
<thead>
<tr>
<th>Year</th>
<th>U.S. to China (Billions)</th>
<th>China to U.S. (Billions)</th>
<th>Total (Billions)</th>
<th>U.S. Balance (Billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>16.3</td>
<td>100.1</td>
<td>116.3</td>
<td>-83.8</td>
</tr>
<tr>
<td>1999</td>
<td>13.1</td>
<td>81.8</td>
<td>94.9</td>
<td>-68.7</td>
</tr>
<tr>
<td>1998</td>
<td>14.2</td>
<td>71.2</td>
<td>85.4</td>
<td>-56.9</td>
</tr>
<tr>
<td>1997</td>
<td>12.9</td>
<td>62.6</td>
<td>75.5</td>
<td>-49.7</td>
</tr>
<tr>
<td>1996</td>
<td>12.0</td>
<td>51.5</td>
<td>63.5</td>
<td>-39.5</td>
</tr>
<tr>
<td>1995</td>
<td>11.8</td>
<td>45.5</td>
<td>57.3</td>
<td>-33.9</td>
</tr>
<tr>
<td>1994</td>
<td>9.3</td>
<td>38.8</td>
<td>48.1</td>
<td>-29.5</td>
</tr>
<tr>
<td>1993</td>
<td>8.8</td>
<td>31.5</td>
<td>40.3</td>
<td>-22.8</td>
</tr>
<tr>
<td>1992</td>
<td>7.4</td>
<td>25.7</td>
<td>33.1</td>
<td>-18.3</td>
</tr>
<tr>
<td>1991</td>
<td>6.3</td>
<td>19.0</td>
<td>25.3</td>
<td>-12.7</td>
</tr>
<tr>
<td>1990</td>
<td>4.8</td>
<td>15.2</td>
<td>20.0</td>
<td>-10.4</td>
</tr>
<tr>
<td>1989</td>
<td>5.8</td>
<td>12.0</td>
<td>17.8</td>
<td>-6.2</td>
</tr>
<tr>
<td>1988</td>
<td>5.0</td>
<td>8.5</td>
<td>13.5</td>
<td>-3.5</td>
</tr>
<tr>
<td>1987</td>
<td>3.5</td>
<td>6.3</td>
<td>9.8</td>
<td>-2.8</td>
</tr>
<tr>
<td>1986</td>
<td>3.1</td>
<td>4.8</td>
<td>7.9</td>
<td>-1.7</td>
</tr>
<tr>
<td>1985</td>
<td>3.9</td>
<td>3.9</td>
<td>7.7</td>
<td>---</td>
</tr>
<tr>
<td>1984</td>
<td>3.0</td>
<td>2.9</td>
<td>5.9</td>
<td>+0.1</td>
</tr>
<tr>
<td>1983</td>
<td>2.2</td>
<td>2.2</td>
<td>4.4</td>
<td>-0.1</td>
</tr>
<tr>
<td>1982</td>
<td>2.9</td>
<td>2.3</td>
<td>5.2</td>
<td>+0.6</td>
</tr>
<tr>
<td>1981</td>
<td>3.6</td>
<td>1.9</td>
<td>5.5</td>
<td>+1.7</td>
</tr>
<tr>
<td>1980</td>
<td>3.8</td>
<td>1.1</td>
<td>4.8</td>
<td>+2.7</td>
</tr>
<tr>
<td>1979</td>
<td>1.7</td>
<td>0.7</td>
<td>2.4</td>
<td>+1.0</td>
</tr>
<tr>
<td>1978</td>
<td>0.8</td>
<td>0.4</td>
<td>1.2</td>
<td>+0.4</td>
</tr>
</tbody>
</table>

15% of Americans favored China trade with no conditions, while 79% favored trade only if China agrees to meet human rights and labor standards, and 6% had no opinion (Bernstein 2000).

Early trade history appears to have had a residual influence on later American perceptions of the range and quality of Chinese products. A national telephone sample of 297 respondents conducted on behalf of Bozell, Jacobs, Kenyon & Eckardt in 1987, found that Americans still associated traditional products with China (Table 2) and that these products were generally not highly regarded (Table 3). Still, 57% of respondents were very or somewhat likely to consider purchasing a product of mainland China (Niefeld 1989). Interest was most pronounced in the western part of the United States (71% very or somewhat likely to consider buying) and among those familiar with China.

The United States still imports many traditional luxury and craft goods from China, but the bulk of current trade is in the form of low cost, manufactured goods such as toys, apparel, and various plastic household items marketed under U.S. company brand names and destined for the shelves of big retailers like Wal-Mart and Home Depot. Chinese products have become so ubiquitous that China is now the leading exporter to the United States of a variety of Christmas decorations and gifts (Chu 2000).

In a recent study (Witkowski 2000), both the business student and general public samples leaned toward China on willingness to buy items. However, mean scores for the perceived product quality items clustered near the center of the seven point, agree-disagree scales. This probably indicates a less than positive perception of quality, which is not unlikely since so many Chinese-made imports are low end (Iritani 2001). In addition, mid-point responses on the scales may indicate a lack of knowledge of Chinese goods because they are typically sold under the brand names of U.S. and foreign companies.

Table 2: Products Americans Expect from China

<table>
<thead>
<tr>
<th>Product</th>
<th>Percent of Respondents Associating Products with China (n = 297)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Porcelain</td>
<td>76</td>
</tr>
<tr>
<td>Silk</td>
<td>75</td>
</tr>
<tr>
<td>Clothing</td>
<td>66</td>
</tr>
<tr>
<td>Handcrafted jewelry</td>
<td>50</td>
</tr>
<tr>
<td>Furniture</td>
<td>28</td>
</tr>
<tr>
<td>Consumer electronics (TV, VCR)</td>
<td>19</td>
</tr>
<tr>
<td>Scientific equipment</td>
<td>14</td>
</tr>
<tr>
<td>Agricultural equipment</td>
<td>11</td>
</tr>
</tbody>
</table>

Source: Niefeld (1987)

Table 3: Reputation of Chinese Products Among Americans

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Percent who completely agree (n = 297)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uses &quot;Old World&quot; techniques in creating its products</td>
<td>27</td>
</tr>
<tr>
<td>Products available in U.S. at low prices</td>
<td>20</td>
</tr>
<tr>
<td>High level of craftsmanship</td>
<td>14</td>
</tr>
<tr>
<td>Wide variety of products easily available in U.S.</td>
<td>13</td>
</tr>
<tr>
<td>High standards of quality</td>
<td>12</td>
</tr>
<tr>
<td>Produces innovative products</td>
<td></td>
</tr>
</tbody>
</table>
Historical Perspectives on Brand Development

For hundreds of years, Chinese producers have left overseas marketing to foreigners. Before the 20th century, this was not so unusual since few companies anywhere were able to develop a global reach and brand identity. Later, under communist central planning, there was little reason to develop strong brands since the government, not market demand, dictated resource allocation. For more than a decade after the reforms of Deng Xiaoping, Chinese companies were fully occupied ramping up production to meet pent-up demand and felt little pressure to build brands (Schlevogt 2000). The role of anonymous supplier to U.S., European, and Asian multinationals also made sense. Cold war animosities dissipated slowly and too high a profile could draw political flak. However, the Asian financial crisis of 1997-98, when foreign buyers were quick to find cheaper suppliers of undifferentiated goods, alerted Chinese business to the defensive advantages of strong brand names (Schlevogt 2000). The deepening trade relations between China and other nations, signaled by the passage of PNTR and admission to the WTO, are creating competitive pressures toward, as well as opportunities for, increasing company scale and scope. The creation of strong brands would appear an inexorable consequence of this transformation. Clearly, a "big brand" approach has worked for China's East Asian neighbors, the Japanese (Toyota, Sony, Epson), and, to a somewhat lesser extent, the Koreans (Hyundai, Samsung).

Based upon the historical account presented above, Table 4 shows both positive and negative historical influences on the acceptance and reputation of Chinese brands in the United States. Positive

<table>
<thead>
<tr>
<th>Acceptance</th>
<th>Reputation</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Willingness to buy Chinese products</td>
<td>• Association of Chinese products with luxury goods</td>
</tr>
<tr>
<td>• Aesthetic attraction of Chinese decorative styles</td>
<td>• Association with traditional or hand craftsmanship</td>
</tr>
<tr>
<td>• Romance of the Orient</td>
<td>• Political animosity toward Chinese government</td>
</tr>
<tr>
<td></td>
<td>• Economic animosity toward Chinese labor practices</td>
</tr>
<tr>
<td></td>
<td>• Willingness to switch suppliers</td>
</tr>
<tr>
<td></td>
<td>• Concerns about quality of Chinese products</td>
</tr>
</tbody>
</table>

Positive Influences

Negative
Influences on acceptance begin with the fundamental, long-term willingness of American consumers to buy Chinese products. Other influences include an aesthetic attraction to Chinese decorative styles and the exotic appeal of Asia -- what might be labeled the "Romance of the Orient." In light of recent interest in the arts of acupuncture and feng shui, in the celebration of Chinese New Year, and even in Chinese films like "Crouching Tiger, Hidden Tiger," one might argue that U.S. consumer acceptance -- its affect-driven impression of China -- is trending upwards. There are also positive influences on the reputation of Chinese products, namely, historical associations with luxury goods (porcelains and silks) and associations with the traditional craft (i.e. "authentic") methods of production. Luxury and craft attributions may be especially valuable for branding certain product categories such as home decorations, specialty foods, and fashion goods.

On the other hand, history poses some problems for image development. Detracting from acceptance have been over 50 years of political differences. Old animosities can re-surface at any time. When China threatens Taiwan or mistreats its religious minorities, many Americans, especially anti-communists and Christian fundamentalists, take offense. Such political ill-will is not conducive to building positive product-country image and can definitely harm Chinese companies. In 1999, when the U.S. Navy transferred property to the Port of Long Beach, Congressional accusations of Chinese spying and smuggling prevented Cosco from leasing part of the land for an expanded terminal. Additional economic animosities can be inflamed when labor leaders complain about job losses in the U.S. and how workers are treated in China.

Among the negative influences on reputation, U.S. importers have a history of switching away from Chinese suppliers -- from Chinese to European porcelains, from Chinese to Japanese and Anglo-Indian teas, and from Chinese to Japanese silks -- indicating historically low buyer loyalty. Poor product quality was an issue in the early 1800s, when some merchants complained about the quality and packaging of Chinese porcelains, and again later in the century, when importers found some silks to be disappointing. The Niefeld (1987) and Witkowski (2000) surveys indicated continuing consumer skepticism over Chinese product quality in the new era of trade. Given these lackluster ratings, Chinese entrants to the American market will need to closely monitor the image of their products.

These mixed historical influences suggest that Chinese companies will need to carefully calibrate the amount of "Chineseness" in their brand positioning and marketing aesthetics. Some Chinese companies will choose to play upon their heritage. They might embed the world "China" in their corporate or brand name or, less directly, use a Chinese looking or sounding name. Advertising can stress that being Chinese is a significant part of the brand's unique selling proposition. Chinese associations can be conveyed through well-known visual symbols such as the national flag, animals (pandas), landmarks (the Great Wall), stereotyped images of ordinary people, personalities, music, and geographic characteristics (Papadopoulos 1993).

For example, Tsingtao Beer incorporates Chinese imagery (Laoshan Temple) and colors on its packaging and promotional materials (See Figure 2). The brand name itself continues to use the older Wade-Giles transliteration, "Tsingtao," rather than the Pinyin, "Qingdao." Shanghai Tang, a Hong Kong based department store chain that opened a branch in New York in 1997, aims to become "the first global Chinese brand" by emphasizing up-to-date Chinese design sold within a 1930's Shanghai-retro ambience (Sutton 1998; Shanghai Tang 2001). China Ocean Shipping Company maintains a largely nondescript
aesthetic profile in its corporate imagery, but it does post ten pages of its business history on its website (www.cosco.com.cn).

At the opposite end of the spectrum, other Chinese firms are building new company and product brands that are mostly devoid of Asian content. This was the strategy used by Akio Morita who chose "Sony" in 1958 to replace the original business name, "Tokyo Tsushin Kogyo," not because Sony meant anything in Japanese, but because the name had an energetic, youthful ring to it (The Economist 1999b). Over the years, Sony has accumulated new meanings as a world-class, consumer electronics and entertainment company. Chinese companies can also build corporate and brand identities from scratch. This appears to be the path taken by Haier which has a Germanic sounding name and uses a global-themed logo and whimsical trade characters (see Figure 2). Haier's globalization drive has included building a new refrigerator plant in Camden, S.C. and opening a retail outlet on New York's Fifth Avenue. Carefully choosing the right mix of heritage and global branding will increase the chances of additional Chinese companies primed to enter the American market (perhaps Five Star Beer and Yue-Sai Kan Cosmetics) to create respected brand names in the U.S.

Some Limitations

This brief history and its application should be viewed as exploratory. A more comprehensive account may yield additional insights, as well as revise any misconceptions, about Chinese brand identity in the U.S. market. Historical analysis of Chinese products does have limitations. Although current images grow out of past ones, there has been a major discontinuity in U.S.-China trade. Imports of traditional trade goods declined and then largely ceased during the mid 20th century. When trade resumed, it was dominated by new imports of modern, generally inexpensive consumer products. Yet, like other marketing histories, this one should be appreciated not just as a "situation analysis" for marketing strategists and policy makers, but also for its own inherent qualities. The China trade has long had romantic, as well as more sordid, associations and continues to be a lightning rod for competing political interests.

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Figure 2: Chinese Heritage v. Global Brand Identities

Heritage Brand Identity: Tsingtao Beer

Global Brand Identity: Haier
The Consumer Sensitivity to the Perceived National Origin of (PNO) Brands

Leïla Loussaïef*, University of Paris

1. Introduction

Traditional paradigms used in country-of-origin research assume that a product can be associated to only one country. However, as product conception and manufacturing are becoming more and more international, new questions arise. For example, a Canadian consumer who has the choice between an Arrow shirt made in Canada and sold 25$, and a Pierre Cardin shirt made in France and sold 35$, may choose the latter. Now, let’s suppose that the Cardin shirt is made in Hong Kong and sold 25$. Which shirt would the Canadian consumer choose? (Papadopoulos, Heslop and Bamossy, 1990). In other words, is there an effect on a well-established brand when it is manufactured in a country with a negative image? Is there an effect even if there are no country-image problems? If not, how could we explain that VW “Rabbit” cars are less popular when they are made in the USA rather than in Germany? (Ahmed, d'Astous and Zouiten, 1993).

Such questions show that country-of-origin issues are worth studying. Some authors even say that the country-of-origin variable could be very important to explain consumer evaluation of brands or products (for example Erickson, Johansson and Chao, 1984; Han and Terpstra, 1988; Roth and Romeo, 1992; Samiee, 1994). At the same time, other authors notice that this cue is not so important in explaining the brand evaluation (Johansson, Douglas and Nonaka, 1985; Ettenson, Wagner and Gaeth, 1988; Davis, Kern and Sternquist, 1990).

How could we reconcile these two points of view?

In this paper, we will try to find an answer for this question, introducing first our conceptual framework and then our empirical study.

2. The conceptual framework

The main purpose of this paper is to demonstrate that under specific circumstances both standpoints are right. Country-of-origin effects do exist in some situations and not in others. Their existence depends on the sensitivity of consumer to country-of-origin perception. According to the conceptual model presented, the sensitivity is a moderator variable in the relation between the Perceived National Origin (PNO) and the perceived quality.

- The PNO is a notion that includes all brand attributes consumer can use to recognize the country-of-origin related to this brand. The most prominent is the “Made in” but there are also some other elements such as the product design or the colors of packaging (for example, Moulinex household electricals packaging have the French blue-white-red flag colors on them in some countries; in Japan, Dominos’ Pizza sellers have uniforms with the American colors flag). The brand name is also a very important way of inferring a brand national origin. Almost everybody knows that Ferrari is Italian, Toyota Japanese and IBM American. But do many people know that the vodka named “Spirit of the Czar”, really tied with Russia, is American? And that “Alpenweiss” wine,
which refers to the “Alpes Mountains” in France, is Canadian? And those “Weston” shoes, famous in France and having an English name, are French? And that “Hollywood” chewing gum, also well known in France, are French and not American? Many brands have names that are not related to their companies’ country-of-origin but to a country that has a better image for the product they sell (wine is French, chewing gum is American, vodka is Russian…). Aware of the importance of brand name in national origin perception, many firms manipulate this variable in their favor. That is why it is important to include it in the PNO.

- PNO sensitivity is a notion that is related to the consumer attitude towards the national origin of a brand. A consumer is said to be sensitive to the PNO if he/she looks for the PNO information before buying a brand and/or if this cue is important for him in the decision process.

After a literature review, extensive interviews with twenty one consumers and some interviews with brand managers, six factors emerged to explain PNO sensitivity: consumer ethnocentrism, product perceived risk, product involvement, product familiarity, brand familiarity and brand knowledge.

Six hypotheses related to these factors are considered:

H1. The more a consumer is ethnocentric, the more his PNO sensitivity will be high.
H2. The more a consumer involvement is high, the more his PNO sensitivity will be high.
H3. The more a perceived risk is high, the more the PNO sensitivity will be high.
H4. The more a consumer brand knowledge is important, the more his PNO sensitivity will be low.
H5. The more a consumer is familiar with a product, the more his PNO sensitivity will be low.
H6. The more a consumer is familiar with a brand, the more his PNO sensitivity will be low.

These hypotheses, and the whole conceptual model, can be summarized as follows:

![Conceptual Model Diagram]

**Figure 1**
An overview of the hypotheses and the whole conceptual model

3. Research design and work in progress

3.1 Research design
Prior to testing these hypotheses some scales needed to be developed and validated. For example, to measure ethnocentrism, the CETSCALE developed by Shimp and Sharma in 1987, which has never been translated and used in France at a large extent, has been translated through a back translation way and then validated. Ten items from a list of seventeen were kept after a factor analysis with SPSS-X. In order to measure the PNO sensitivity, a scale derived from the one used and confirmed by Kapferer and Laurent (1982) concerning the sensitivity to brands, was developed. In order to take into account transposition relevance, a brainstorming session with fourteen persons from different fields was organized. This brainstorming showed the necessity of splitting the scale in two: the first scale would measure the sensitivity to the “Made in” and the second would measure the sensitivity to the country-of-origin derived from brand name. The items found for both scales have been tested, some of them changed according to respondents’ answers and factor analysis. The resulting six items for each scale could then be used.

3.2 Presentation of the results

The six hypotheses are currently being confirmed through an experimental design. Four products have been chosen: a couple of involving ones (car and washing machine) and a couple of non-involving ones (pen and shower gel). For each product, four brands (two known and two unknown) have been selected. The sample of about six hundred respondents was drawn from undergraduate students at many business schools throughout France. The data is collected through June 10, as part of a larger project. Results will then be compiled and analysed between June 10 and July 25 so that they can be included in the paper presented in the Macromarketing Conference in August 2001.

References


Changing Values of Thai Consumers

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Abstract

Basically, values are what people think as important in their lives. What really matters to everybody is his or her own life. In fact, it is not life itself that can be important. It is how people feel about their lives as compared to their expectations or aspirations or past experiences or the relevant others. These feelings may be expressed as satisfaction or dissatisfaction depending on whether the expectation levels are met or not. When life is viewed as composing of various domains or the part-whole relationship is assumed, it is possible to find the links between life domains and the general life. To do this, the regression analysis can be used. In the previous study of Thai quality of life (QOL) in 1989, life is conceptualized as composed of 13 domains which are family, social life, work, personal health, self, material possessions, consumption, recreation, spiritual life, health care, life in Thailand, Thai government and Bangkok administration. This study omits some unimportant aspects of life from the previous research including consumption, recreation, and life in Thailand, Thai Government and Bangkok administration. Moreover, the domain of spiritual life is replaced by the belief leading one’s life which is supposed to explain Thai QOL better. Furthermore, this study does incorporate the new domains of life that are likely to be important to Thai lives including educational life, infrastructure and the environmental aspect of life. That is to say, the present study contains only 11 dimensions of life as shown in Table 1.

The sampling in this study is similar to the previous one in 1989. Basically, five hundred Bangkok residents who were at least 21 years old were interviewed personally. They were selected by a two-stage probability area sampling using census data as a sampling frame. A hundred blocks were sampled from 50 districts in Bangkok followed by a systematic random sampling of five households within each block. The analysis of the present data by using multiple regression indicates that satisfaction with the domains of family, work and material possessions is important to Thais’ overall life satisfaction. In other words, currently, Thai consumers value their family, work and material possessions. A similar analysis of the data in the last decade suggests that in the old days, Thais put the positive values on family, material possession and self but valued spiritual life negatively. It follows that Thais always value family and material possessions. The reason of being is that family is a source of loving need or psychological well-being whereas material possessions or having is a physical need. Generally, these two needs are not substitutable meaning that they are both necessary for human well-being. That is to say, the never changing values of family and material possessions have been the dominant characteristics of Thais so far. However, Thai disappearing values are the positive self and the negative spiritual life. The remaining family value and the disappearing value of self suggests that Thais are likely to be the collectivists among the Asian crowd more than before. Specifically, in the old days, Thais tended to concern with the relation with their family members more than the success of themselves but family seems to substitute self concern now. Similarly, the persistent value of material possessions and the vanishing self indicate that Thais are more materialistic than ever before. It may be because the massive advertising campaigns have worked much better in reinforcing the human greed of possessing or more is better than the spirit of giving or simply being satisfied.
Table 1. Conceptualization of Domains of Life

<table>
<thead>
<tr>
<th>Private Domains of Life</th>
<th>Private Domains of Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family</td>
<td>Family</td>
</tr>
<tr>
<td>Social Life</td>
<td>Social Life</td>
</tr>
<tr>
<td>Work</td>
<td>Work</td>
</tr>
<tr>
<td>Personal Health</td>
<td>Personal Health</td>
</tr>
<tr>
<td>Self</td>
<td>Self</td>
</tr>
<tr>
<td>Material Possessions</td>
<td>Material Possessions</td>
</tr>
<tr>
<td>Consumption</td>
<td>NA</td>
</tr>
<tr>
<td>Recreation</td>
<td>NA</td>
</tr>
<tr>
<td>Spiritual Life</td>
<td>&quot;Belief Leading One's Life&quot;</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Domains of Life</td>
<td>Public Domains of Life</td>
</tr>
<tr>
<td>Health Care</td>
<td>Health Care</td>
</tr>
<tr>
<td>Life in Thailand</td>
<td>NA</td>
</tr>
<tr>
<td>Thai Government</td>
<td>NA</td>
</tr>
<tr>
<td>Bangkok Administration</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td>Education</td>
</tr>
<tr>
<td></td>
<td>Infrastructure</td>
</tr>
<tr>
<td></td>
<td>Environment</td>
</tr>
</tbody>
</table>

The emerging value of work life seems to be a new identification of Thais. A recent economic crisis tends to attract more attention of many Thais to their work. It is likely that the sense of belonging of Thais is extended from the family to the work group as well. Work places just begin to get into the scene of Thai lives as never before whereas they have been the dominant scenes of Japanese, American and European lives for a long time. It is noteworthy that the public domains of life have found no places in Thai lives. Specifically, in the last decade, health care, life in Thailand, Thai government and Bangkok Administration were not important to Thai lives. Likewise, currently, health care, educational life, infrastructure and environment have no corners in Thai lives as well. Thais tend to consistently put their mind in the private life instead of the public life. This shows that the never changing Thais are very much influenced by marketing campaigns of the profit organizations instead of the public ones. The lesson learned is that marketing for the public should gain more attention than the commercial marketing.

To the question of who start to value family, material possessions and work life, the answers can be found in the demographic characteristics of the persons who value these domains of life now but not before. Family is the color of life in the high educated meaning at least some college and the high household income meaning at least 25,000 baht/month. Material possessions tends to play the role in the high educated and the married. Work is important in the elder or the ones with at least 30 years old, the female, the low educated meaning less than some college, the employed and the high household income.
as shown in Table 2. To better satisfy these three significant needs in lives, the appropriate segments as mentioned should be targeted.

**Table 2. Values of Thai Consumers in Various Segments of the Market in the Last Decade**

<table>
<thead>
<tr>
<th>Demographic Characteristics</th>
<th>Value in 1989</th>
<th>Current Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td></td>
<td>PHEA</td>
</tr>
<tr>
<td>Younger</td>
<td>No Value</td>
<td></td>
</tr>
<tr>
<td>Older</td>
<td>FAM MAT (SPR)</td>
<td>FAM MAT WOK -HCA</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>SEL MAT (FAM)</td>
<td>SEL MAT</td>
</tr>
<tr>
<td>Female</td>
<td>FAM (MAT) (SPR)</td>
<td>FAM WOK</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td>FAM WOK -HCA</td>
</tr>
<tr>
<td>Low</td>
<td>FAM (MAT)</td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>(SEL)</td>
<td>FAM MAT</td>
</tr>
<tr>
<td>Employment Status</td>
<td></td>
<td>FAM WOK MAT</td>
</tr>
<tr>
<td>Employed</td>
<td>No Value</td>
<td></td>
</tr>
<tr>
<td>Non-Employed</td>
<td>No Value</td>
<td>MAT FAM</td>
</tr>
<tr>
<td>Marital Status</td>
<td></td>
<td>FAM WOK MAT</td>
</tr>
<tr>
<td>Married</td>
<td>No Value</td>
<td></td>
</tr>
<tr>
<td>Never-Married</td>
<td>No Value</td>
<td>FAM WOK</td>
</tr>
<tr>
<td>Household Income</td>
<td></td>
<td>FAM WOK -HCA</td>
</tr>
<tr>
<td>Low</td>
<td>FAM (MAT) (SEL) (SPR)</td>
<td>FAM PHEA -HCA</td>
</tr>
<tr>
<td>High</td>
<td>No Value</td>
<td>FAM WOK</td>
</tr>
</tbody>
</table>

Words in the italics indicate the emerging values.

Words in the parentheses mean the vanishing values.

PHEA = Personal Health  
FAM = Family  
MAT = Material Possessions  
SPR = Spiritual Life  
WOK = Work  
HCA = Health Care  
SEL = Self

Additionally, to bring back the self, the market segment of the high educated and the low household income should be aimed at. If the marketers want to restore the spiritual life of Thais, the old, the female and the low household income should be eyed.

The changing values of Thai consumers in the last decade carries a lot of marketing implications. The new values suggest the emerging needs to be fulfilled. The never changing values indicate the persistent needs which characterized that particular segment of the market. However, the loss of marketing opportunities which may need to be reinstalled. The changing values and its demographic characteristics can be shown in Table 3.
Table 3: The Changing Values of Thai Consumers in the Last Decade

<table>
<thead>
<tr>
<th>Demographic Characteristics</th>
<th>Changing Value</th>
<th>Disappearing Value</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Same</td>
<td>New</td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>Younger</td>
<td>NA</td>
<td>PHEA</td>
</tr>
<tr>
<td></td>
<td>Older</td>
<td>FAM MAT</td>
<td>WOK -HCA</td>
</tr>
<tr>
<td>Gender</td>
<td>Male</td>
<td>SEL MAT</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>FAM</td>
<td>WOK</td>
</tr>
<tr>
<td>Education</td>
<td>Low</td>
<td>FAM</td>
<td>WOK -HCA</td>
</tr>
<tr>
<td></td>
<td>High</td>
<td>None</td>
<td>FAM MAT</td>
</tr>
<tr>
<td>Employment Status</td>
<td>Employed</td>
<td>NA</td>
<td>FAM WOK MAT</td>
</tr>
<tr>
<td></td>
<td>Non-employed</td>
<td>NA</td>
<td>MAT FAM</td>
</tr>
<tr>
<td>Marital Status</td>
<td>Married</td>
<td>NA</td>
<td>FAM WOK MAT</td>
</tr>
<tr>
<td></td>
<td>Never-mard.</td>
<td>NA</td>
<td>FAM WOK</td>
</tr>
<tr>
<td>Household Income</td>
<td>Low</td>
<td>FAM</td>
<td>PHEA -HCA</td>
</tr>
<tr>
<td></td>
<td>High</td>
<td>NA</td>
<td>FAM WOK</td>
</tr>
</tbody>
</table>

NA = Not Applicable  
PHEA = Personal Health  
FAM = Family  
MAT = Material Possessions  
WOK = Work  
HCA = Health Care  
SPR = Spiritual Life  
SEL = Self
The seven important domains of life at least one time in this past decade are family, work, material possessions, self, spiritual life, personal health and health care. Family was valued in the last decade only in the segments of the old, the low educated, the low household income but irregardless of genders. Currently, it is cherished in almost every market segments except the young and the male. It is noteworthy that the value of family has faded out from the male whereas it shows up in almost other market segments. However, the persistent values of the male are self and material possessions. The enduring value of family tends to characterized the female. Taken together, this suggests that the male are likely to be the individualists while the female are the contrary or the collectivists.

Work has never been the valued corner of Thai lives before. Lately, it becomes important for the old, the female, the low educated, the employed, the high household income and either marital status. It is a good sign that work becomes critical for many folks of life especially the segments of the female and the low educated. This corner of life will be an important tool for them to be on their own. Thus, it will be good if the significance of work can be installed in the low household income who happen to ignore this aspect of life at the moment. It should be noted that the work group has become an extended sense of belonging for the female besides the family and work seems to be left for the female alone. The new value of work happens to come just in time after the recent economic crisis.

Material possessions is an enduring value of the old and the male. It is not a concern for the less affordable female, the low educated and the low household income which is likely to be appropriate although it may be considered as a loss for marketing of the tangibles. It is new to the high educated, the married and either employment status. However, the remaining opportunities are in the segments of the old, the male and the new opportunities occur in the high educated instead of the low educated.

Thais tend to be only materialistic instead of spiritualistic. This creates an imbalance between the body and the mind and the law may have to play a greater role than the ethics. Without a right mind, people may misbehave and end up in jails. It follows that marketing for the mind becomes increasingly important as compared to marketing for the body. Although spiritual marketing is vital to the Thais, it seems to lose its vigor from the old, the female and the low household income.

Thais’ concerns of their health and the health care have come into the scene lately as never before. Specifically, at the moment, personal health is valued by the young and the low household income whereas the health care is vital to the old, the low educated and the low household income. Obviously, the trade off between personal health and health care can happen only in the segment of the low household income. The low educated tend to rely on the health care only. However, women have no concerns of these corners of their lives. This implies that health education should be given to everyone especially the low educated and the female.

More objectively, education and household income are the long lasting contributors to Thai life satisfaction. In fact, education or human capital is likely to lead people lives to a better understanding, better earning, better living and more importantly, being able to be on their own. It follows that “education to all” is critical for bettering Thais’ QOL especially for the “have not” and the “don’t know”. These days, human development in the work places is also good for life satisfaction particularly for women. Actually, education is likely to open the door for the better job opportunities for many underutilized human resources, namely, women. Besides education, personal health and health care are also vital to these needed Thais. It should be noted that the public domains of life especially the health care and the environment have been undervalued whereas the material possessions has been overvalued for a decade. The reason of being is that the public marketing has been underused while the private marketing has assumed a dominant role all along. Moreover, economics has been the prime objective for the development in Thailand for a long time. As a matter of fact, economic development in a broad term or the material well-being in a more specific term should be the means not the end in itself. That is to say,
they should lead Thais to a better QOL not just being rich. In other words, an ultimate goal of marketers ought to be life satisfaction not customer satisfaction or total satisfaction as a person not just satisfaction with any corners of life. Furthermore, marketing for the mind should take the precedence over marketing for the body because spiritual well-being has been overlooked and left alone the material well-being.
Quality-of-Life (QOL) Marketing: The Focal Variable, Antecedents, and Consequences

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M. Joseph Sirgy, Virginia Polytechnic Institute and State University

Abstract

This study focuses on quality-of-life (QOL) marketing. QOL marketing is philosophical concept to be contrasted with other concepts such as traditional marketing orientation, customer orientation, relationship marketing, to name a few. We define QOL marketing as ethical marketing designed to create long-term relationships with customers by enhancing their well being while preserving the well being of other stakeholders (stockholders, employees, suppliers, distributors, creditors, the local community, and the environment). The objective of this study is to develop a conceptual model of nomological concepts to shed light on the concept of QOL marketing, its determinants, and its consequences.

The Concept: Quality-of-Life (QOL) Marketing

We view QOL marketers as marketers who take proactive measures to enhance the well being of target consumers. They develop and market products to target consumers in ways that contribute to well being in the consumer’s life domain and another life domain directly related to the product or service. The consumer life domain is defined in terms of well being in four areas of consumer-related activities, namely acquisition, possession, consumption, maintenance, and disposition of consumer goods and services. In addition to making a significant contribution to consumer well being, QOL marketers make a significant contribution to well being in a life domain directly related to the product or service. For example, a pharmaceutical drug serves to treat a disease. Therefore, this drug contributes to the well being of consumers (those who consume the drug) in the health life domain. Thus, QOL marketers make ethical marketing decisions to develop that drug that maximizes health well being and markets the drug in ways to enhance consumer well being. Consumer well being is enhanced by making the drug as accessible as possible and easy to purchase (acquisition well being), affordable (possession well being), easy to consume (consumption well being), easy to maintain (maintenance well being), and easy to dispose of after consumption (disposition well being). Thus, QOL marketers can positively affect overall quality of life by enhancing consumer well being and the well being in the life domain mostly related to the product or service (e.g., health, leisure, work, family, community, social, cultural, political, and spiritual).

QOL marketers do not only seek to enhance consumers’ quality of life but also seek to do so while preserving the well being of other stakeholders. Examples include taking special measures to ensure worker safety and prevent environmental pollution and degradation.

We posit that QOL marketers are professionals who score highly on dimensions of moral development such as marketing benevolence, empathy, and role integrity. Marketing benevolence refers to a marketer’s voluntary helping behavior beyond the call of duty designed to enhance the well being of the firm’s customers. Examples of marketing benevolent behaviors include proactive sharing of information, voluntary disclosure of information about other possible adverse effects, making products available to those whose well being can be significantly enhanced by consuming the product regardless of its short-term profitability, charging affordable prices, and providing maximum accessibility to target consumers. QOL marketers show empathy towards their customers and other stakeholders. QOL marketer’s behavior is not motivated by self-interest or short-term profitability. Rather, the behavior is driven mainly by genuine compassion and care for the customer. Role integrity refers to QOL marketers’
ability to maintain multi-faceted roles in addition to their traditional economic role. QOL marketers make every attempt to meet social and ethical objectives in tandem with economic objectives.

**How is QOL Marketing Different from Relationship Marketing?**

With respect to customer relationships, relationship marketing and QOL marketing are similar in that both philosophical concepts focus on developing long-term relationships with customers by providing long-term customer satisfaction. However, the underlying motives behind these efforts are different. Relationship marketers develop close relationships with customers primarily because close relationships are cost efficient and profitable. In contrast, QOL marketers’ decisions are guided by the decision’s impact on customer well being and the well being of other stakeholders that may be affected by the marketing of the product or service. The end goal for QOL marketers is personalized care. Relationship marketers care about customers’ well being as a means to economic ends.

With respect to relationships with other stakeholders of a firm, there is nothing inherent in the philosophy of relationship marketing prescribing that marketers should market their products or services in ways that cannot adversely affect the firm’s stakeholders, other than the firm’s customers. In contrast, QOL marketers are guided by the principle of non-malificience to the firm’s non-customer stakeholders quite explicitly.

**Determinants of QOL Marketing**

We propose that QOL marketing, as a strategic orientation of a firm, is likely to be determined by a host of individual, organizational, and cultural factors.

**Individual Factors**

Individual marketers are likely to adopt a QOL marketing orientation if they are high on moral relativism, moral idealism, and cognitive moral development. *Moral relativism* refers to the degree to which an individual believes that moral rules are not derived from universal principles but exist as a function of specific contexts and situations. It logically follows that a firm is more likely to adopt QOL marketing when its managers have a high degree of moral relativism.

*Moral idealism* refers to the degree to which a person focuses on the inherent "rightness" or "wrongness" of an action regardless of the consequences. Moral idealists are likely to shun marketing practices that have a possible negative consequence to the well being of certain consumer groups. This ethical view is consistent with the QOL marketing orientation. In contrast, those who are less idealistic tend to take a utilitarian view that an act is acceptable if the act produces the greatest good for the greatest number of people affected by the action, even though it may be harmful to a certain group. Thus, a firm is more likely to adopt QOL marketing orientation when its managers have a high degree of moral idealism.

*Cognitive moral development* theory posits that moral development is a progression of a cognitive construction on the concepts of right or wrong. People at the lower developmental stages rely mainly on a set of self-interest criteria (e.g., avoiding punishments and complying with the social rules). In contrast, people at higher levels of cognitive moral development make autonomous moral judgments based on universal principles of justice. Thus, a firm is likely to adopt QOL marketing when its managers have a high level of cognitive moral development.

**Organizational Factors**

The adoption of a QOL marketing orientation within a firm is likely to be facilitated when there is an emphasis on ethical practices within the firm, when there is an explicit code of ethics, and when the firm exhibits a long-term orientation in conducting business. Thus, we surmise that an *organization’s emphasis on ethical practices* will have a significant influence on the development of QOL marketing. An organization emphasizing ethical practices is likely to have a code of ethics and a willingness to enforce it. Code of ethics is defined as distinct, formal documents specifying self-consciously ethical
constraints on the conduct of organizational life. The code of ethics facilitates understanding of ethical issues, provides ethical guidelines, and increases commitment to high ethical standards with an organization. Also, a firm’s willingness to enforce ethical codes discourages unethical behavior. Thus, we propose that a firm that emphasizes ethical practices within the organization is more likely to adopt QOL marketing.

*Long-term orientation* refers to the degree to which marketers believe that maintaining a long-term relationship is more important than any immediate gains or losses incurred from a single transaction. We propose that a firm with a long-term orientation is likely to adopt QOL marketing. Such firms make marketing decisions that provide long-term benefits to consumers and other stakeholders.

**Cultural Factors**

Factors such as cultural social consciousness and the industry’s ethical climate are important factors that may contribute to the firm’s adoption of a QOL marketing orientation. *Social consciousness* refers to sensitivity that a society has on ethical issues. When a culture has a high level of social consciousness on ethical issues, firms embedded in that culture are likely to express better understanding of ethics, internalize ethical norms, and proactively adopt ethical practices.

The *ethical climate of an industry* refers to the degree to which positive ethical norms are shared by the firms within the same industry and that these norms are continuously reinforced. We believe that a positive ethical climate should facilitate the adoption of QOL marketing. Firms in an industry characterized as having a positive ethical climate are likely to have a strong reward and punishment system related to ethics enforcement and violation.

**Consequences of QOL Marketing**

We believe that QOL marketing practices should pave way to the establishment and maintenance of healthy long-term relationships with various stakeholders. Implementation of QOL marketing should lead to enhanced company goodwill and long-term profitability.
Introduction: Designating people

The central tenet of this paper is that public discourse contributes to the categorisation of humans by humans. The concern of this paper is twofold. Firstly, to consider the extent to which public discourse in relation to the refugee issue in Ireland, in the forms of prevailing laws, political comment and reaction, interest group action and comment, and opinion polls impacts upon popular culture. Secondly, the authors also speculate on the extent to which these forms of discourse inform and impact upon each other as well as the consumption practices of refugees.

The researchers contend that attempts to contextualize the current situation in Ireland in terms of governmentality and vice versa requires an awareness of the prevailing circumstances in Ireland. The authors then consider four types of public discourse: the legal property or connotation of refugee as applied under the UN Convention and Irish statute, the political comment and reaction to this new statute, opinion poll and survey findings and interest group contributions to the debate. There is a concern to identify the extent of the link between these forms of discourse following on from Foucault’s work on governmentality.

Governmentality

Governmentality concerns the ‘conduct of conduct’ and encapsulates the art of government which involves ostensibly ‘free’ autonomous individuals (Gordon 1991). Foucault locates its genealogy from the seventeenth century as a method of governance characterised by liberalism (Foucault 1991). It can also be seen, as a style of government that objectivizes both the population and the individuals that constitutes such a population. Rather than attempting to theorise state action or inaction in terms of the capitalist mode of production by positioning the state as an agent of the capitalist on an ideational or ideological basis, governmentality conceives of the operation of the state in terms of political technologies and rationalities.

So the questions surrounding governance become distilled by the parallel processes of a shift in political economy and the emergence of an open vacuum constituting a space for a new ethics of being. There would appear to be a mutually constitutive process of emerging subjectivities and political structures, brought about by specific, but historically contingent events. As such the concept of ‘governmentality’ is not a positive analysis of the functioning of state, but the establishment of the problem and preoccupation of governance or government. It is the setting of questions leading to possible, not definite, answers about how to govern. More succinctly Foucault also defines government as “the conduct of conduct” (Foucault cited in Gordon 1991: 2). As Hodgson (2001:117) reminds us ‘Governmentality attempts to translate the ‘macrophysics’ of political economy into the ‘microphysics’ of power by examining how control is exercised through the management of freedom.
Analysis of discourses considered

The central concern of this paper is to consider the extent to which public discourse in relation to the refugee issue in Ireland, in the forms of law, political comment and reaction, media reporting and opinion polls impacts upon popular culture and vice versa. These four influences are clearly inter-linked e.g. opinion polls influence legislators and hence legislation; the media reports on parliamentary debates and the public consume media reports.

Ireland is party to the 1951 United Nations Convention relating to the status of refugees and to its 1967 Protocol. The Refugee Act 1996 was introduced as a result of the increased numbers seeking asylum in Ireland and developments within the European Union in the area of immigration and asylum. In 1999 the Immigration Act was introduced which as well as outlining procedures for the deportation of non nationals from the State, also incorporated changes to the 1996 Refugee Act. The Act, as amended, provided for the establishment of: - the Refugee Appeals Tribunal, to conduct appeal hearings from persons refused refugee status; the appointment of a Refugee Applications Commissioner; and the establishment of a Refugee Advisory Board, consisting of relevant Government departments and refugee interest groups whose role is to advise the Minister on the operation of legislation and policy matters.

The full implementation of the Refugee Act 1996 as amended by Section 11 (1) of the Immigration Act 1999 and the Illegal Immigrants (Trafficking) Act 2000 has for the first time placed the procedures that determine asylum claims on a statutory footing and incorporates into law the 1951 UN Convention. Representative organisations such as the Irish Refugee Council have condemned certain elements of the Act as ‘draconian and unacceptable’. These include those provisions which allow for the detention of asylum seekers; finger printing for all asylum seekers over age 14 years; the grounds for determining a case to be ‘manifestly unfounded and the creation of criminal offences relating to the asylum process. This final criticism is instructive and signifies ‘a very worrying trend towards the criminalization and stigmatization of asylum seekers’ (O’ Mahoney 2000).

The 1951 United Nations Geneva Convention relating to the Status of Refugees defines a refugee as someone with a well founded fear of persecution in their home country on grounds of race, religion, nationality or membership of a particular social group or political opinion. Ireland incorporated the Geneva Convention into its 1996 Refugee Act. There are four categories / classifications of refugee: - Convention Refugees, Programme Refugees, Leave to Remain and Residency. As far as a simple definition is possible, asylum seekers are then people who seek state protection in another country on the grounds that they are fleeing persecution. Once asylum seekers are granted such permission they become refugees. In Ireland asylum seekers are entitled to state benefits, primary and secondary schooling for any children and the right to a work permit if they satisfy a number of conditions principally that they have been living in the state for more than one year. Asylum seekers are not entitled to free adult education, language classes or to travel outside the State while their application is being processed.

The clearest evidence of poorly considered government reaction to date was the policy statements and press releases which emanated from the Department of Justice and of the Taoiseach respectively in March 2000 to accommodate up to 1000 asylum seekers in ‘flotels’. This prompted widespread anger particularly from the many of the voluntary agencies working with refugees who likened the flotels to ‘prison ships’. The Irish Refugee Council said it was concerned that the flotels risked isolating and alienating the occupants.
In a similar vein, The Taoiseach while in Australia in March 2000 sparked controversy when he refused to rule out mandatory detention for asylum seekers and illegal immigrants. Mr. Ahern said, in response to the ensuing uproar that that the government would not pursue the idea. However, he insisted that Ireland has the most liberal asylum regime in Europe with newcomers immediately able to access benefits and accommodation - ‘We have made no decisions but I think we do have to tighten the system somewhat. It is well known in Europe that the UN High Commissioner for Refugees thinks that the Irish system is far too liberal anyway’. It was hardly surprising then that the Catholic Church’s call for the situation to be ‘regularised’ by offering existing applicants either refugee status, immigrant worker status or humanitarian leave to stay was rejected by the Government. It seems clear that what has been termed ‘a policy of disablement’ lies at the centre of the reception strategy in Ireland. During the Dail (Irish Parliament) debate regarding the Refugee Act 1996, the then Minister for Justice made the following point regarding the asylum seeker’s right to work.

“It must be borne in mind that asylum seekers are allowed to remain in the State temporarily pending determination of their applications. Where their applications are successful they will be allowed to remain in the State and work without restriction. That is as it should be and this Bill copperfastens (sic.) this principle. However, where applications are unsuccessful, if not permitted to remain for humanitarian reasons, they will leave the State. I do not consider that it would be appropriate to allow people, with temporary permission to remain in the State, to work and put down roots”. (Dail Debates 28 / 02 / 1996 Col. 835).

It is clear that the Department of Justice was, and more recent evidence suggests that this view has persisted, of the opinion that the right to work would only integrate asylum seekers into Irish society. In March 1998, the Assistant Principal Officer of the Asylum Division stated that the State had no intention to provide language and integration classes to asylum seekers. This was because “there is an argument that if you insist in training them that you will be giving them the hope that they will be staying and that you are helping them integrate into the country which will make it much more difficult to remove them at the end of the whole procedure”.

When pressed by voluntary agencies on the reception of asylum seekers, the Department will direct you to its 1996 ‘Guidelines’ to the Asylum Agents. These state that the agents should ensure that asylum seekers are: - properly accommodated; receive appropriate assistance allowance; are referred for appropriate health checks; are assisted with schooling arrangements for their children; are made aware of those voluntary groups who may be of assistance to them; receive assistance for any special needs such as counselling or medical advice; and receive appropriate care in the case of unaccompanied minors. The lack of statutory status of these provisions has facilitated the Irish Government’s failure to implement in a meaningful way any of these guidelines.

In a highly publicised criticism of the Minister for Justice, Equality and Law Reform, over delays in determining legal challenges by asylum seekers to deportation orders, Justice Kelly, in the High Court, said that the Minister’s department had a ‘lamentable record’ in filing required statements of opposition or supporting documentation. The consequence of this was that some appellants were being obliged to wait over one year before their case could be properly adjudicated. The Irish Refugee Council (IRC) commented in relation to the judge’s comments that the abiding impression was that the Minister was ‘not making adequate efforts’ to allow judicial reviews to proceed speedily. The spokesperson for the IRC, Sarah McNiece went further adding ‘there are very, very fundamental problems with the manner in which the Department of Justice deals with asylum seekers’.

The main opposition spokesperson on justice, equality and law reform, has been a regular critic of government policy. Alan Shatter argues ‘the policies implemented [by the Irish government] have contributed to a growth in racism and xenophobia in this State’. Examples of such policies identified
included the existing processing methods which resulted in ‘huge backlogs’, the denial of the right to work to asylum seekers; the fingerprinting of asylum seekers and the introduction of ‘pre-emptive exclusions’ of asylum seekers at ferry terminals in France. The Irish Times, the leading Irish broad sheet daily newspaper, seemed to acknowledge in an editorial comment in February 2001, that racism prevails ‘within State institutions, political parties, law enforcement agencies, the public service, the media and other areas of public life’. This suggests that the construction of the refugee is a function not just of EU and Irish statute but also of the prevailing attitude in the wider political arena. Politicians at both local and national level are increasingly using the refugee issue as a means of increasing their popular support.

The most infamous instance of such opportunism occurred in November 1999. A Government backbencher TD (Member of Parliament) and Chairman of the Eastern Health Board, which provides emergency services to more than 8000 asylum seekers and refugees, Ivor Callely, called on the Government to introduce a ‘get tough’ policy toward asylum seekers and to ‘throw out’ illegal immigrants. Donnacha O’ Connell, Director of the Irish Council of Civil Liberties remarked ‘it is simply unacceptable for the chair of a public body which deals with asylum seekers to make such offensive and potentially dangerous remarks’. Some other responses, are particularly instructive in the context of this paper, and include Mary Banotti MEP’s description of the remarks as ‘characteristically populist’. Also the assertion by Colin Harvey of Amnesty International that ‘words matter in the refugee debate and it is essential that inaccurate and provocative slogans not frustrate a more mature response to the issue’. The Irish Times editorial in response compared the remarks to those made by UK MP Enoch Powell in 1965 in his infamous ‘rivers of blood’ speech and that Callely was playing to the most atavistic instincts of the public and that ‘he may have even made the calculation that this kind of rude populism will do him no harm in the ballot box’.

A recent Irish Times / MRBI poll indeed shows that a substantial majority of Irish voters want strict limits on the number of refugees allowed into Ireland – 74% want strict limits, 17% don’t and 9% have no opinion. 60% also favour taking a more generous approach to refugees and immigrants. This apparent contradiction signals that voters are displeased with the inhumane treatment meted out to queuing refugees and asylum seekers at the immigration centre in Dublin. At the same time they want to retain strict limits on those arriving. The results of several surveys conducted recently show rising hostility toward immigrants – economic as well as those seeking asylum. Public perceptions are fuelled by negative media portrayal. ” MacLachlan & O’Connell (2000:7) argue:

All the traditional virulent weapons in the racist armoury are there – the vulnerability of white women to vicious sexual assault, the cultural threat to our children and the outsider as symbolic of the actual plague

A recent study of pupil’s perceptions on asylum sought to examine the sources of knowledge and the process through which student attitudes were constructed. It found that pupils saw a direct correlation between the words ‘asylum’ and ‘insane’ and also associated ‘asylum seeker’ with someone ‘seeking and asylum’. It would seem that the term ‘asylum seeker’ formulates a negative concept – the use of the term brings to mind concepts of insanity. Students did not appear to understand why people become refugees and they found it difficult to reconcile what they see on television in terms of civil unrest and oppression, with what they see on the streets in Dublin. A further finding was that the pupils appeared to have a belief that refugees have a choice to leave their country. They displayed a greater awareness of the ‘pull’ factors into Ireland (such as the welfare system and the tight labour market) than of the ‘push’ factors of the country of origin. There was a difficulty in understanding why one would have to leave a country for political reasons and many pupils assumed that it was because of deviant behaviour or crime. There was also an assumption that refugees are poor and when asylum seekers are seen sporting designer clothes and carrying mobile phones, pupils tend to think they are abusing the welfare system or are involved in criminal activity. There was evidence of a fear that Ireland will lose its culture and identity by becoming
a multi-cultural society. Multi-culturalism was construed to mean ‘American’ and ‘gangs’. This impression may have emanated from television and cinema productions, which often depict ethnic groups negatively through street gangs and ghettos. Arguments against re-settling refugees included the question as to whether Ireland was economically stable enough to support a large increase in population and a fear that refugees pose a threat to our space. There appeared to be very little awareness of the potential contributions of asylum seekers and refugees. A comparison was drawn with the Irish emigrants who went to America. Students felt that the Irish worked and contributed to their host economy whereas asylum seekers were dependent on state support. Students appeared unaware of the fact that asylum seekers are not entitled to work in the State.

Using a more general audience, Curry (2000) attempted to measure the hostility and prejudice towards refugees based on the concept of social distance i.e. the degree of intimacy to which a person is willing to admit a member of any particular social group. The main conclusions were: prejudice is increasing; there is a slight trend for women to show less social distance towards refugee groups than men; people over 55 years of age are significantly more prejudiced than younger age groups. The effect of education is highly significant with a linear decrease in social distance toward refugee groups with increasing levels of education; and prejudice will become more widespread and hostile if the present economic development subsides. Perhaps the two most relevant findings in the context of this paper are - firstly; more overt hostility has been avoided because of our current economic boom and the lack of organised structures for the expression of hostility. The point has been made above that politicians have attempted to manipulate the issue for electoral gain. Secondly, that the public in general appear to have accepted media representations on the refugee issue.

Discussion

It would appear in the like of the discourses considered above that there is much to do if Irish government policy is to lead to a better informed indigenous public population with regard to the refugee in Ireland. It would seem both public articulations and debates on the subject ought to avoid fuelling scare mongering and racism in favour of a more informational message. The latter might focus on who the refugee is and how they can contribute to Irish society. This seems particularly important for the youth of the country to consider given the difficulties they have even with the terminology of asylum seeker. The Irish government has a duty to celebrate the diversity of the refugee population in Ireland and not to perpetuate the failure of refugee camps. Perhaps steps taken in this direction now will forestall any backlash the refugee community undergoes when economic prosperity reduces from its current zenith. Minority peoples with similar characteristics are all to easily singled out and blamed when things start to go wrong for a nation. The mass media, perhaps directly in conjunction with the government, bears a significant responsibility in the reporting of the immigrants coming to Ireland, and in the shaping of the public discourse. The current failure of Ireland to cope with its immigrant population is not surprising and demonstrates that it is not yet ready to take the responsibility that its recent wealth has bestowed upon it. Immigrants and asylum seekers are seeking a new life, something better than their past. Individuals who work and think across different spaces and can provide insights and opportunities for their host countries. Research is required which can highlight how a culturally mixed and cosmopolitan population benefits the quality of life for a nation. Perhaps the macro challenge is to illustrate that new people require a new perspective and if parochial Ireland is not suitably prepared then the loss will be ours.
Abridged References


Globalization: Boon or Bane

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Abstract

Globalization at the beginning of the 21st Century is a fact of life. There is more discussion about its benefits, which cannot be declined. However, as the globalization process accelerates, there is also a marginalization activity taking place. This article exposes some of the aspects of the marginalization process and presents a proactive strategy for smaller countries and companies to defend themselves against the marginalization caused by the globalization process.

Introduction

Although there is much literature regarding the importance of globalization, not enough attention has been paid to some of the problems that are attributed to globalization per se. There is no doubt about the fact that globalization in recent years has performed miracles for some (Barber 2001). Fifteen years ago it would have been difficult to think of, for instance, more than 14% of the Turks in the metropolitan areas having access to the Internet. Somebody in Pakistan can buy any product or service from anywhere in the world. Somebody in Sri Lanka is buying American high tech stocks. Such type of examples can go on almost forever. It is the flow of high tech that made it possible for Malaysia to produce cars and computer components. India provides the largest group of most highly trained software workers in the world. These miracles cannot be ignored. However, in this paper the authors raise some critical questions about the technology driven globalization and its benefits (Samli and Ciz, 2001).

Questionable Clues

As can be seen from Exhibit 1, the globalization process is not necessarily paying off for all. In fact, in many parts of the world, despite the technology and finance driven globalization the economic conditions are worsening. Even though one would have expected that foreign direct investments (FDI) would have stimulated foreign trade, which in turn would have improved economic conditions in general, it turns out that while the first two are a reality, the third, i.e. improved economic conditions, which is the most important part is not quite there (Business Week, Nov. 6, 2000). In other words, while FDI is stimulating foreign trades it is not making a major contribution to economic growth. For instance, while in Eastern Europe and Central Asia the FDI and foreign trade increased substantially, the proportion of the people who make less than a dollar a day more than doubled. The same types of patterns are prevalent in other parts of the world such as South Asia and sub-Saharan Africa among others.

Exhibit 1

<table>
<thead>
<tr>
<th>Region</th>
<th>Increase in Foreign Direct Investment</th>
<th>Increase in Trade</th>
<th>Percentage of Population Earning under $1 a Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Europe/Central Asia</td>
<td>2500%</td>
<td>247%</td>
<td>5% - increased by 150%</td>
</tr>
<tr>
<td>South Asia</td>
<td>500%</td>
<td>322%</td>
<td>40%</td>
</tr>
<tr>
<td>Sub Saharan Africa</td>
<td>500%</td>
<td>18%</td>
<td>46%</td>
</tr>
</tbody>
</table>
As can be seen from the above observations there are enough economic clues to question the impact of globalization. It appears that despite all the spectacular positive examples, globalization is causing much pain (Barber 2001).

The Question of Haves and Have-Nots

“Beggar thy neighbor” concept has been with us for a long time, which indicates old-fashioned mercantilism, whereas we get richer the neighbors remain poor. In other words this particular thinking reflected the economic divide, which meant the poor are getting poorer as the rich are getting richer. It further meant there are two groups of countries, haves and have-nots. With the unbelievable speed of acceleration the globalization process has given us a new dimension, which we call the digital divide. It is proposed here that economic and digital divide, by interacting with each other, creates a negative synergism in that while the haves become have mores, the have-nots become have nothings. This concept is illustrated in Exhibit 2.

Exhibit 2
DICHOTOMY OF GLOBALIZATION

<table>
<thead>
<tr>
<th>ECONOMIC DIVIDE</th>
<th>Developed</th>
<th>Less Developed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developed</td>
<td>Extra power</td>
<td>Gaining some power</td>
</tr>
<tr>
<td></td>
<td>Highly competitive</td>
<td>Accelerating development</td>
</tr>
<tr>
<td></td>
<td>Materialistic</td>
<td>Examples: Four Asian Tigers</td>
</tr>
<tr>
<td>Technically</td>
<td>Exploring the reversal of these trends (or looking for new opportunities)</td>
<td>Decelerating development</td>
</tr>
<tr>
<td>Competent</td>
<td>Example: Italy, Spain</td>
<td>Everything is deteriorating</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The country does not show much vitality</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Examples: Zambia, Sri Lanka</td>
</tr>
</tbody>
</table>

Exhibit 2 illustrates the mechanics of interaction that exists between the economic divide and the technological divide. Whereas the upper left quadrant of the exhibit illustrates the have mores, the lower right quadrant depicts the have nothings.

As can be seen in Exhibit 2, as two divides interact, many countries become marginalized (Davenport and Bibby, 1999). This is perhaps the most dangerous impact of globalization.

Granted globalization is an extremely forceful movement and it has many benefits as seen in the upper left quadrant of Exhibit 2. However, it cannot be allowed to create extreme disparity by generating have mores and have nothings. It is therefore critical that individual countries do not abandon their economic independence in favor of the globalization process. Although this is very difficult to achieve, it is certainly possible.

A Proactive Model

It is essential for high-risk countries that are between have-nots and have nothings to have a proactive strategy not allowing them to be absorbed into a globalization process that will marginalize them further. It is therefore suggested that these countries develop an individual strategic plan for their own growth and then reconcile that strategy with the globalization issues. Exhibit 3 illustrates a four-step activity along those lines. It is our position that if the marginal countries do not want to remain in that position they will have to start with their strategic posture that is appropriate for their domestic needs.
Although in this diagram we mention SWOT analysis (strengths, weaknesses, opportunities and threats) there may be other ways to select such a posture. The critical point in Exhibit 3 is that once we have the domestic SWOT analysis we also look at the SWOT analysis in the international content. Once the two analyses are compared and coordinated it becomes possible to combine the optimal SWOT conditions for the country. As the Exhibit illustrates at that point an overall strategic plan can be developed for the country. It is critical to realize that such an optimum strategic plan can be effective regardless of the globalization of the country (Knight 2000). In other words, the country is in a proactive mode to determine what it needs to do so that it will not be marginalized.

Exhibit 3
PROACTIVE STRATEGY

![Diagram](image-url)

- SWOT Analysis – Domestic
- SWOT Analysis – International
- Combine the Optimal SWOT Analysis
- Develop a Strategic Plan
Conclusions

Globalization is a major power that almost has a mind of its own. Therefore it is not stoppable. However, countries that are not automatically benefiting from globalization do not have to become marginalized by the globalization process. In order to avoid marginalization, which means in this article moving from have-nots to have nothings can be stopped if the firm, or the country, has a proactive strategic posture. Such a posture is based on developing domestic strategic growth plans and adjusting it to the conditions that are prevalent in the international environment. Such a proactive orientation is likely to enable countries not to wait for the dictates of globalization. Instead, they may be able to may out their destinies just as the four tigers did. Much research is needed in this particular problem area of globalization.

References


Art, Life and Consumption

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Abstract

This paper considers issues related to the relationship between Art and consumption. It addresses the roles Art, artists and the art establishment play in the 21st century, before moving on to the main theme, which deals with the need to continue to address the social, political and personal issues in how we consume art. In particular it advocates the consumption of artist’s lives as well as or instead of their art as an interesting and legitimate form of consumption in its own right but one that is unlikely to receive the blessing of the art establishment. Exploring the value that people gain from artist’s lives may help us better understand a relatively under researched area of consumer behaviour and help the art establishment develop a more consumer-oriented approach.

Introduction

Gombrich wrote at the beginning of his seminal work ‘The Story of Art’, ‘There really is no such thing as Art. There are only artists.’ (1997:4) The importance of the artist in the creation of his or her work is a given, but what is less clear is how artists are experienced by others, or indeed how they are consumed. This paper is about the consumption of artists and in particular artists’ lives. It explores social, political and consumption issues around people’s interest in artist’s lives and places them against what the author suggests is an essentially elitist but complex art establishment. While this art establishment largely supports the many twenty-first century artists who successfully present themselves as commodities to be consumed along with their lives, it shows resistance to an often consumer-motivated interest in the lives of erstwhile, often dead, artists. Interestingly there is also a dilemma here as the ‘public’ often find it difficult to understand, accept, indeed consume much of these modern artists’ work, yet they may gain real benefits from their consumption of their chosen artists’ lives. Possibly, the ‘public’ just don’t understand modern art or else modern art’s exclusive tendencies position it as part of the cultural capital of the socially elite. As a consumer researcher, this paradox is of great interest because one is primarily concerned with what, why and how people consume. The examples used in this study come primarily from the fine arts, literature and poetry and from principally the European and in particular British context.

Interest in the humanities by consumer researchers has begun to produce a rich and varied body of work. The connections between various art forms and consumer behaviour have been explored (Schroeder, 1998) as has been the contribution that the humanities offer in terms of consumer research practice. Many useful messages have emerged from this research, not least the idea that what we consume are essentially symbols or representations, and that consumer culture is constructed through our symbolic environments and identities (Schroeder, 1999; Firat and Venkatesh, 1993). Our concern with how representation produces meaning should not however, subsume consideration of the effects of representation and in particular their relationship to power and culture in society (Hall, 1997).

‘Art’ and ‘politics’

Art is inevitably linked to the politics and society in which it and for which it is produced. Art has a history of manipulation by politicians and society for their own purposes. One need only consider the relationship between the Medici Family and Art in Renaissance Florence or artistic representation in pre-war Germany or Stalinist Russia to illustrate this relationship. The history of the political side of Art, in particular in terms of social power, is one that can both bind Art to its context and can at the very least complicate its interpretation. Historically, there are many examples of this complexity: Donatello’s Judith
and Holofernes may have been commissioned purely as a decoration or alternatively as a proclamation of the Medici’s ‘middle class values’ (Gombrich, 1971). Similarly Schama’s reading of Dutch Culture in the seventeenth century illustrates the potentially precarious balance between visual representation and the material and social messages beyond it. A problem, therefore, in incorporating the Arts into consumer research is in terms of interpretation, and indeed what and how we represent and interpret. Schroeder, for example, suggests that by ignoring issues of colonialism, oppression and domination of Africa by Europeans, Holbrook and Grayson’s analysis of the film ‘Out of Africa’ (Holbrook & Grayson, 1986) fails to incorporate an ethics of representation informed by social historical, art historical and political factors (Schroeder, 1998). This suggests that consumer researchers working in the field of the arts, their representation and interpretation should take care. If art is about politics and society, it can be used and manipulated in its role in the social structure of society and politics. In a recent lecture Sir Nicholas Serota, director of the Tate Gallery in the UK, (2000) argued that there had been a sea change in public appreciation of the visual arts. He cited three key public structures recently completed in Britain to support his argument. Antony Gormley’s Angel of the North, a giant sculpture overlooking a major road in the north of England, he described as a symbol for optimism and renewal, while the Tate Modern, a new gallery for modern art in London, succeeded through sheer weight of numbers, achieving a record three million visitors in six months. Finally, Walsall’s uncompromisingly designed new art gallery was set to do great things with its potential for transforming the aspirations of a small provincial British town. Such bluster could be interpreted as deeply political, presenting as it does these structures with roles that seem less to do with art and more to do with monumental propaganda. It remains to be seen whether these public structures will fulfil the ambitious promotion of Sir Nicholas Serota.

While introducing the consumption of art within a broad consumer, social and political perspective, this paper is less concerned with the state and politics as with the social construction of what it is appropriate to consume for the individual, although this in itself is no less political. Schroeder (1998) has argued strongly for the role of art, as being important for one’s identity and indeed life story. While the study of consumer behaviour constantly reminds us that we choose and have choices, in art the initial choices are made for us. The art establishment chooses what to put on display, which artists to make great and which to ignore; the tastes of the elite have supremacy here. Gombrich recognised the potential directional use of the visual arts when he said: ‘You may confound anyone enjoying a picture by declaring that what he liked in it was not the Art but something different’ (Gombrich, 1997;4).

In the remainder of this paper I want to consider some issues related to the theme of what is appropriate consumption of Art, by exploring some social implications of what people consume and how the current cultural establishment tries to shape our consumption and maintains its power. The vehicle for this debate will be the conceptual position and appropriateness of the consumption of artists’ lives as well as or instead of their Art.

Art and Biography

When the young English playwright Sarah Kane committed suicide at the age of 28 one commentator recalling the death of Sylvia Plath considered:

‘Once again, here was a precocious but self-destructive young talent whose death changed the way we look at her work’ (Sierz, 2000: 1).

The conclusion of the author with regard to Sarah Kane’s fate was that such conflation of art and biography was not to be encouraged, fearing that her writing would be ‘reduced’ to the ‘Sylvia Plath syndrome’ where as he put it ‘the work is refracted through the optic of her death’. This he said ‘reduces her art to biography and limits its meaning’. The idea that art can be limited by biography seemed a compelling point to start this exploration of social power and identity especially in terms of what we ‘should’ consume in the arts. This view of distancing Art from its creator is not new, but we can question
whether it matters that we may in some instances see Art through the artist’s lives or whether aesthetic distancing is in itself a form of social elitism. As a consumer researcher I suggest that the lives of the artists are a meaningful form of consumption in their own right, and should not be demeaned whether or not by an art establishment wishing to maintain its hold on a lucrative and elitist form of consumption.

The field of the arts is littered with artists whose lives impinge on and colour the way we see them, Van Gogh shooting himself at the age of 37, Picasso’s many wives and mistresses or Shostakovich having to produce music appropriate for the Stalinist regime. Paradoxically, in the visual arts the life of the artist is being actively reconstituted as art. In Britain for example, the artists Gilbert and George who met at art school in the 1960s and have worked together ever since have turned their whole life into art, they dress in identical smart suits, live and work communally and appear together in their controversial artworks. Similarly Tracey Emin came to particular prominence last year when the Tate Gallery showed her ‘My Bed’ which was literally her bed with a huge amount of personal litter on and around it. More recently she bought a wooden beach hut for a small amount of money and then sold it on to Charles Saatchi, the art collector, for a purported £75,000 metamorphosed from a place where she had slept with her boyfriend to the work of art entitled ‘The Last Thing I Said to You is Don’t leave me Here’. The idea of the artist’s as artwork is also not new. Andy Warhol is perhaps the supreme example of the artist making his life his art. Warhol showed us how to consume celebrities as well as underscoring the discrepancies, which can exist between public persona and private identity. Warhol was always on stage, even when writing his diaries, which were produced for public consumption (Schroeder 1997). In the UK, the young celebrity artists often referred to as ‘BritArt’ have continued the Warhol tradition of courting and developing their celebrity status. The artist Damien Hirst is as renowned for his celebrity friends and carousing as for his controversial art, while Tracey Emin now appears in advertisements for Vivienne Westwood clothes.

Aesthetic Contemplation and Consumption

The celebrity status of the ‘BritArt’ group comes at a time of some tension in the visual arts. In the debate over whether it is appropriate to view the artist’s life as part of their Art, one remit for viewing Art has been the Shopenhaurian notion of ‘aesthetic contemplation’ (883:270-271), here the object is perceived in a form of disinterested reflection such that it is detached from other relations or connections. Similarly Kant separated disinterested aesthetic contemplation from judgements built around sensual pleasure (1911). Edward Bullough developed this thinking further in his concept of ‘physical-distancing’ whereby the object is put apart from ourselves such that we only view the objective features of the experience (Levich 1963: 235). Such distancing can be both achieved and lost and leads to the experiences of ‘under-distancing and ‘over-distancing’. Tracey Emin has always claimed that the continuity between her art and life is real (Darwent, 2000) while others are less keen for such ‘under-distancing’. Indeed, it may well be in the art establishment’s interest to paradoxically court the celebrity of the artist while ensuring the understanding of their art remains clouded in a cultural fog that could explain many people’s fear of Modern Art. For example in his recent Dimbleby lecture for the BBC, ‘Who’s afraid of Modern Art’, Nicholas Serota picked ‘Mother and Child Divided’ (1993), a work by Damien Hirst to analyse, yet his references to Renaissance Art and to the nineteenth century critic Ruskin, required a deep aesthetic knowledge of literary and artistic history by the listener.

While the art establishment may face its own dilemma as to the appropriateness of over-distancing art from people, and thus restricting, knowingly or not, the opportunities for consumption, there are still many questions for consumer researchers to answer. The idea of aesthetic distance versus biography may lead consumer researchers to consider further the issues of what we should study and indeed how we should study art and artists. In the past researchers such as Hirschman (1983) and Holbrook (1987), Levy and Kotler (1969) addressed the range of what may or may not be included within
the marketing and consumption context. The issues related to broadening the marketing concept might look passé now, for example, the Museum of Modern Art, Chicago Art Institute or indeed the Tate Modern owe little to Levy and Kotler’s description of museums as cold marble mausoleums, unattractive to visitors. Artists have changed in marketing terms too. It is difficult to equate the likes of Emin and Hirst in the UK with Hirschman’s description of the aesthetically driven artist for whom internal criteria and peer evaluations are more to be valued than the acclaim of the public and where commercial success may indeed be viewed negatively (Hirschman, 1983).

Biography as Consumption

We know that biography can be used as a product or brand (Schroeder, 1997), one only has to consider the films of Woody Allen to see how successfully this can be achieved. Is it any worse to be interested in the poems of Plath in the light of her life and death than for their form and use of language? Is one reduced by being more fascinated by the lives of Jean Paul Sartre and Simone de Beauvoir than by their writing? Recently the biographer of Ben Nicholson complained that her work had been savaged by the art establishment because ‘I dared to draw connections between Nicholson’s life and his work’ (Checkland, 2000: 6). According to Checkland, such connection was apparently not seen as appropriate for the biography of a significant British artist. It certainly might lead the more cynical outside the art establishment to see this as another case of class-mastery confirming cultural power (Bourdieu, 1994).

For many of us the life of the artist or writer provides a relatively painless entrée into their work. People may be encouraged to read the novels or poetry of an author for the first time having read their biography first. The knowledge of Plath’s depression and family relations may for some illuminate her work; some art, may actually be improved for the audience by knowing something about the life of the artist behind it. Music is a good example; Mahler is for many a difficult composer but work such as ‘Kindertotenlieder’ (Songs on the Deaths of Children) once placed within the context of his own tragic and violent family life may be easier to comprehend. But what if you never get beyond the life of the artist? What if the life is more thrilling, interesting or fascinating than their work; how do we view this type of consumption? Bourdieu sought to ‘abolish the sacred frontier which makes legitimate culture a separate universe’ (1994:6). High culture according to Bourdieu was rendered legitimate through its focus on sublimated disinterested pleasure and its identification of lower, vulgar or venal enjoyment as illegitimate. Those in positions of power determine what the suitable responses to art should be; aesthetic contemplation is exposed as recognition and confirmation of cultural power. Interestingly, part of this power according to Bourdieu lies in the denial of economic interest in the domain of art and culture (Bourdieu, 1977, 122) but in fact all taste and value judgements are society determined such that ‘art and cultural consumption are predisposed, consciously and deliberately or not, to fulfil a social function of legitimating social differences’ (1984:7). Cultural capital lies in the ability to distinguish oneself through the symbolic wealth of aesthetic consumption, which lies outside the popular, or vulgar, to which the pleasure in consuming artist’s lives may well be associated.

The Social and the Personal

Understanding how individuals relate to and consume Art is both complex and elusive. The two themes which will now be developed are around the social and the personal, although both clearly exist in a broader political context. Bourdieu lies in the realm of the social. The existence of cultural capital has to be within a social setting. This is expressed by Holt (1998) when he says: ‘Bourdieu argues that cultural capital secures the respect of others through the consumption of objects that are ideationally difficult and
so can only be consumed by those few who have acquired the ability to do so.’ Such a statement possibly holds the essence of why artists’ lives are perceived by those imbued with the ‘right’ cultural capital as being not only irrelevant to the aesthetic experience but worse, indicating a decidedly lower level of cultural consumption. In other words, artists’ lives are enjoyed by those who are not able to pursue the higher level of cultural consumption and that very inability belittles them. Such a limiting position is problematic as it reflects the typically Bourdieuan view of elitist behaviour where cultural capital is subscribed to by those with power. In the UK just as in the US and Europe there are key visual art power brokers such as Charles Saatchi, one time head of advertising agency Saatchi and Saatchi and Jay Jopling, son of a former government minister, Lord Jopling, who brought Damien Hirst and Tracey Emin to public notice. Similarly, Sir Nicholas Serota Director of Britain’s Tate Gallery holds a comparable position. Jopling & Saatchi’s galleries are frequented by those rich in social and economic capital, film stars, fashion designers, pop stars, all one presumes wanting to be associated with the appropriate cultural capital. Such people hold the power of the art establishment; while you may not approve of who Saatchi and Jopling raise in cultural consumption terms, consider for a moment all those artists who they do not promote, indeed all those artists whose work they have never even seen. Individually we may believe in the right of the individual to have subjective, indeed idiosyncratic taste but in reality many consumers feel there is a right and wrong way to consume Art (Solomon, 1999) and it is the arbiters of cultural taste who are dictating this ‘objectivity’. Choice in visual art is much more restrictive than choice in consumer products and brands. It is not in the interests of the supermarket to restrict our choices in the way that art establishments do daily. This restriction is not just about what is on display or published or promoted but also about what we should and should not be consuming.

Turning to the personal, while aesthetic distancing may be the viable and appropriate way to view art for the few, it inevitably rejects what may not only be a very important experience for others but also one which may contribute to our understanding of the artist placed in their world and context. Having some understanding of an artist’s existence may (although not always) give us an insight into the creative process and a perspective on life at the time the art was produced, its social setting, and historical context. Some may believe that such social and contextual placing is unnecessary and even undesirable may also be an important component of the completed work. Both art historians and consumer researchers should be interested in the historical setting of production and consumption; art historians because their discipline necessitates an understanding of the political, social and cultural context of the artist and consumer researchers because art, literature, films, book, photography, artefacts and so forth all contribute to the rich tapestry of the consumption and lives, social connections and political contexts of different times (Belk, 1986). For example, Belk suggested literature could contribute to consumption knowledge by way of explanations and data. Similarly he used two paintings Hans Holbein’s ‘The ambassadors’ and Gainsborough’s ‘Mr. And Mrs. Andrews’ as historical records of material life that add to our richer understanding of materialism and the lifestyles of the past. So much of consumer research is placed within the present and the future that the past is often forgotten and with it any lessons it may have for researchers working today. This is less about nostalgia although that too has its place, but rather it is about value in the understanding of past lives and consumption for their own sake. This approach can also claim to be for some a window on a life that offers a real and very satisfying consumption opportunity in itself and may help to enrich our own identity.

A critical premise of the theory of cultural capital is that categories of goods and activities vary in the level of cultural capital required to consume them successfully (Holt, 1998). Learning the historical significance of the Holbein painting is relatively easy; every day groups of children are shown the significance by guides in the National Gallery. Holt argued that historical changes drain the symbolic potency of objectified cultural capital. The postmodern condition he said was characterised by the breakdown of the hierarchy distinguishing legitimate or high culture from mass or low culture. The result
is that consumption practices emphasise knowing about and consuming the appropriate goods in a manner inaccessible to those with less cultural capital. Hence one might consider that the role for modern art in postmodern society is to be inaccessible to most consumers, as how else can the elite cling on to their cultural capital? The corollary of this argument might be that such elitism also requires a negation of forms of consumption, which may impinge upon the privileged or offer alternatives to so-called ‘high’ Art. There is nothing new about exclusion to appropriate positions in society. Knowing what not to do and say has always been as important a route into elite groups as knowing what to do and say.

The Individual Consuming Life Stories

This discussion leads to a desire to better understand and explain what is involved in the consumption of the artist’s life. McAdam (1985) has presented identity through the life story metaphor and as Schroeder has suggested by drawing on metaphor and narrative McAdam has contributed to the consumer research discourse. Similarly consuming the metaphor and narrative of biography of others, however transmitted, also contributes to identity. Can we then make a case for ‘legitimising’ or indeed advocating such consumption in the market oriented and/or the art oriented word? Let us look briefly at some of the work, which has associated art, life and consumption. Belk has extensively explored the meaning of possessions (1988, 1992). Amongst 19th century Mormons he found five major categories of possession symbolism, related to sacred, material, personal, familial and communal meanings (1992). He also presented a number of roles that artistic possessions may play in a person’s life. He has also recognised that the memories artistic objects hold may overshadow any aesthetic reasons for valuing the object. Explaining the attachment that people feel for art objects that have an emotional link he quoted a respondent from research by Rochberg-Hatton,

“ It’s more than just a portrait – it’s a person!” (Rochberg-Halton, 1984:171, cited in Belk, 1988)

Belk suggested that we abhor the art forgery or reproduction because it lacks the personal manna of its creator present in the original; we prefer the handcrafted item to the mass-produced because we know that people have invested their time and effort in the work. The handcrafted also gives us a route to being closer to the person who holds the aesthetic ability. Hanging a picture in our home by a favourite artist may make us feel closer to that artist. This form of possession gives us an opportunity to consume on many levels, not only do we enjoy the picture for its own sake but we may imagine what the artist was doing at the time of painting, what he looked like, why he decided to paint this today and so on, offering us an intimacy with the aesthetic which is a legitimate and important form of consumption.

With literature we may experience similar connections with the writer, whether this is more apparent for writers who have led unfortunate lives is open to scrutiny. On occasion they may bequeath us with a more detailed account of their lives and also they may leave others behind who at some time feel the need to commit their experience of the suffering of the dead one into their own art. Such was the case with the poet Ted Hughes who shortly before his own death published his collection ‘Birthday letters’ (1998) which charted his relationship with Sylvia Plath up to and beyond her death. Perhaps Sylvia Plath does owe at least part of her fame to her early death by suicide but this is still conjecture and on reading a poem such as ‘Tulips’ (1981) one witnesses the power that a conflation of the aesthetic and life can generate. Sylvia Plath has, indeed left more to the reader than her poetry. Recounting her life in detail by writing copious diaries and letters, she has also produced an additional insight into her feelings, together with extensive, insightful descriptions of some of the more mundane aspects of her life that both lighten and imbue many of her more dark poems with a feeling of the women behind them. Here she describes some of her neighbours in Devon:
'Retired Londoners, our nearest neighbours, live in Number 4 court Green cottages on the steep rocky slant of our driveway, looking into our high side hedge through the small front windows. The cottage joined to the Watkins’ cottage on the corner, joined in turn to the tiny white cottage of humpbacked Elsie fronting the street. A wreck when they bought it: hadn’t been lived in for 2 years, all muck & falling plaster. They worked it to comfort all themselves. A te lly (on hire purchase, almost paid off), a small back garden under our thatched cottage and strawberry patch, hidden by a dense screen of holly and bush there, and by a wattle fence & home-made garage on the drive-side. Tiny rooms, bright, modernish. The typical British wallpaper ---a pale beige embossed with faintly sheened white roses, the effect of cream scum patterns. (Kukil, 2000:663)

‘N came for tea. I managed a girdle & stockings & heels and felt a new person. Set up the table in the playroom with the westering sun, instead of the cold, darkening back kitchen. She in a charcoal gray cashmere twinset, dark skirt, stockings, flats with gold buckles, furry dark pea jacket, newly from hairdressers. A hard, catty, snippety nature. I sat & talked with her for a while. She talked completely of herself, what she said to Head mistress, how she got her hair done, how she loved Bridget Bardot, how she wanted to reduce to have a nice shape (what’s wrong with your shape, says Ted. Called Ted down, She talked on & on. The seven samurai’ bored her’. It was Ted’s favourite film but it bored him too. (Kukil, 2000:635).

While art does provide insights into consumer behaviour, so may the artist’s life, offer a potent link between art and consumption. Knowing the artists and relating to them may allow us to understand their art better or differently but it is also consumption in its own right. Plath’s journal not only puts her poetry and life into context but also enlightens us as what life in the 1960s rural Britain must have been like for a young American.

Choosing Between Art and Life

This paper will finish with a short case study of the Bloomsbury Group. A collection of artists and intellectuals who came together in the 1920s and whose lives may well have overshadowed their art but who have given countless people an opening into a way of life and an understanding of a very particular set of people located in a time and place. This was a relatively loose group of friends and relatives of distinctly upper middle class literary and artistic Britain. They included most famously the writer Virginia Woolf, her sister the painter Vanessa Bell, Vanessa’s long time homosexual partner, Duncan Grant, and art critic husband Clive Bell, and also her some time lover Roger Fry, Grant’s one time homosexual lover, the famous economist Maynard Keynes and so on. Clearly, one can see why the entangled lives of this group of artists and intellectuals might at the very least, fascinate. What is particularly interesting about these people is that for many of them at least, their lifestyle in the Bloomsbury group is now probably better known than their art. By all accounts they did not court this celebrity like Tracey Emin or Damien Hirst do today. They lived quietly and relatively modestly in London or in their rented Sussex farmhouse at Charleston. But like Sarah Kane and Sylvia Plath, Virginia Woolf did commit suicide, for the most part the rest of them lived quietly until they reached old age, but they did have at least an unusual lifestyle for the early twentieth century; living and work together in a commune-like existence. Their paintings are usually of each other or of domestic situations within Charleston. At one level there really is nothing special about them and in artistic terms they were definitely not at the cutting edge of any movement although they briefly flirted with cubism and were great devotees of Matisse. What marks them out is that their lives have become the subject of consumption. Part of this might be described as fan-like behaviour, especially for Virginia Woolf. Regina Marler (1997) describes this aspect of the consumption thus:

‘Each summer, the water meadows behind Monk’s House, Virginia and Leonard Woolf’s country home, are dotted with devotees, mostly female, mostly American, lovingly retracing Virginia Woolf’s path across those meadows to the River Ouse, where she drowned herself on the morning of 28 March 1941.’ (1997:3)
After Duncan Grant’s death in the 1970s, Charleston farmhouse was restored conserving all its history and now may too be consumed by parties of people coming to enjoy the pictures and furnishings produced by the Bloomsbury artists and hear snippets of their lives from the enthusiastic guides.

Marler examines the consumption side of the Bloomsbury group extensively, saying that for thirty years journalists have struggled to explain the fascination with them. They often use terms such as exploitation, debasement and commodification to explain this phenomenon. And she herself is somewhat sceptical of the money made out of people’s interest. However, it is clear that she too recognises that much of the interest generated in the Bloomsbury group is built around their lives, while ‘scholars’ may well wish to distance themselves from an interest in that part of the consumption process.

‘Popular conceptions of the Bloomsbury Group have often vexed scholars and critics, while scholarly investigations of the Group and its works have been the subject of mocking editorials in the Times and cartoons in the New Yorker. And to further confuse the issue, there are readers enthralled with the lives of the members of Bloomsbury who do not read the novels of Virginia Woolf or E. M. Forster. There are scholars of Woolf, Forster and Keynes who dislike the Group as a whole and lament the Bloomsbury revival.’ (1997:6)

This kind of interest in the artist’s lives has if anything reflected badly back on their credibility. If their lives can produce this kind of fandom, will their art be any good? The fact is that the consumption of art is often the consumption of artists; while aesthetic distancing may be appropriate for some, the production process and the lives around this process are what fascinates many. This may not be the aspirational consumption advocated by the likes of Sir Nicholas Serota, but it certainly reflects upon the identity of the individuals so involved with these artists’ lives.

Finally, we return to conclude that central to an understanding of the Arts in all their guises is the need to place them in their political, social and consumption context. It is a reflection of the Bourdiean view of cultural capital, as re-exemplified by Holt in his exposition of High and Low Cultural Capital. We learn what is the right and wrong thing to consume just as we learn the right and wrong way to consume. Art can extend and enrich us as consumer researchers but it is also inevitably elitist and socially embedded. As researchers we need to broaden its horizons just as mass marketing once did for consumer goods. At the heart of this debate, perhaps there is a need for a shake-up of the art world in its current form both in terms of removing the bases of power, and in terms of extending the legitimacy of art consumption. Consumer researchers also need to explore the boundaries of Art and the humanities with a view to encompassing and legitimising areas beyond the aesthetic, such as the experience of the lives of artists. Once these two polarities are breached then perhaps we should achieve a richer understanding of how art, life and consumption are powerfully and inextricably linked.
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Understanding the Emergence of Consumer Markets: A Social Constructionist Perspective on Gay Economy

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Abstract

The emergence of the pink pound or gay economy as a target for businesses outside of the gay subculture/community has been a recent phenomenon much commented on in both business press and in marketing practise publications (see Cope 1996, Brown 1996, Fry 1997, Archer, 1997, Fellman 1998). A question that arises from such activity is why now? An answer might be offered by pointing towards the turn in marketing over the last twenty years towards micro-segmentation, however such an answer only supplies a partial explanation because of the pariah status that homosexuality carried until recently. Therefore what this abstract sets out briefly to do is to point to how and why a market has emerged and the shape that it has taken. To achieve this, the abstract splits into three sections. The first outlines the form of reading used to understand the forces that helped to shape the market, the second section presents what is termed the external formation this outlines how moral, social and medical forces at different stages influenced our view and understanding of homosexuality. Finally the third section investigates what is termed the internal formation which sets out the role of gay politics and resistance and the effect of AIDS on the formation of the gay economy.

In the study of homosexuality the emphasis has mainly been on the etiology of the homosexual (Risman & Schwartz, 1988). Although such investigations span varying fields, from psychology to biology to sociology, two particular schools are generally associated with this field: the essentialist and the constructionist. The essentialist school at its most basic holds that homosexuality is an essential element that is unchanging, transhistorical, and shapes homosexual desire and action (see Norton1992, 1997). On the other hand the constructionist (see Halperin 1990, 1993, D’Emilio, 1992, Weeks, 1997, Mondimore 1999), incorporating the theories of Foucault (1978, 1984, 1984), argues that homosexuality is a historical construct that occurs because of a combination of a web of cultural factors at any one time. Homosexuality at the most extreme ends of this position is believed to be completely cultural in its construction with no essential element present at all. Without entering into the debate on the etiology of homosexuality, and the emphasis of this abstract being on the social epistemology of homosexuality to understand he shaping and emergence of a market, the form of reading and understanding to be presented shall be that of social constructionism. This is because it provides the best access to an understanding of the shaping of a market.

In utilising this form of interpretation the emphasis lies on three inter-related concepts: ideology, power, and language. Starting with ideology what is meant by this is the world-view that which puts forward a theory of reality for different groupings and cultures (see Turner, 1993). For this paper the ideological is seen as a complex force that helps shape the representations of homosexuality in social discourse. Informing and giving shape to ideology is that of power and power-relations. What is of particular interest to this paper is that of regulations and their enforcement because they help to make concrete the ideological and also the understanding and conception of behaviour both appropriate and non-appropriate. What is also of interest is the issue of micro-power and resistance (see Terry 1999). Finally the area of language is investigated particularly that of etymology (see Dover, 1979, Halperin, 1990, 1993, Norton, 1997). This is done, to paraphrase Kearney (1995), because it regulates what can be known and what cannot. Therefore this form of reading tries to show the shaping and understanding of the
gay market has been informed by the ideological which is represented in the social, with regards to homosexuality, through regulation and etymology.

The first area of consideration in understanding the emergence of the gay market is that of external formation. This takes the shape of three overlapping phases- the moral, the social, and the medical. The moral phase, which took shape from the beginning of Early Christianity, changed the emphasis of sexual practise away from Greek and Roman emphasis on domination towards the corruptive nature of desire (see Dover, 1979, Halperin 1990, Mondimore, 1996). What can be seen and understood in this particular epoch is that the rules guarding sexual conduct are those of moral imperative as opposed to social law and that the words used to describe deviant sex/sexuality describe is an umbrella term that describes a number of acts as opposed to actors (see Dollimore 1991). Turning towards the social phase what can be seen to occur is that moral law becomes social law and that various social upheavals and changes, such as the Schism and the rise of Mercantilism, helped to shape both representation and attitudes towards homosexuality. Within this epoch what can be viewed is a refinement of the umbrella term describing a number of acts to a set of terms describing different acts. Also within this period what can be seen is the beginnings of a visible gay subculture and a proto-modern homosexual in the shape of the Mollie (see Norton, 1992).

Turning towards the final influence on the external formation of homosexuality is that of the medical phase. What can be seen in this, with the assent of science and refining and deepening of medical knowledge is a search for a scientific explanation for homosexuality (see Spencer 1995, Mondimore, 1996, Terry, 1999). Within this phase what can be seen is the differentiation of acts moving towards a differentiation of actors and with the move toward the medical and the scientific, even though the moral and social still are the dominant forces, what can be seen is a need to understand rather than ignore and condemn.

The final part of the paper investigates what is termed the internal formation. This outlines the rise of gay politics and subculture and how through such a choice of desiring forced many into a secretive subculture and gay ghettos (see Kaiser 1998). The emphasis is upon the gay liberation movement and its radicalisation in the sixties (see Bernstein, 1997) and how the idea from the gay liberation movement of sex without consequence helped to both alienate the mainstream public and allow the AIDS epidemic that spread quickly through the gay community in the early 1980’s. The final area investigated is that of AIDS and how it forced a secretive subculture/community into the open, forced a community once based mainly around sex towards way of life and made the public accept and understand something that had been taboo for centuries.

To conclude, in attempting to understand the shaping of the gay market the changes from moral to social to medical have shaped the way in which we have viewed and understood homosexuality giving rise to gay “ghettos” and a secretive subculture. While the advent of gay political movements and struggles for legitimisation made visible a secretive subculture. Finally the arrival of AIDS forced a subculture/community so long based on sex move towards way of life and made the general public aware and understand homosexual desire allowing businesses target the gay economy.

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East Meets West: Cross Cultural Factors Which Determine Body Image

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*The assistance of Michelle Aylmore, Meagan Buck, Brett Hofman, Sonja Tanjic, and Debbie Whyte in the collection of the data of this study is greatly appreciated.

Abstract

The influence of media on body image is an area of much social controversy. Eating disorders and depression have often been linked to body image dissatisfaction. Research from Singapore and Australia show that the cognitive and affective evaluations of media and advertising is far more important than the amount of exposure. Although it appears that reactions to magazine media are most salient, Personality factors, namely the degree of self-confidence and the importance of appearance were also important factors. The results also show a similarity in the level of body image satisfaction amongst the two countries. Suggestions for future research, particularly using an experimental design are also outlined.

Introduction

The body image of the individual, that is the subjective sense of the body, can be seen as a core component of personality (Freud 1927 and Reirdan and Koff 1997). Today this aspect of our personality may be seen as one of the most important values in Western developed cultures. Scott, Netemeyer and Lichtensten (1985) reported that in the United States alone, 53 million people go on diets regularly, $50 billion is spent on weight loss products, a further $20 billion is spent on cosmetics and fragrances and those seeking cosmetic surgery have risen from 300 000 in 1981 to 1.5 million cases by 1988. Australian weight industry loss industry experts, Weight Watchers and Jenny Craig have reported growth rates of 20-25% in their slimming and diet-food business in the latter half of the 1980s (Lawson, Tidwell, Rainbird, Loudon, and Della Bitta 1996). In 1998 in Australia there were around 200 000 cosmetic surgical procedures, the most common of which were liposuction and breast enlargement (Healthcare Complaints Commission 1999).

Whilst cynically these figures may represent further exploitable opportunities for marketers, there are also significant health risks and mental health problems associated with the dissatisfaction of the bodily self (Scott et. al. 1985). These include eating disorders, use of body building steroids, feelings of low self-esteem and depression. In Australia it has been estimated that around 1% of the population (around 19 000 people) suffer from eating disorders (Lawson et al. 1996). Other Australian research reviewed by Wilhelm and Clarke (1998) even suggest that for some groups, such as adolescent girls aged 12-17, this figure may be as high as 38%.

As counties in South East Asia have become more developed there has been found to be a greater prevalence of eating disorders. Prendergast (2000) cites reports from a number of non-Western societies including Hong Kong (Lee, 1991), Taiwan (Tseng et al., 1989), China (Song and Fang, 1990), Malaysia (Goh et al, 1993), India (Chadda et al., 1987; Khandelwal and Saxena, 1990), Singapore (Ong and Tsoi, 1982) and Japan (Suematsu et al., 1985), which show similar problems of eating disorders occurring mirroring symptoms of western countries.

This issue is of concern to marketers since it has been suggested (Wolf 1990) that the media and advertising industries are responsible for unrealistically advocating thin athletic stereotypes, unattainable to mostly young, impressionable women. Whilst this may be so, the evidence for such a proposition is mixed. The real issue may be one of vulnerability. That is, people of different genders, age, body mass indexes (BMI) and with certain types of personalities may be more influenced by media and advertising than others. This study presents some preliminary findings in this important area and suggests that media
exposure may not be the only cause of a negative body image. The study also shows that the concerns about the bodily self are also just as prevalent amongst young males as young women.

**Literature review**

**Conceptual Model**

There are numerous factors, which are considered to influence the perception of the body image, the dependent variable of the model, as shown in figure 1. These are demographic factors, such as age and gender; physical characteristics such as height and weight; personality factors, like self-esteem and social confidence, and exposure to and preferences for different types of media. These variables are the independent variables of the study. Body Image itself may also be considered as a multi-dimensional construct that may include a preference and desire for a different body shape, facial changes and perhaps minor alterations, such as the removal of scars and blemishes. This is discussed next.

**Body Image**

Cash Ancis and Stractman (1997, p. 9) define body image as “a multidimensional self attitude towards one’s body, particularly its size, shape and aesthetics”. They note that often this attitude derives in part from “self perceived discrepancies from an idealized physical ideal” (op cit 1997). This idealized “ideal” of body shape is believed to be presented in the media as an ultra thin stereotype (Wolf, 1990). Other researchers see body image as a distorted perception of the size and shape of the body, which in turn creates a sense of dissatisfaction (Monteath and McCabe 1997). Both these conceptions of body image have led to the conclusion that it is a biopsychological construction, “partially determined by, but not reducible to the objective physical body” (Rierdan and Koff 1997). In western societies the body image of the individual has been seen as an important component of identity development, particularly among young and adolescent women. The perception of their own body shape reflects the chances of success not only in relationships, but of particular material and career outcomes as well. (Sullivan 1993; pp.97-115). Research by Thompson and Hirschman (1995) showed that body image is an important culturally anchored self-concept for a wide set of age groups. Their research showed that body image resulted from societal pressures of self-control, necessary for improved appearance with that which can be achieved from people of different shapes and age groups. They note that these societal pressures may be medically as well as promotionally based.

There is also some evidence that body image is of greater concern to people from English speaking cultural backgrounds. Research by Ferron (1997) for example, showed that the perception of body image was a more important issue with American than with French respondents. Further, Furnham and Alibhai (1983) in a study of preferred body shapes of three groups; Kenyan Asian women residing in England, or Kenya and White women residing in England, showed a that there was a greater dissatisfaction with body image for those two ethnic groups residing in England. This would suggest that cultural norms of acceptable size and shape might well be influenced by acculturation and / or a greater exposure to western media. Becker (1999), in a longitudinal study of Fiji women found that incidents of eating disorders increased five fold to 15% three years after the introduction of the only television station which showed largely American, British and Australian programming. These results suggest that the degree of western development and therefore exposure to media may also influence the level of dissatisfaction with body image. Of interest to this study, Lake Staiger and Glowinski (2000) found a higher level of dissatisfaction amongst Hong Kong women residing in Australia than those living in their country of origin. Therefore one would expect a greater level of body dissatisfaction in western countries as opposed to Asian countries. Thus our first hypothesis:
H1: The level of satisfaction with body image will be lower in western countries (in this case Australia) as compared to Asian counties (Singapore).

Note that all these studies suggest the importance of media in determining the extent of dissatisfaction with body image and this is discussed next.

The Media

It is argued that the media influences the attitudes of body image by the promotion of an idealised, ectomorphic (or thin) stereotype. Whilst evidence of the link between the two is mixed, there is considerable support that the use of an ectomorphic stereotype is increasingly used in western media. In a content analysis of 33 television shows and 8 monthly magazines over a course of the year, and fashion magazines photographs from 1901 to 1980, Silverstein, Perdue, Peterson and Kelly (1986) showed a shift towards a slimmer ideal for women. Research by Garner, Garfinkel, Schwartz and Thompson (1980) showed that the average weight of Playboy centrefolds and Miss America Pageant contestants from 1960 to 1979 had declined significantly. In 1960 the average weight of Playboy centrefolds was 91% of the population mean, by 1978 it had dropped to 84% of the population mean. Garner and his colleagues also noted a trend towards a noncurvaceous ideal from 1960 to 1979. The bust and hip measurements of Playboy models decreased and their waist measurement increased significantly. In an update of this research by Wiseman, Gray Moismann and Ahrens (1992) it was found that during the period of 1979 to 1988 69% of Playboy models and 60% of Miss America contestants weighed 15% or more below their expected body weight. The researchers noted that 15% below expected body weight satisfied one of the conditions for anorexia nervosa. Thus it would appear that the promotion of thin media stereotypes is common in western media and in turn that sufficient exposure to the media may well lead to the development of a negative body image.

The explanation for this may be due to either of two theories of consumer behaviour; social adaptation or comparison theory, (Kahle and Homer 1985) which is based on the comparison of the self with a media projected ideal, or information processing theory which holds that these attractive images, or peripheral cues of the media are more likely to gain our attention and interest and are therefore more likely to affect the attitudes towards the product and perhaps ourselves (Petty, Caccioppo and Schumann 1983). Under the first theory mere exposure to the media portraying these stereotypes should affect the degree of satisfaction with one’s body. Thus our second hypothesis:

H2: Exposure to media will have a direct effect on the perception of body image.

Under the second theory of central and peripheral information processing, the nature of the message will be important. Hence our third hypotheses:

H3: The nature of the media messages received will determine the effect on perception of body image.

Experimental research would further suggest, however that mere exposure to thin media stereotypes might be a necessary but not a sufficient condition for the development of a negative body image. Turner, Hamilton Jacobs, Angwood and Dwyer (1997) found that while exposure to women’s fashion magazines was associated with a more negative body image, this reaction was heightened by a predisposition of women to poorly evaluate their own bodies. Cusmano and Thompson (1997) did not find any direct relationship between media exposure and body image. Rather it was the predisposition of respondents that explained their perception of body image. This included awareness of and internalisation of the social standards of appearance. Latter research by Botta (1999) found that whilst media exposure was an important predictor of body image, the subject’s attitude towards thin endorsement also played a significant role. Media stereotypes of thin ideals have also been found to be most salient for women with low self-esteem (Lennon, Lilletham and Buckland 1999). Social comparison theory may explain these effects, where those with lower self-esteem make a much poorer comparison of themselves with others, and hence are more influenced by idealised, media stereotypes.
These studies all show the importance of personality as a mediating influence of media effects on the formation of a negative body image. The role of particular types of personality both directly and indirectly affecting body image are discussed next.

**Personality**

As mentioned, self-esteem has been shown to be an important predictor of body image. Australian research (Monteal and McCabe 1997), using video feedback, where women could directly adjust the picture to represent their preferred body type showed that whilst 96% believed their bodies to be larger than of the societal ideal, self esteem was the most important determinant in the prediction of the magnitude of perceptual distortion. There is also evidence that the effect of self-esteem on body image may be intergenerational. Usmani and Daniluk (1997) found that the self-esteem of mothers was a significant predictor of the body image for both menstrual and premenstrual daughters. Monteath and McCabe (1997) have also found the degree of importance attached to appearance is associated with body image. This can be likened to the internalisation of the social norms, which link attractiveness with success (Cusumano and Thompson 1997). The need for relationships is also another important predictor of body image. Research by Cash, Ancis and Strachan (1997) found that amongst college women, there was a significant association between traditional attitudes of male–female relationships and body image. The importance attached to careers may also be linked with an unfavourable body image. Estimated figures in Australia have determined that 40% of people undergoing cosmetic surgery are motivated by career or work reasons (King, 1999; p.6 and Scott, 1998; p.11). Although the degree of confidence in this area usually forms part of the measurement of self esteem. This discussion thus suggests the following hypotheses for investigation:

H4: Self Esteem will have a direct effect on the perception of body image  
H5: The degree of importance attached to appearance will have a direct effect on the perception effect on body image  
H6: The degree of importance attached to relationships will have will have a direct effect on the perception of effect on body image.

**Demographics**

Whilst most studies have dealt exclusively with women, four studies published by Scott et. al. (1985) showed that there was a greater concern with body image amongst women than with men. However more recent work has identified a greater concern with body image amongst men (Sturrock and Pioch 1998). Body image appears to be a most pressing issue for adolescent girls. Rierdan and Koff (1997) argue this occurs at this age because girls base their own self-concept on the perception of the social response to their bodies. These researchers believe this is especially so given that overweight individuals are devalued at any age. Whilst physical attributes such as BMI are important influences on body image, studies show that it is the perception of body shape is a much more important determinant of dissatisfaction (Monteal and McCabe 1997 and Cusumano and Thompson 1997). Therefore the final hypotheses for consideration are;

H7: Gender will directly effect the perception of body image.  
H8: Age will directly effect the perception of body image.  
H9: Weight and BMI will each have a direct effect on body image.

**Method**

**Participants**

Data was collected by means of two convenience samples. In Australia, participants were selected at random from a large regional shopping centre, whilst in Singapore; students, who at random interviewed subjects from within their workplaces, selected the sample.

There were 90 Australian respondents, 64.5% of which were female with the remaining 35.5% being male. This sample had an average of 20 years of age, an average weight of around 64kgs and a
body mass index of .48. In contrast, there were 132 respondents in the Singapore sample of which 63.5% were female. The overall mean age of the Singaporean sample was 30 years and was thus significantly higher (t=13.93, p<.01). Respondents in this sample were also lighter (mean=59.07 kgs, t=3.12, p<.01) and had a lower body mass index (mean=.22, t=4.60 p<.01) than their Australian counterparts. It would thus appear that the two groups must be considered as separate populations. For this reason the analysis was conducted separately for each country. Differences also occurred in the use of media in each country. As shown in figures 2-5, Singaporean respondents watched less television, read more newspapers and magazines and spent more time on the Internet than their Australian counterparts. While comparisons across countries may be confounded somewhat from these stated differences, the results do show similarities in the measures of body and face image, suggesting that similarities do exist on these important dependent variables of the study. There was thus no support for H1.

INSERT TABLE 1 HERE

Design

Measurement
To address the subject matter, it was necessary for the survey to obtain information regarding the respondents, physical appearance, self-esteem, media exposure, demographic information and attitudes towards relationships and cosmetic surgery. To do this, a number of differing marketing scales were combined and adapted. The following will detail explanations of the scales implemented to measure respondent’s data.

Body Image
This was measured as a multi item construct. This was achieved by asking respondents to indicate what parts of their body they would like to change. This was collected by a series of Likert scales ranging from 1 (Greatly improve) to 5 (Definitely No Change). Principal components factor analysis revealed two factors explaining 52% of the variance. The first being satisfaction with Body image, which was measured by wanting to change Weight, Hips, Waist, and Buttocks, (Conbrach’s alpha being .83). This variable was scored out of 20, and had a mean across both samples of 12 and a standard variance of 3.4. A low score represented a greater desire to change one’s appearance. The second dimension measured satisfaction with Face image and consisted of the degree of satisfaction with nose and eyes (the inter-item correlations being .61). This variable was scored out of 10 and had a mean of 7.8 and a standard deviation of 1.7. These composites formed the dependent variables of the study.

Appearance
Questions 1 – 3, asked respondents to evaluate their own self-concept of their attractiveness. They were asked to evaluate their overall attractiveness and how it compared to close friends and classmates or co-workers. The Conbrach’s alpha for these variables was .87, indicating that they could be summed. A lower score indicated that appearance was a major concern for the respondents. The mean of this variable was 9.7, (out of 15) and standard deviation was 1.8.

Self Esteem
Questions 5- 24 measured self-esteem by use of a 20 item, five point Likert ratings scale with a higher score representing greater self-esteem. These questions appear exactly as they did in a revision by Eagly (1967) of a measure presented by Field (1959) that rates the degree to which a person expresses feelings of self-confidence, self-assurance, and self-esteem. A factor analysis of these variables revealed three dimensions accounting for around 56% of the variance. The first labelled “Confidence” as suggested by measures of social skills, self confidence (Q11, Q5 & Q6), confidence with strangers (Q7), feelings of overall and career success (Q9 & 10), and respect (Q13). The inter-item correlation for this
dimension was .84. This measure had a mean of 23.5 and a standard deviation of 4.5. The second factor was labelled “At Ease”, and consisted of items that measured the degree of comfort with strangers (Q12), ease of public speaking (Q16), feeling self conscious (Q18) and worrying whether people liked you. This dimension had a mean score of 16.4 and a standard variance of 3.6. The Conbrach’s alpha for this measure was .83. The last dimension was labelled “Self Worth” and consisted of feelings of worthlessness (Q21), general self-confidence (Q24 & Q15) and dislike of the self (Q23). This variable had a mean of 16.0 and standard deviation of 3.0. For all these dimensions a higher score represented greater self-esteem.

**Media**

The next set of questions assessed the degree of exposure to and saliency of media. Questions 25 – 26 asked the respondent to choose the medium(s) considered most enjoyable and reliable. Questions 27 – 30 were five point-summated ratings scales used to measure the exposure to the respective media. This was assessed using Likert scales, ranging from 1 (0-2hrs a day) to 5 (more than 8hrs a day). Questions 31 – 33 aimed to assess the general effect of media and were based on Holbrook’s (1981) three-item, seven-point semantic differential summated ratings scale. A five-point ratings scale of the same design was adapted. Each media type, in this case television, magazines and the Internet, was evaluated in terms of their harshness/softness, being quiet/loud and masculinity/feminity. The next set of questions examined the more specific, cognitive effects of media. Questions 34 – 51 aimed to measure the perceived pressure exerted on the respondent from the three different media (television, magazines and the internet) concerning their physical appearance, and whether each media was considered reliable. This was assessed by a series three-item, five point summated ratings scales. For each of the media, the respondent was asked to assess the reliability of programs or features that presented reality and those that represented fantasy, along with the pressure of each media form in influencing appearance. A low score on these items indicated that the media had a significant effect on the respondent in terms of influencing their appearance, was judged a reliable source and that its content, whether representing reality or fantasy, was seen to be providing reliable information.

**Importance of Relationships**

Questions 58 – 62 were used to assess the attitude towards relationships and used a similar measure of that of Davis and Rubin (1983). These were scored by a five point Likert scale, with a one indicating agreement with statements regarding the importance of appearance. Conbrach’s alpha for these items was .62, indicating they could be summed. The composite variable had a mean of 15.9 and a standard variance of 3.1. A lower score showed that respondents attached a great deal of importance to relationships.

**Demographics**

Data on gender, age, height and weight were collected by self-report means. The Body Mass Index (BMI) was calculated by weight divided by the square of height.

**Procedure**

The sample was obtained by the use of a ‘non-probability convenience’ sampling method. The data was collected by a series of personal interviews, which were conducted at a large regional shopping centre in Perth, Western Australia and at workplaces at Singapore. A high response rate of 90% was achieved. Personal interviews also allowed a check of completeness of the questionnaires, minimising the risk of misrepresentation of questions and to provide the opportunity to probe complex answers. All interviews were conducted under the ethical guidelines of the University and the Market Research Association.
Results

The general analytical procedure involved, (1) an evaluation of the measurement properties of the scales and descriptive statistics, (reported in the measurement section), (2) exploratory data analysis and residual identification, and (3) the specific statistical analysis pertaining to each hypothesis.

Using a set of procedures as outlined by Tabachnick and Fidell (1989), the data was first checked for normality, skewness, kurtosis and the presence of univariate and multivariate outliers prior to the analysis. Examination of normal probability and detrended normal plots for all the major independent and dependent variables showed no serious deviations. This data did not contain significant degrees of kurtosis or skewness, so could be assumed to be normally distributed.

In order to evaluate the hypotheses, a series of stepwise multiple regressions was used. Each of the main dependent variables was evaluated separately in each country. That is, there were a series of regressions used for satisfaction with Body Image and Face Image. The results for Body Image are shown in tables 2 and 3, Face Image in tables 4 and 5.

The stepwise regression of the Australia data for Body Image produced a model with an adjusted R-square of .51. \((F(9,79)=11.06, p<.01)\). As shown in table 2, the significant predictors of satisfaction with Body Image were, Importance of Appearance, Pressure from magazines, Weight, Gender, Interest in Newspapers over Magazines, the degree of femininity /masculinity associated with internet advertising, Television being a reliable media and the Quietness /Loudness of Internet advertising. There was thus support for H3, H5 H7, and H9. The results show that satisfaction of body image was partially personally driven, by factors such as a lesser concern for appearance (Beta of .31). As expected weight was an important predictor of dissatisfaction with body shape but less so than was the case with personality factors. Gender was also a significant factor of body image. Further analysis however, found no significant differences between men and women’s levels of satisfaction with their body shape. Interestingly, media was seen as having a positive effect on body shape, as shown by the Beta coefficients of interest in newspapers and the femininity / masculinity of Internet advertising. However it appears that the nature of the media messages were more important in determining body image than mere exposure.

Table 3 shows the results for satisfaction with Body Image in Singapore. The results are somewhat disappointing with an adjusted r-square of .24 \((F(5,112)=8.51, p<.05)\). Like the Australia data, satisfaction with body image was found to be associated with a lesser concern for appearance and a lower weight. Other significant predictors of a positive body image were, magazines not being a reliable source of information, the internet providing reliable information, feelings of positive self worth, and having a lower weight. There was thus support for H3, H4, H5 and H9. Like the previous results, personality factors were found to be important factors in determining body image as were the nature of effects rather than the amount of exposure to media.

The results for face image or satisfaction with facial features, for the Australian data are shown in table 3. The regression model explained 39% of the variance of the dependent variable \((R^2=.39, (F(7,81)=13.1, p<.01)\). Satisfaction with facial features was linked with the quietness of television advertising, feelings of ease, and counter intuitively, the belief of magazines being a reliable media, the pressure to change appearance from the internet and print being the most enjoyable media. These results suggest in part that those with a positive self-concept are quite confidently aware of media pressures, and are discerning and critical in their use of print media. It would again suggest that the nature of media and subject’s response to media is perhaps more important than mere exposure. These findings thus support H3 and H4. The results of the Singapore study, whilst disappointing \((R^2=.16, (F(2,115)=12.2, p<.01)\) do show some similarities with the Australia study. Feelings of ease were likewise associated with a positive view of facial features. The belief that television was not a reliable media was also associated with a positive image of the face. There was thus support for H3 and H4.
The results showed that the nature of media messages, that is, the way they were interpreted by respondents was more important than mere exposure to media, full as it is with ultra thin stereotypes. The findings suggest that concern over body image is becoming an increasing trans-national phenomena, suggesting an dangerous side effect of greater globalisation and development. This was shown by similar levels of dissatisfaction with body shape and facial features found in both Singapore and Australia. The two sets of results show similar factors were associated with a poor body image. In both Singapore and Australia the importance of appearance was found to be linked to a negative body image, although in Singapore low feelings of self-worth were also linked to a poor body image.

With magazines, the extent to which respondents in both countries were able to judge the creditability of this medium seems to have been an important factor in determining their level of satisfaction with body size. A poor body image in Australia is linked to felt pressure to change appearances as suggested by magazines, whilst in Singapore this view was determined by the belief that magazines are a reliable media source. Different conclusions were reached with the assessment of Television and the Internet as creditable media. The Australian findings suggest that a poor body image was partially explained by a belief in the non-creditability of television, whilst in Singapore this was associated with a belief in the unreliability of the Internet. These findings may well show that respondents with poor body images in both countries have media preferences towards magazines, rather than alternative visual media. These results partially confirm the role of thin stereotypes presented in magazine media. That is, magazine media seems to have the greatest effect on body images because of the confronting stereotypes contained in it. Australian results also suggest the importance with the degree of involvement of the media. A negative body image, for example, was found to be associated with an attitude of finding magazines more interesting than newspapers. The act of magazine readership in itself may be more involving than watching television or surfing the Internet. Magazines, may also appeal more to segments of consumers more concerned with appearance (e.g fashion and health magazines), and hence may have a more negative body image.

Whilst the cognitive evaluation of media seems to be important, the affective reaction to media was also found to be a salient influencer of body image. The Australian results showed that a poor body image was linked to Internet advertising being masculine and noisy. This might suggest the more confronting or dissonant the media image, the more likely it was to induce a feeling of lower self-appraisal of body shape. This might indirectly support the social comparison thesis, whereby images that show very thin stereotypes induce a feeling of inadequacy, and hence a negative body image.

The next set of results also showed that personality along with the cognitive and affective evaluation of media were important factors for the determination of face image. Both Australian and Singaporean data showed that a feeling of ill ease would be associated with a negative appraisal of facial image. Those with a negative face image were also likely to believe that magazines were not reliable and that the Internet produced no pressure on appearance as was the case with Australian data, or that Television was unreliable, as was the situation with the Singaporean respondents. In terms of affective evaluation, Australian respondents were more likely to have a negative facial image if they did not enjoy the print media (both magazines and newspapers) and found Internet advertising loud and conversely magazine advertising to be quiet. These findings show that media are evaluated differently for parts of the body image. The last set of findings is further support for the social comparison thesis, whilst the first suggests a more seductive model of media effect. In the first case, it seems that media that are more confronting and hence less enjoyable may well create pressures to change appearances, thus supporting the social comparison thesis. However, some attractive images presented by some print media such as magazines may well subtly arouse interest in this issue. This finding is similar to peripheral route processing as suggested by Petty, Cacioppo, Schmanna (1983), where the attractiveness of the image induces information processing rather than the nature of information presented in the advertisement.

To conclude, the results for both countries show that personality, the cognitive and affective evaluation of media are more important factors than the amount of exposure to media with extensive images of ultra thin stereotypes. These results may well have been similar since both Australia and
Singapore are highly developed and westernised countries with the predominance of English language media. Indeed, in Singapore, English is the *Linga Franca*. It is not surprising therefore to find that eating disorders also exist in Asian countries that are quite westernised like Hong Kong and Japan as well as Singapore.

These findings however, must be assessed within the limitations of this study, two relatively small convenience samples was used, which were different in age, weight, and body mass. The study is rare in that a detailed analysis was made of this issue in two countries, and that there was a degree of similarity in the results. This research did not examine in detail what types of editorial content were viewed by the respondents, e.g. health or fashion or current affairs. This remains another important avenue of research as suggested by Prendergast (2000).

Experimental rather than survey research may also be a much more effective design for the examination of cause and effect relationships between media, personality and body image. It might also provide a much clearer explanation of the likely nature of interactions between some of the independent variables of this study. That aside, this study does point to some important factors for future experimental design in this area, namely self confidence, self worth, concern for appearance and the exposure to and influence of magazines. Future researchers in marketing may want to re-visit this area with such a design. Another important factor to be considered here is that of purchase intent. Previous research has suggested that while media stereotypes do influence body image, the representation of an actual or more realistic body image has been shown to increase the likelihood of purchase (Lennon, Lillethun, and Buckland 1999). There thus remains not only a public interest for research in this area to continue but a responsible monetary one as well.

References


Lake, Amelia, J., Staiger, Petra, K. and Glowinski, Huguette (2000) “Effect of Western Culture on


FIGURE I CONCEPTUAL MODEL OF STUDY

Independent Variables  Dependent Variable

Demographics

Body Characteristics

Personality

Media

Body Image
**Figure 2: Television Viewing**

![Television Viewing Chart](chart1)

**Figure 3: Newspaper Readership**

![Newspaper Readership Chart](chart2)

**Figure 4: Magazine Readership**

![Magazine Readership Chart](chart3)

**Figure 5: Online Viewing**

![Online Viewing Chart](chart4)
**Table 1: Differences Between the Samples**

<table>
<thead>
<tr>
<th></th>
<th>Australia</th>
<th>Singapore</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age (yrs)</td>
<td>19.63 (2.49)</td>
<td>29.85** (7.88)</td>
</tr>
<tr>
<td>Weight (kgs)</td>
<td>64.08 (12.28)</td>
<td>59.07** (11.26)</td>
</tr>
<tr>
<td>Body Mass Index</td>
<td>.48 (.98)</td>
<td>.22** (.85)</td>
</tr>
<tr>
<td>Body Image</td>
<td>12.40 (4.12)</td>
<td>12.54 (3.70)</td>
</tr>
<tr>
<td>Face Image</td>
<td>8.08 (1.53)</td>
<td>7.64 (1.87)</td>
</tr>
</tbody>
</table>

Note: Figures in parentheses are standard deviations. *=p<.05, **=p<.01.

**Table 2: Results for Satisfaction with Body Image: Australia**

<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>SE.B.</th>
<th>Beta</th>
<th>t</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>6.40</td>
<td>3.05</td>
<td>2.10*</td>
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<tr>
<td>Appearance</td>
<td>.70</td>
<td>.18</td>
<td>.31</td>
<td>3.83**</td>
</tr>
<tr>
<td>Pressure from magazines</td>
<td>.80</td>
<td>.32</td>
<td>.22</td>
<td>2.46*</td>
</tr>
<tr>
<td>Weight</td>
<td>-.15</td>
<td>.03</td>
<td>-.44</td>
<td>4.73**</td>
</tr>
<tr>
<td>Gender</td>
<td>2.10</td>
<td>.85</td>
<td>.24</td>
<td>2.45*</td>
</tr>
<tr>
<td>Newspapers more interesting than Magazines</td>
<td>.27</td>
<td>.08</td>
<td>.28</td>
<td>3.50**</td>
</tr>
<tr>
<td>Feminine Internet advertising</td>
<td>1.21</td>
<td>.50</td>
<td>.20</td>
<td>2.42*</td>
</tr>
<tr>
<td>TV reliable</td>
<td>-2.23</td>
<td>.70</td>
<td>-.26</td>
<td>3.18**</td>
</tr>
<tr>
<td>Quietness of Internet advertising</td>
<td>.74</td>
<td>.29</td>
<td>.21</td>
<td>2.53*</td>
</tr>
</tbody>
</table>

**=p<.05, ***=p<.01, Multiple R = .56, R-squared = .51**
### TABLE 3: RESULTS FOR SATISFACTION WITH BODY IMAGE: SINGAPORE

<table>
<thead>
<tr>
<th>Variable</th>
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<tbody>
<tr>
<td>Constant</td>
<td>7.45</td>
<td>2.90</td>
<td>2.58</td>
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<td>Appearance</td>
<td>.38</td>
<td>.18</td>
<td>.18</td>
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<td>Magazines reliable</td>
<td>1.15</td>
<td>.38</td>
<td>.25</td>
<td>3.02**</td>
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<td>Internet reliable</td>
<td>-1.19</td>
<td>.31</td>
<td>-.32</td>
<td>3.80**</td>
</tr>
<tr>
<td>Self Worth</td>
<td>.34</td>
<td>.12</td>
<td>.26</td>
<td>2.90**</td>
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<tr>
<td>Weight</td>
<td>-.55</td>
<td>.03</td>
<td>-.17</td>
<td>2.02*</td>
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**=p<.01, *=p<.05, Multiple R = .28, R-squared = .24

### TABLE 4: RESULTS FOR SATISFACTION WITH FACE IMAGE: AUSTRALIA

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<td>Constant</td>
<td>11.22</td>
<td>1.07</td>
<td>11.03**</td>
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</tr>
<tr>
<td>Quietness of TV advertising</td>
<td>-.73</td>
<td>.15</td>
<td>-.41</td>
<td>-4.81**</td>
</tr>
<tr>
<td>At Ease</td>
<td>.11</td>
<td>.03</td>
<td>.28</td>
<td>3.33**</td>
</tr>
<tr>
<td>Magazines reliable</td>
<td>-.41</td>
<td>.13</td>
<td>-.27</td>
<td>3.26**</td>
</tr>
<tr>
<td>Pressure from Internet</td>
<td>-.30</td>
<td>.10</td>
<td>-.25</td>
<td>2.93**</td>
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<tr>
<td>Quietness of Internet advertising</td>
<td>-.38</td>
<td>.12</td>
<td>-.29</td>
<td>3.13**</td>
</tr>
<tr>
<td>Quietness of Magazine Advertising</td>
<td>.37</td>
<td>.14</td>
<td>.24</td>
<td>2.75**</td>
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<td>Enjoy Print Media</td>
<td>.73</td>
<td>.36</td>
<td>.17</td>
<td>2.03*</td>
</tr>
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**=p<.01, *=p<.05, Multiple R = .44, R-squared = .39

### TABLE 5: RESULTS FOR SATISFACTION WITH FACE IMAGE: SINGAPORE

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<tr>
<th>Variable</th>
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<tr>
<td>Constant</td>
<td>4.86</td>
<td>.87</td>
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<tr>
<td>At Ease</td>
<td>.18</td>
<td>.05</td>
<td>.32</td>
<td>3.80**</td>
</tr>
<tr>
<td>Television Reliable</td>
<td>-.70</td>
<td>.19</td>
<td>-.30</td>
<td>3.53**</td>
</tr>
</tbody>
</table>

**=p<.01, *=p<.05, Multiple R = .18, R-squared = .16
Visual Issues and The Market: Product Design Aesthetics

Laurie A. Meamber, George Mason University

Abstract

Nokia mobile phones, manufactured by Finland-based Nokia Group, which surpassed Motorola in 1999 as the world’s dominant mobile phone manufacturer, appeal to several senses through multiple primary elements in the design of its successful mobile phones. As Johan Carlstroem, an analyst at Fischer Partners in Stockholm, puts it “Nokia has better phones, snappier colors and design.” Moreover, the goal is to make the phones user-friendly and chic and to give each product a personality and soul...How does Nokia crate this human face through design? One element is the large display (described by the designers as the “eye into the soul of the product”). Another one is the revolutionary interface design with its easy-to-use soft-key interface. Nokia designers also pay special attention to shapes and forms, creating curved phones that feel good in the hand. Another aspect is color. The new 5100 series digital phones have fashionable faceplates that snap on and off for a quick color change. [Schmitt 1999: 106]

Product design aesthetics has undergone tremendous changes in the midst of the cultural and technological transformations occurring in the period described as late capitalism, post-industrial capitalism or postmodernity. Numerous writers on the postmodern have advanced the idea that everyday life in Western consumer culture has become aestheticized as boundaries between high art and popular culture, between different styles (of art, architecture, etc.) have been effaced (Cova and Svanfeldt 1993; Debord 1983/1967; Welsch 1996). Venkatesh (1999) outlines “the sign system” as one of the five important conditions associated with postmodernity. In contemporary consumer culture, visual and language-based signs are ubiquitous. As Venkatesh states “…everything around us is significatory, whether it is a road sign, a brand, or a national flag.” (154). Symbolism is another condition of postmodernity and is related to the sign system. Symbols, including products, create meanings that are negotiated by consumers. Consumers continuously construct their identities, in part, through the consumption of images and symbols associated with products, services and ideas. As Solomon (1983) notes, the experience of consuming many products contributes to the consumer’s structuring of social reality, self-concept and behavior. Image consumption allows the consumers to signify aspects of the self to themselves and to others in a complex code of symbolic meaning. Design of these images assumes a primary role in the marketing process (Schmitt and Simonson 1997). Product design in postmodernity is central to aspects of consumption, marketing and consumer culture, and as such, deserves additional study.

Product Design Aesthetics and the Market

It is well established that companies like Ford (e.g., 1994 introduction of the Taurus), Olivetti, and Philips have achieved success in part though their design-based approach to marketing (Bruce and Whitehead 1998; Goodrich 1994). In 1984, Kotler and Rath acknowledged the value of the design process in marketing. “Design is often misunderstood my marketers or managers, who marginalize it as a cosmetic intervention or face listing to a product...With the aestheticization of everyday life, design becomes central to the innovation process and influences the main functions of the product” (Carmagnola
1991 as quoted in Cova and Svanfeldt 1993, p. 307). Koenenn (1997) writes that in the contemporary world, consumers are sensitive to visual communications and thus design aesthetics more and more is becoming a part of everyday objects. Koncius (2000) notes that more home appliances are being designed with aesthetic appeal as a goal. "This (Sharp’s Half Pint microwave) has the iMac computer look," said Particia Koester Smith, a manager in Sharp’s appliance division. “A microwave isn’t just for the kitchen anymore. It goes everywhere, so it has to look good -- the dorm, the wet bar, the nursery, the bathroom. Even in a home office -- next to that iMac.” (Koncius 2000).

**Historical and Contemporary Perspectives on Product Design**

In the postmodern period, product design is concerned with the celebration of image. Image involves the symbolic meaning that the object holds for consumers in relationship to other objects/experiences in the cultural system. In marketing practice, the image becomes central to positioning. “It is this image which, represented through the planned interplay of a multitude of signs, then reflects on the surface and becomes the ‘essence’ that the consumer seeks in adopting a product” (Flrat and Venkatesh 1993, 232).

Previous research on product design has focused upon predicting how consumers will react to visual design characteristics, such as unity and prototypicality (Veryzer, Jr. and Hutchinson 1998). Much of the research has been experimental in nature, and has not used actual products, opting instead for line drawings (e.g., Veryzer, Jr. and Hutchinson 1998) or photographs. Research on the design/engineering process includes developing “empathetic design” that connects with consumers as a result of imagining the consumer using the product (Dahl, Chattopadhay and Gorn 1999). Related work on product meaning and aesthetics has included structural (semiotics, mythologic) studies of specific product types – including food, fashion, toys, and the product design process.

**Role of Product Design Aesthetics in Consumers’ Everyday Lives**

According to Nöth (1988), three sources of product (commodity) meaning include: 1) the producer’s discourse (marketing communications) about the product and the interpretation of this discourse by the consumer (who may accept, reject or ignore the proposed meanings); 2) the consumer’s preferences of or experiences with the product; and, 3) the consumer’s knowledge of the system of commodities. A semiotics of design research approach reads products as texts composed of signs that are read by consumers. It is the goal of the current study to begin exploring the role of product design aesthetics in consumers’ everyday lives.

The methodological approach to this study of product design aesthetics in consumers’ everyday lives can be located within the Straussian school of grounded theory (Strauss and Corbin 1990). Grounded theory is an interpretive methodology that is designed to build, rather than to test theory. A grounded theory is one that is inductively derived from the study of phenomenon it represents. The three stages of coding (open, axial, and selective) represent a progression from elemental categories and properties to a high level of abstraction in the form of a storyline. During coding, the researcher returns to the original data and cannot deviate from the data; that is, creativity in theory building is tied to the data.

The informants for this study included a total of 15 consumers residing in the Western United States. Long interviews were tape-recorded and consisted of one-on-one dialogues ranging from one to two hours in length between the researcher and participant. The goal of the data collection effort was to obtain a diverse and representative sampling of concepts. Incidents and events were sampled, not individuals, per se; thus, short follow-up interviews with the same informants were conducted to provide additional clarification for the development of concepts. Interviews with new informants were halted.
Aesthetics and Everyday Products

The major emergent theme in the grounded theory centers on the role of everyday experience/everyday objects and aesthetic experience. The findings suggest that aesthetic aspects of daily life are experienced aesthetically in both conscious and non-conscious ways. Although everyday activities, experiences, and objects obviously have an aesthetic content, they have not been examined within an aesthetic framework. Several consumers in this study noted the importance of art and aesthetics in everyday contexts. Conscious awareness of aesthetics and art in everyday consumption often occurs when consumers sense that something is absent or out of the ordinary in their lives and lived environments. Take for example, this passage by Jim, who is bothered by the lack of art in his life:

I do not think that I am connected with art or have time to enjoy art as much as I would like to. So maybe through it's absence it is affecting me. I don't work in an environment where art is part of the culture.

Jim’s statement also points to the idea that he does not sense art or aesthetic qualities in the everyday objects that surround him. One explanation for this is that everyday experiences are largely non-conscious experiences and are not necessarily vocalized (Heidegger 1962). Peter looks at the issue slightly differently and says that he is not affected on a conscious level by art and aesthetics. He recognizes that his lack of awareness may be the result of being immersed in an aesthetic environment and therefore, the aesthetic quality of life remains unacknowledged until absent.

I would say on a conscious level, probably not. The question is then, it is hard to tell because if the things that I come in contact regularly weren't there would I become alarmed? I don't know.

The separation between art and life as an aspect of Modernity (F1rat and Venkatesh 1995; Habermas 1984) persists in the way consumers describe their lives. While the consumers’ commercial world becomes aestheticized, many consumers do not recognize the extent of their everyday engagement with art. Possible explanations for this disjuncture between beliefs about the nature of life and the reality of everyday life have been discussed by postmodern and other cultural theorists (Baudrillard 1995; Cova and Svanfeldt 1992) who suggest that it is the market which disguises the extent of the aestheticization of the world under the rhetoric of Modernity, while making the experience of life artistic.

It is therefore, understandable that many consumers conceptualized art and/or the consumption of aesthetics as being situational or one of several “modes” of existence, as Richard states here:

I do think that I separate art. I have modes...you could have a really nice painting in this office and I would not see it because I am not in art appreciation mode. And equally sometimes a piece of music might come on and it doesn't interrupt me. The arts in general, don't jump out at me, like with a lot of people. I think that a lot of people will walk around and notice a beautiful building and I will say "oh yeah" and I know it happens because it infuriates (my fiancée).

On the other hand, several of the informants were aware of aesthetics on an everyday basis and were cognizant of how aesthetics impacted their view of themselves. Bob states:

The aesthetic quality of anything that I am going to consider buying...well, let’s just take that for example. I definitely take the appearance into account. All things being equal
and one thing being aesthetically pleasing and one not, I would definitely take the aesthetically pleasing even if it is somewhat more expensive because I just like...I am a very orderly person, order is important to me. So I tend to observe order.

Still other consumers recognize and yet discount the role of aesthetics in everyday living. Jane states that her aesthetic awareness in everyday life includes product packaging, but distinguishes the packaging of “womens” products (such as fragrance, makeup) from other types of products. She later indicates that the aesthetic pleasure of looking at and using a woman’s product would not influence her purchase of it, as she considered herself to be a logical, cost-conscious consumer. In the same manner, for Ann at this point in her life, cost considerations override aesthetic considerations.

Jane: I notice packaging...I notice packaging. Probably more on products women use like makeup or facial treatment, things like that...I appreciate the packaging, the beauty of it, but I don’t think that...(influences my choice…)

[pauses thoughtfully] but I could be wrong.

Ann: It depends on the product. Right now I don’t really purchase everyday items based on aesthetic qualities, but in the future I may do so. I am thinking about such things as spices. Right now I buy the store brand or mis-matches of spice brands, whatever is the cheapest. In the future, I may buy all one brand, such as “Spice Island” because it comes in glass bottles and looks more artistically pleasing that some of the other spice jars which use brighter colors. The same with furniture and other things.

The aesthetics of space is also a central aspect of daily living for many consumers. For example, Jim considers his home as more of an art object than home, because of the many problems that need repairing. Marie notes that colors in her living environment impact her daily living -- “I like bright colorful things that put you in a positive frame of mind...things that brighten your life.”

Oh I think architecture is very important. The design of a building makes a person feel comfortable or willing to work or happy or sad. The building I had in Chicago got a big award but I hated that building so much. It was a modern thing, so they didn’t paint the building, so when you don’t paint you see just cement. And then when they do that (paint), they had to put wood stuff on it so it’s really ugly and it’s not bright enough, so when you go in you feel it’s a dark place, you kind of feel upset. I think architecture is so important to people. If you go into a building and you are happy and you are willing to work, I think it is easier. Who wants a building with dark windows and dark...That’s terrible, so I think that architecture is very important.

The Future of Product Design Research?

Read as “texts” of resistance to the rigidity of modernism or as symbols from which consumers construct their lives, the examination of ideological and cultural considerations of specific product designs can inform and enrich our knowledge of consumers and our condition of life in the postmodern age. In addition, from a macromarketing perspective, the study of product design aesthetics, may have moral and ethical implications. As Welsch (1996) notes, aesthetics of products serves economic purposes. Welsch (1996) writes “The bond with aesthetics renders even the unsaleable saleable, and improves the already saleable two or three times over. And nowhere, as aesthetic fashions are particularly short-lived, does the need for replacement arise quickly and assuredly as with aesthetically styled products...products which are becoming increasingly unsaleable on moral or health grounds are being rendered presentable and saleable once again through aesthetic ennoblement.” (3) An exploration of product design aesthetics from a postmodern perspective may also point the celebratory and liberatory view of consumption (F1rat and Venkatesh 1995, Venkatesh 1999) including “style blending,” such as
“mid-century modern” furniture design that encompasses styles from art deco to the 1960s beanbag chair (Seymour 1999).

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"Strategic Marketing and What the Manager Says: the French Case"

Christelle Chauzal, François Blanc

Abstract

How to fit the managerial discourse with strategic goals? The State of the Art in strategy and in strategic marketing shows a lack of research on this topic (Marion 1993, Jacquot 1998). Why? This paper proposes to give a new kind of answer to this problem.

Firstly, we think that managers and also academic researchers prefer to solve a strategic problem by using a tactical tool for instance a lot of communication variables. They mainly apply this approach to the annual discourse of the company chairman (Marion 1993, Jacquot 1998, Karoui 2000, Duyck 1999, Jacquot and Point, 2000). It is important to widen this research area and to study the content of speech in the economic news.

Secondly, we propose to include this analysis in the marketing strategic field. This way seems forgotten. It is rather easy to explain this last gap. The target is very wide: shareholders, employees, industrial suppliers and final consumers. The strategic nature is obvious. But the unique message for everybody and the size of the target both involve a fuzzy action. A basic marketing approach needs to use a specific speech for a specific market segment.

What about the managerial discourse applied to specific topics: alliances or partnerships? In this last case the content of the speech is never considered as a part of a marketing strategic mix. And it is not included in the building of market competitiveness. This research is only focused on the study of discourse applied to strategic alliances (ie between competitors…) (Dussauge and Garrette 1991).

Our methodology is mainly based on a qualitative research design. Thus, our method is based on the analysis of the structure of speech collected in two economic French newspapers over two years (1999-2000). We used a specific software conceived to discover the hidden face of the speech through key propositions included in the text. This tool is different from a content analysis focusing on the subjectivity of the speech. It is also different from lexicological analysis dependent on managerial vocabulary. Our method prefers a lexicometric analysis showing specific representations of the company and of its environment. That last kind of tools allows to use specialised softwares (Weitzman and Miles 1995): SPAD.T, Diction 4.0, Neurotext, Lexicol, Alceste, Hyperbase, Tropes… We selected Tropes (Ghiglione and Blanchet 1991). The first step forty years ago was Harry's research (1963).

The results we expect are: firstly, how to use the speech as a strategic marketing tool and, secondly, how to conciliate its marketing advantage with the global competitiveness of companies. Our goal is to improve the manager decision making process and what they say about strategic alliances.

1-To widen the research area.

It is obvious that the analysis of the managerial discourse prefers to avoid strategic marketing dimensions and to focus on communication tools. But we must distinguish between two main definitions
of strategic marketing. The first one is inspired by the American approach. Also, « the essence of strategic marketing is to ensure that the organisation's marketing adapts to changes in the external environment and that it has the marketing resources to do so effectively » (Lewis and Littler 1997, p. 235). There is a link between strategic marketing and the firm's environment (Mc Daniel and Kalori 1987). Day and Wensley (1983), Jain (1985) identify a string of environmental factors that have sped the strategic marketing's expansion. In fact, the tools on strategic marketing suited a dynamic environment. Nevertheless, in France, a lot of criticisms appeared. Sometimes, strategic marketing and operational marketing are confused. Marchesnay (1995) finds that the strategic marketing is ambiguous because, in France, these discipline is at the border of marketing strategy and market strategy like they are defined in the United States. The strategic marketing's contribution is called into question (Allaire and Fisiriotu 1991). Also, in France, a new school of thought emerged in the 1990's. In this last case, strategic marketing is « the advertising of strategy » (Trinquécoste 1999). We adopt this point of view in this abstract.

Focusing on the discourse applied to strategic alliances it is very important to define the strategic alliance because the vocabulary of cooperation is very confused (Marmuse 1992). Strategic alliances are defined as « the pooling of specific resources and skills by the cooperating organisations in order to achieve common goals, as well as goals are specific to the individual partners » (Varadarajan and Cunningham 1995, p. 282). Managers must learn to manage a paradoxical situation: to work with a competitor (Dussauge and Garrette, 1991). Strategic alliance can take different forms and one company may be dominated, or not, by the other one. French managers keep a watchful eye on this alliance. They are accustomed to working alone (Ohmae 1990).

Why did we collect what the manager says about strategic alliance? Because he has an important part to play in this alliance. Outset, a manager must show his intention (Lawrence and Ul-Haq 1998). He chooses a competitor and tries to convince him, to produce draft agreement and to manage the new alliance. The relationship with the competitor is very important and managers have an informal agreement (Ring and Van De Ven 1994). The French managers prefer inform the print journalists themselves. They ensure that the public is informed on the subject on alliance. But, they choose the interesting piece of information (Jacquot and Koehl 1998).

Managers advertise an alliance because they want to do a great impression on the competitors. An advertisement in the newspapers is sometimes more important than alliance's success (Doz and Hamel 2000).

In France, critical analysis is often used in literature (Maingueneau 1998). Nevertheless, management are more and more interested in the analysis of the structure of speech. The applied software (Tropes) stems from social psychology. Tropes does a full examination of speech. It analyzes content, syntax and context at the same time.

What results did we get?

II- About some results.

Firstly, the firm must not remain passive facing a movement of cooperation. Also, it fits with a dynamics. Managers bring to the fore this attitude by using many verbs of action. The adverbs of intensity (a lot, very…) dramatize things. Managers are divided between inform the print journalists and keep their competitive advantage.
It's a well-argued speech. Managers vindicate a choice. Sometimes, they explain why they prefered a strategic alliance to a "fusion" or an "acquisition". Managers don't give their own opinion on the subject but they speak on behalf of the company (personal pronoun: we). In their speech, they specify the degree of alliance's development. We can identify three stages: looking for, discussions and agreement.

1- The looking for step:
Managers show their intention of cooperating (« we want to do an alliance », « we must do an alliance »). They let their competitors know that they are looking for an alliance. They want to have a great deal of appeal for competitors. They consider the consequences of their speech. Also, they never say with which company they like to conclude (« we are looking for a partner »). Nobody can keep a company in the background. During this phase, managers give prominence to company's assets (« our twenty three millions of customers »). An alliance, it's a choice the two partners have. Each manager wants to be open-minded (« all is possible », « all is open »).

2- The discussions step:
Managers insist on the present state of their relations with the potential partner. They don't go into details but explain that they have started discussions ("we are negotiating an alliance"). They distinguish between discussions and negotiations.

3- The agreement step:
Managers give more details. In this case, they focus the discussion on two pieces of informations alliance's announcement (« we concluded a strategic alliance ») and its features (« this is not a social agreement but an economic and financial one », « this is an economic agreement »). Managers use the speech as a strategic marketing tool but they don't lose in details. They explain that a strategic alliance will have a happy outcome. Now, the alliance becomes the grammatical subject (« this alliance is strategic », « our alliance is economic »).

Tropes establishes obvious connections between words. Also, we can distinguish two chief connections. On one hand, agreement/geographic zone. Managers give geographic precisions because they want to show that strategic alliance will develop the share of the company's influence (« to view european alliances », « we have already negociated an agreement in the United States »). On the other hand, agreement/advantage. Managers put forward the same advantages: alliance gives leadership (« we want to create a world leader », « we are going to create a leadership »); alliance and growth (« alliance is of a great benefit »); with alliance, the companies save money.

Beyond this sequential analysis we found that the managerial discourse was becoming a strategic marketing tool. Why? Mainly because the speech always includes a kind of advertising of the strategy. The identified targets are: shareholders, customers and partner.

1- Towards partner.
An alliance enables two partners to enjoy advantages. A member doesn’t forget this partner’s asset (« an alliance is profitable to each partner »).

2- Towards shareholders.
In the speech, shareholder's decision-making power and self-interest are mentioned. Identity of the main shareholder is very important because managers use it to show stability and strength of the company (« Ford is the chief shareholder »). Managers give attention to the shareholders and explain that the company will gain in value. The strategy is: to create value for shareholders. They are very interested in saving money (« we must satisfy our shareholders », « a private company must create value as a matter of prority for the shareholders »). The alliance is not incompatible with the shareholders' self-interest.

3- Towards customers.
The strategy is to get new market shares. Managers would like to attract the competitor’s consumers (« to access to its customers », « It’s the way to conquer new consumers »).

The following table gives some details:

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To conclude these last results allow to build a new research framework applying this kind of methodology. Now, we are going on this way.

References


Micro Marketing:
*Sustainable and Viable Development
*Sustainable development: ...development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

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Abstract

The author shows how normal micro enterprise development is being used to intentionally plant networks of economic viability that are both ecologically sound, and viable for investors. The deforestation in the Caribbean-Central America is currently being addressed by the applied use of Sun ovens to cook. It is targeted for use in marginalized areas in Asia, including Tibet, Nepal and Xinjiang. It is also being introduced into post Saharan Africa as an alternative to chopping wood. Micromarketing of products both increase the economic viability of the marginalized people and the microloan program.

What is MicroEnterprise?

Micro Enterprise is a form of meeting primary needs for employment and sustainable development through offering microloans and ongoing training in business principles. Even though there are different methods there appear to be certain commonalities:

1. The loan is made to a group.
2. Each member of the group will run their individual business and create their business plan.
3. The activities of the group are training, mutual encouragement, support and loan servicing
4. The activities are guided by a loan officer. The endeavor is for the participants to have a personal and corporate accountability.
5. The inclusion of new participants in gatherings of the loan groups, known as "trust banks" ensures that training take place before a loan is made to new small groups. The group learns to function together before the loans are disbursed.
6. Another function of the group meeting is the bonding and mutual support for start ups that occur on a peer level. Also the loan officer is made aware of any potential problem at the early stages so help can be found.
7. Each small group is cognizant of the larger body of trust bank participants, for networking of business and procurement needs.

Mongolia: "Buns in the marketplace: prepared food"

In Mongolia the format is a group loan to four clients of $25 to begin. This may be called a nano loan by some. However interest is 6% flat a month. Which means the interest is 72% a year. Who has done this well in the stock market? The way group lending works is that each member is held responsible by the group to repay their loan, as if one defaults the rest are still responsible. This began in Bangladesh, where the group peer pressure was seen as a form of "human collateral" to guaranty the loan.

The participants of the micro loan program in Mongolia are able to purchase their supply of raw materials to make their food products with economies of scale. Currently they are all involved in the food production business, and offer prepared food in the marketplace to other vendors. Their customers are predominantly nomads in to town to sell their products, therefore they have limited cooking ability. Each participant developed and sold prepared food before. Because of the microloan they are able to buy their
ingredients by kilos at cheaper prices, so they can sell their finished food products at a small profit. The goal of lending to them is to make them more capable of successfully providing for their families in a difficult economy.

When the microenterprise applicants apply they are suitably teamed together. For this nomadic people, highly independent by nature, teaming does not happen automatically with the participants. However this can be the only "collateral" that they have. Trust and building trust between the loan partners is a big challenge. Since group loans work on the premise that each loan group borrows as a group, and if one member defaults the remaining members must pay back all the loan, plus interest, the group exerts pressure on the individual. This is the "guaranty" that the lending agency has for repayment of the loan. They also offer training to ensure the participants do well in their business.

Bangladeshi Telecom

The telecom companies first entered Bangladeshi rural districts through micromarketing. Realizing that by giving a cell phone to a rural poor man they might never see it again, they decided on a mature woman. She becomes the phone system for the entire region by renting out service on the phone. One of the key side benefits is for agriculture. Normally the growers have to pick their product then take it to the nearest big market where the wholesale brokers negotiate a price from them. The growers have never gotten more than 3-4% of the market price from wholesale brokers for their produce. Now they can call ahead and find out from different sources where the best prices are available.

In the Philippines they told the ADBank to "Go home"

Each week the training session involves a different aspect of business, designed to further their long term success. From the Zambian model each training session involves a study based on aspects of moral character that enable the person to succeed in life by making good decisions. This model also works in countries like the Philippines. In the Philippines microenterprise has become so successful that they have corporately put the ADB out of business for rural loans. (Bussau, 1999) Communities are now raising their own money for water wells and other small infrastructure projects. They also are turning loans around into community trust funds that are independent of outside interests. The potential for microenterprise as an agent of social change is significant. (Dunford, 200) In the next ten years, the popularity of this mechanism as a tool for poverty alleviation will increase.

How does Microenterprise plant networks of sustainability?

As trust banks become stable in one geographic area, the desire to spread and expand propels them to seek out another area. Through networks of kinship groups or commercial links the pattern of distribution of sustainable economic development continues.

Sun Oven Bakeries

Villagers of rural developing countries are using a recent invention the Sun Oven, to bake fifty loaves of bread an hour without the use of wood. Tom Burns, restaurateur, refined his design with input from Sandia National Laboratories. A solar-powered roaster that can cook food, boil water, and sterilize medical instruments it captures and focuses energy into its black porcelain interior via adjustable aluminum reflectors that open up to Helios-like metallic petals. Weather permitting, the average temperature of the Sun Oven is between 300 and 350 degrees.

Tom Burns began developing the oven in 1986, a project that reflected both his former profession and concern for living conditions in developing nations. Burns envisioned his creation as a way to help feed the hungry, preserve dwindling wood supplies, improve health care, and create jobs. The Sun Oven is available in two versions: the portable "Global" model, a 21-pounder, and the much larger 1,000-pound "Villager", which can bake 50 loaves of bread in an hour. Thousands of portable models have been shipped to more than 126 countries around the globe.
Sun Ovens have been used to feed refugees in relocation camps, in remote Third World villages, workers at field sites, climbers on the slopes of Mount Everest, and soldiers during the Persian Gulf War. Sandia’s Solar Thermal Design Assistance Center (STAD) performed tests to measure the oven's temperature climb, distribution and uniformity, as well as its reliability and performance under varying conditions.

STAD also fine-tuned the reflectors and designed a dolly for transportation of the larger model. Sandia’s suggestions included displaying the Sun Oven at the University of Mexico at Sonora; the 1994 Climate Challenge in Washington, D.C.; and at Harmony, an environmental research resort in the Virgin Islands. It has made an appearance on the "Good Morning America" television show. Harnessing the greatest and cheapest power source frees the village women of hours of collecting scarce firewood.

Conclusion

One of the biggest challenges facing the microfinance industry is developing financial products and methodologies that reach very poor populations, reduce their vulnerability and increase their economic well being. The goals of SunOvens is to provide learning for the microfinance industry by demonstrating effective models and methodologies for deepening poverty outreach and impact, while working toward sustainability. industry's learning on pro-poor innovations.

References


How to Measure the Consumer Well-being Effect of Products and Services

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Abstract

Marketers typically measure marketing performance to determine the extent to which marketing objectives have been met. But what do we look at when we measure marketing performance? A cursory look at the field reveals that different conceptualizations of marketing performance have been developed and applied over time. Initially, marketing performance has been evaluated by the number of units sold or the amount of product turnover achieved in a certain time period. The implicit assumption of this measure is that higher sales represent higher marketing performance. Another paradigm introduces competition to the measurement of marketing performance by measuring market share as an indicator of marketing performance. Shifting focus from the firm to the consumer, one paradigm focuses on customer satisfaction and repeat business. Furthermore, much has been written on consumerism and environmentalism. These two movements have underscored two additional sets of marketing performance concepts and measures. Consumerism emphasizes product quality and consumer safety, while environmentalism emphasizes environmental safety. Yet another paradigm that has emerged in marketing thought is market orientation. Based on that paradigm, marketing performance is measured through customer satisfaction, competitor orientation, and inter-functional coordination. Relationship marketing is yet another paradigm. Here marketing performance is conceptualized in terms of quality relationships. Quality relationships are commonly measured in terms of trust and commitment.

These different paradigms of marketing thought underscore the elusiveness of the concept of marketing performance. We would like to argue that the concept of consumer well being is a marketing performance concept designed to capture yet another emerging school of thought in marketing, namely quality-of-life marketing.

Quality-of-Life (QOL) Marketing

A primary objective of QOL marketers is to enhance the well being of target consumers. This is done by matching organizational skills and resources in the service of target consumers. Thus, QOL marketers develop products that not only satisfy consumer’s needs, but also enhance one or more significant dimensions of their well-being.

Kotler (1986) discussed the application of the QOL concept in marketing. He stated: "Many people believe that the goal of a marketing system should be to improve the ‘quality of life’ - the quality, quantity, range, accessibility, and the cost of goods; the quality of the physical environment; and the quality of the cultural environment. They would judge marketing systems not solely by the amount of direct consumer satisfaction that is created, but also by the impact of marketing activity on the quality of the physical and cultural environment. Most people would agree that quality of life is a worthwhile goal for the marketing system" (Kotler 1986, p.21).

The QOL marketing concept is an emerging marketing philosophy that integrates traditional strategic marketing concepts into a new perspective. QOL marketing posits that marketers have to enhance some dimension of consumers’ well-being while reducing adverse side effects of
manufacturing and marketing to all publics. Thus, a firm should establish long-term relationships with target consumers by meeting certain needs in meaningful ways to maximize the positive impact of their products or services on the "lives" of their customers. The QOL concept also advocates that attempts at enhancing the well-being of consumers should be done in a manner "friendly" to the environment, as well as other "publics." Specifically, Sirgy and Lee (1994) have argued that marketing strategies can be developed guided directly by the QOL concept. A QOL strategy is a marketing strategy designed to create long-term relationships with customer groups while balancing the demands of a variety of other constituencies such as the financial demands of upper management and the stockholders, the demands of the employees, the community needs, and the preservation needs of the environment.

Performance Measures of Consumer Well Being Embedded in Different Conceptual Models

We identify four theoretical models and show how specific dimensions of consumer well-being can be conceptualized as a direct function of the theoretical perspective of the model in question. These models are four P’s, consumption cycle, costing, and value.

The Four P’s Model of Consumer Well Being

This perspective posits that consumer well-being is met if a product is marketed in ways that increase consumer benefits in relation to each element of the marketing mix, without adversely affecting the well being of other stakeholders. In relation to the product element of the marketing mix, consumer well-being can be enhanced in terms of the product’s ability to fulfill customer’s product specifications without adversely affecting non-users and other stakeholders of the firm. Specific examples of non-user concerns could be safety or the environmental impact of the product and its use. In order to develop a measure to capture these well-being dimensions of the product, it appears advantageous to distinguish two types of informants, namely consumers and experts. Both parties are likely to have unique insights in relation to the performance of a product. Experts are in a better position to evaluate the reliability, durability, safety and environmental consequences of the product, whereas consumers are in a better position to report on their own product expectations and the extent to which the product meets these expectations.

With respect to price, consumer well-being can be expressed in terms of willingness to buy the product at the designated price, price affordability, customer value, and convenience of payment method. If consumers perceive value in the product and they are willing to purchase the product at the designated price, we can assume that this value makes a contribution to consumer well-being. Price affordability is defined as the extent to which the individual consumer perceives that the purchase of the product would not adversely affect consumer spending on necessity goods and services. The two consumer well-being dimensions can be captured effectively by consumer respondents. Conversely, experts are in a better position to assess value and convenience of payment method. Value is the ratio of product benefits over costs. Many consumer advocacy organizations (e.g., Consumer Reports) rate the functional quality of brands by taking into account the price charged for these brands. Finally, experts can rate the extent to which a payment plan helps consumers make payments without being short-changed.

With respect to the place element of the marketing mix, consumer well-being may take form in satisfaction with the shopping experience and serviceability as well as the convenience of the shopping location. Finally, with respect to promotion, consumer well-being may translate into consumers understanding of costs and benefits of the product. Product information has to be available easily (and accessible), the information also has to be accurate, and product cost information has to be fully disclosed. Cost is defined here quite broadly and is not restricted to financial cost as in the product price. The former could be well assessed by consumers, and the latter can be assessed effectively by experts.
The Consumption Cycle Model of Consumer Well Being

This perspective posits, that consumer well being is met, if a product is marketed in ways that deliver consumer satisfaction across five stages of the consumption cycle (acquisition, possession, consumption, maintenance, and disposition), without adversely affecting the well-being of other stakeholders. In the acquisition stage, a consumer performs a variety of tasks in order to purchase the product. Consumer well-being in this stage can be captured by the degree of satisfaction/ dissatisfaction with the process of acquiring the product. This dimension of consumer well-being can be captured best by asking the consumer about his or her shopping experience. Experts, on the other hand, are in a better position to judge the goodness of acquisition method, e.g. retail outlet and direct marketing.

In the possession stage, consumer well being translates into feelings of pride in product ownership, value of the investment in the product or service, and product durability or life expectancy. Feelings of pride and/ or being special because of product ownership can be captured best through consumers self-report. In contrast, the investment value and product life expectancy can be measured best by experts.

In the consumption stage, consumer well being translates into meeting performance expectations and having a product that delivers its expected benefits reliably. The former can best be measured through consumers, while the latter by experts.

In terms of maintenance, consumer well being may be reflected in the perception of ability to maintain the product by do-it-yourself means, availability, affordability, and success of product repair and maintenance. The first dimension can best be captured by consumers, whereas the latter three by experts.

Finally, in the disposition stage, consumer well being may be reflected in the means and cost of disposition. Consumers may be asked about their perceptions of their ability to dispose of the product after consumption. Other measures of the disposition stage are the relative ease and affordability of disposition. These can best be captured by experts.

The Costing Model of Consumer Well Being

This perspective posits that a product, which successfully decreases consumer and societal cost, enhances the quality of life of its consumer. Consumer costs are related to performance costs, physical health and safety costs, financial costs, social and psychological costs, time and convenience costs, and opportunity loss. Performance costs pertain to negative deviations from the functional quality of the product. A product that scores high with respect to consumers’ well being has to live up to the consumers functional expectations in order to minimize consumers’ performance costs. Physical health and safety costs refer to physical problems with the product that endanger the health and safety of the consumer. Financial costs refer to the lack of affordability of the product by many needy consumers. A product is affordable if it does not affect the financial resources of the consumer to the extent that spending on necessary goods and services is limited. Social and psychological costs refer to possible adverse product effects on the psychological state of the consumer. A product with low social cost minimizes adverse effects of its consumption on the dimensions of the social self of the consumer. The impact of a product on the psychological state of the consumer can be measured by positive and negative affect a consumer experiences resulting from the purchase and consumption of the product. Time and convenience costs are the amount of time and effort a consumer has to sacrifice to be able to use a product in ways that he or she desires. Time and convenience costs can be measured also by the amount of maintenance and upkeep that a consumer feels necessary for the product to perform and by the time and effort the consumer has to invest to keep the product in the desired shape. Opportunity loss costs refer to outside options that the consumer sacrifices in order to own and use that product. The opportunity loss costs can be assessed by
the under-performance on relevant attributes of a product in comparison to other products a consumer may have purchased.

Societal costs are those related to physical health and safety problems attributed to product consumption, the economic costs related to health care dealing with the physical health and safety problem, as well as the costs to the environment. Physical health and safety costs in this context are adverse effects in the physical health and safety of non-users and society as a whole due to the consumption of the product. These can be measured by the amount and intensity of health and safety related to adverse effects of non-users. Environmental costs are those adverse effects of the product consumption on the natural environment. A product that scores high on consumer well being minimizes these environmental effects. Finally, economic costs are related to health care costs. Some of these cost dimensions can be measured by consumer assessments, while for others experts may be more equipped to provide accurate assessments.

The Value Model of Consumer Well-Being

Consumer well-being conceptualized by the value model posits that well-being can be captured through a ratio of benefits to cost. The greater the benefits to cost the greater the well-being. Both benefits and costs can be captured at both the consumer and societal levels. At the consumer level, benefits involve consumer perception of the product’s functional, symbolic, and expressive benefits, whereas costs involve the perceptions of costs related to the product’s price, transaction costs, health and safety costs, social and psychological costs, and opportunity costs. These types of benefits and costs can be measured directly from consumer self-reports. Other consumer benefits and costs can best be captured through experts. For example, product reliability and durability as consumer benefits can best be captured by experts in lieu of consumers. Similarly, costs related to the price of the product, and health and safety costs can be operationalized through experts.

With respect to societal benefits and costs, experts can assess the extent to which the product provides significant value added above and beyond established competitors. Experts can also provide assessments of the physical health damage to the non-consuming public attributable to product consumption or any marketing aspect. They can also provide assessments of the environmental damage related to product consumption and any marketing aspect. Similarly, expert assessments can be obtained in relation to the economic remedial costs associated with health care programs and services needed to treat the physical health problems of the non-consuming public as well as environmental engineering programs and services.

References

Globalization and Transportation in Developing Countries: Jamaica’s Modified Motor Vehicle Importation Policy

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Abstract

The globalization trend inspired to a great extent by World Trade Organization guiding principles of decreasing trade barriers, more open markets, and liberalized government policies, combined with developments in information technology have fostered dramatic growth in international trade and increased availability of information worldwide. Among the potential benefits of globalization of markets is a wider choice of competing products for consumers, lower prices and higher levels of quality. This has increased the ability of lower income consumers to purchase higher quality products that they may have been unable to afford previously (Hill 2001).

The level of foreign direct investment has continued to increase with globalization of production as more investors have expanded their business activities outside of their home countries (Hill 2001). Based on background country research, these investors endeavor to set up operations in foreign countries that provide the best location economics for their businesses. Foreign investment is widely viewed as a being crucial element in the economic growth prospects of developing countries (Friedman 2000). In order to attract foreign investors in the global arena and improve the state of affairs for local investors, many governments have implemented policies aimed at improving the overall business environment and infrastructure of their countries (United Nations 2001).

An integral part of any country’s infrastructure is efficient and affordable transportation that provides individuals with reasonable access to other people, places, goods, services and a variety of other amenities (OECD 1996). A reliable transportation system is crucial to setting the stage for enhanced participation in international trade and for encouraging increased investment in any country (United Nations, 2001). Potential investors like to know that they can transport their products from one place to another easily, and have relatively trouble-free access to the resources and markets that they will need for successful business operations. Generally, improving all aspects of the transportation infrastructure is essential for economic and social growth, quality of life, increased labor market efficiency and productivity (Gwilliam and Shalizi 1996; World Bank 1994). As the cost of maintaining and updating transportation infrastructure continues to rise, it has become increasingly difficult for governments in many developing countries to afford transportation development costs, due to extreme budgetary constraints (OECD 1996). Therefore the transportation infrastructure in developing countries tends to be critically limited compared to the superior situation in developed countries. This puts a brake on overall economic growth in the developing countries (Gwilliam and Shalizi 1996; Sadowsky 1996).

Overall the subjective well-being or quality of life of individuals is affected by access to reliable and affordable transportation. It affects quality of life by influencing consumers’ access to leisure activities, employment opportunities, educational and health facilities. A properly implemented transportation policy may lead to poverty reduction in a country (Gwilliam and Shalizi 1996). Also easy access to transportation usually increases the independence of individuals, which is regarded as an important aspect of quality of life. Research has provided support for the view that because of the overall potential benefits that individuals gain from enhanced accessibility, motor vehicle ownership is positively
correlated to increased income (World Bank 1986). Unfortunately for many people, especially lower income consumers in a number of developing countries, transportation requirements are not being adequately fulfilled because of their personal economic restrictions or the countries’ economic constraints. This condition of insufficient transportation usually results in lower productivity because people are unable to get around efficiently and comfortably, resulting in tardiness, wasted time and increased frustration.

This paper focuses specifically on motorized transportation, such as cars and buses that are visualized as a critical partial solution to transportation problems worldwide. These modes of transportation enable people to move around relatively quickly and conveniently so that they can participate in various activities and have increased access to numerous locations. Generally, there is great disparity between developed and developing countries in car ownership. In 1993, the average car ownership figures for the Organization for Economic Cooperation and Development (OECD) countries excluding the United States was 366 cars per 1000 residents compared to an average of 68 cars per 1000 residents in the Caribbean and Latin America. The difference between relatively wealthy and poor countries is even more remarkable when considering the United States, where the number of cars per 1000 residents is about 700 (American Automobile Manufacturer’s Association, 1995).

This research study analyzes the impact on the private and public transportation systems of Jamaica, a developing country in the Caribbean, as a result of changes to the government’s motor vehicle importation policy. Previously the government had an extremely regulated policy that emphasized limited importation of new motor vehicles through relatively few exclusive motor vehicle dealers. The main intention of this policy was to conserve the country’s limited supply of foreign exchange for items that were mandated as government priorities. This highly restrictive policy limited the number and variety of new motor vehicles for private use, perpetuating great disparity between supply and demand. Prices for new and used motor vehicles were as a result unreasonably high and unaffordable for most people. In many instances, even persons who had enough money and desired new cars had to place their names on lists and wait for many months before getting the opportunity to purchase the motor vehicles that they wanted. The severe shortage also encouraged corruption in the motor vehicles distribution structure, as bribery became a popular means of expediting the motor vehicle acquisition process (Ministry of Commerce and Technology 1998).

Public transportation by bus, the main transportation choice of the vast majority of lower income people in Jamaica was also highly inadequate. Due to limited capital funding, there were not enough mass transit units to move the growing population around efficiently (OECD 1996). Therefore many of these people wasted potentially productive hours waiting for buses that were uncomfortable and unreliable. Frequently the buses were so packed that they could not accommodate the waiting passengers. As in many developing countries, many lower income individuals were forced to walk inordinately long distances in order to get to their destination. For these people, there were no other reasonable transportation alternatives that could get them to their desired locations in a reasonable time. Due to those existing circumstances, these consumers in the lower economic strata, who generally tend to spend a larger percentage of their income and time on travel than wealthier consumers even though on average they travel relatively shorter distances and less frequently, were largely dissatisfied with the country’s public transportation system. Inordinately high fare prices relative to income and inadequate transportation availability have had a negative impact on the quality of life of economically disadvantaged consumers, highlighting social inequity in the society. This situation just described is similar to that existing in many other developing countries (Alt 1991; Gwilliam 2000; Thomson 1994; United Nations 2001).

In an attempt to achieve equity and increase satisfaction in connection with the transportation infrastructure for consumers at all economic levels, also to better prepare the country for economic growth and global competitiveness, the highly restrictive motor vehicle importation policy has in recent years been substituted by a deregulated approach. Under this liberalized system, individuals and companies can now import both new and used motor vehicles from any country in the world, provided
that mandated requirements are fulfilled. The following are some of the requirements aimed at keeping future maintenance costs low and protecting the environment:

The maximum age limit for cars being imported is four years, while the maximum age limit for small trucks is five years.

The numeric limit for individuals is one car and one small truck in a three-year period.

Motor vehicles with air-conditioning equipment containing chlorofluorocarbons are prohibited.

Valuations for tariff calculations are based on the type, age, engine size, mileage and proposed use of the motor vehicle. Also, importers must have settled all their tax liabilities and wage-related statutory deductions prior to being granted an import permit (Ministry of Foreign Affairs and Foreign Trade 1997).

Among the outcomes of this important revised motor vehicle importation policy has been a dramatic increase in the number of motor vehicle brokers and dealerships. These brokers and dealerships are located all over the country, even in rural areas, increasing accessibility to potential buyers. In the 4 years between 1994 and 1998, the number of registered motor vehicles operating in Jamaica increased by 65%. This has resulted in a wider choice and greater availability of transportation alternatives for consumers (Planning Institute of Jamaica 2000; Statistical Institute of Jamaica 2000). Liberalization of the motor vehicle market has effectively narrowed the gap between demand and supply, leading to increased competition among sellers. The ability to import used motor vehicles has been especially effective in increasing supply due to the lower prices associated with them. From the consumer’s perspective, there has been an overall positive effect on motor vehicle prices, making them more affordable and ownership a reality for a greater number of individuals.

Even for the majority of the population who are unable to purchase their own motor vehicles, there are now more public transportation options. Buses and taxis are now available in urban and rural areas all over the country. Also a combination of the government’s public transportation fare pricing policy and competition has kept fares affordable for the majority of the population. Therefore it is now easier for people to travel around whenever they desire to, having greater access to leisure activities, job choices, educational and health facilities. This has effectively improved the quality of life of most consumers, reducing their former frustrations with being unable to travel around efficiently.

Another aspect to these developments is the role that the Internet has played in globalization efforts. As a facilitating tool, it allows information on numerous subjects to be accessed and shared by people all over the world. In accordance with this, shopping for motor vehicles worldwide has been greatly facilitated by the Internet. A number of Jamaican individuals and motor vehicle dealerships now routinely access motor vehicle sales websites. They are able to more easily and cost-effectively do electronic motor vehicle shopping globally, investigating motor vehicle prices and conditions, determining shipping and handling costs and making purchases on-line.

As in many developing countries that are undergoing accelerated growth in motorization, there are accompanying environmental concerns. The road network for the increased number of motor vehicles is especially inadequate in urban areas and has led to more severe traffic congestion (Planning Institute of Jamaica 2000). In addition, higher levels of pollution exist due to increased exhaust fumes from the slow-moving traffic, potentially playing a part in increased health problems. There are also increased safety concerns due to the probability of more accidents occurring because of limited road space (Gwilliam and Shalizi 1996).

References


Sustainable Consumption: Consumption, Consumers and the Commodity Discourse

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Abstract

This paper examines the concept of sustainable consumption by focusing on the consumption habits of Irish consumers. As such it is one of few studies to explore this issue empirically and builds on the conceptual work of other authors in this area. The key research findings fit into three broad and interrelated categories. Firstly, whilst recent sustainable consumption literature suggests that new research should focus on the issue of consumption, in and of itself, our study shows that consumers themselves view environmental problems from a supply and not demand perspective. They focus on issues such as recycling and waste and not consumption itself. Secondly, our study shows that consumers have green opinions about very diverse issues and these are directly related to the individuals' life styles. Finally, our research shows that 'material green' consumers are buying into a particular image in their consumption practices. This is very much connected to the meanings of their consumption that have been derived from the communication value they attach to commodities. As such our study provides support for earlier conceptual research, which suggests that in order to encourage less consumption we must use existing commodity discourse to achieve such ends.

Introduction

Sustainable consumption calls into question the ideology of consumption prevailing in Western society and its environmental and ecological implications for the Planet. According to the GEO-2000 report the continued poverty of the majority of the Planet's inhabitants and excessive consumption by the minority are the two major causes of environmental degradation. Warde & Shove (1998) note the threat of exhaustion of natural resources has been a theme in the general critique of consumer societies for nearly three decades. Durning (1992, P.21) posits that “only population growth rivals high consumption as a cause of ecological decline, and at least population growth is now viewed as a problem by many governments and citizens of the world. Consumption, in contrast is almost universally seen as good, indeed increasing it is the primary goal of national economic policy”. The contention of this paper is not to ostracize capitalism or the economic policies it promotes but to advance and add to the growing literature of those who advocate the promotion of sustainable consumption through commodity discourse and more fundamentally within the current dominant social paradigm. For the purpose of this discussion material consumption is viewed under the paradigm of consumption as communication value and not from the homo economicus perspective of functional or utilitarian value, which as McNeill (1994) acknowledges, offers little in understanding consumers. Heiskanen & Pantzar (1997) posit that no voluntary changes in consumption practices can be achieved if policymakers, business, and consumers alike lack an understanding of how and why we consume. The impact of society's consumption habits,

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4 GEO-2000 (Global Environment Outlook 2000) is a report from the United Nations Environment Programme, which is prepared in collaboration with more than 30 environmental institutes as well as United Nations agencies. It is a summing up of where we have reached to date as users and custodians of the planet and it provides a vision for the future.
and Western society’s, in particular is fundamental to the issue of sustainable consumption. Resource consumption is a key driver of environmental degradation. Measures to address this issue recognize the need to reduce population growth, reorient consumption patterns, increase resource use efficiency and make structural changes to the economy. These measures will need to simultaneously maintain the living standards of the well off, upgrade those of the disadvantaged and increase sustainability. This will require above all a shift in values away from material consumption. The World Commission on Environment and Development (WCED) proposed sustainable development as a possible answer to these issues in 1987 and from this the concept of sustainable consumption developed. It was later explicitly supported at the Rio summit in 1992 and the Earth summit in 1997.

Examining sustainable consumption and the issues of consumption and the environment from an Irish consumers perspectives is significant, as the backdrop is a country experiencing an economic boom fuelled by free-market policies and unprecedented consumer spending which has led to the label “Celtic tiger” and placed Ireland as the number one growth economy within the European Union (EU). This exorbitant growth has also led to new threats to the environment, CO2 emissions have increased, several local government authorities are experiencing lack of space in ever expanding landfills, and debates regarding incineration facilities continue. As a modern capitalist economy, thriving (economically) under commodity discourse and the ideology of consumption, the challenge for Ireland, and for society in general is therefore to alter our values so that the production and consumption processes, which underpin our highly attractive consumer lifestyles in the West, become sustainable. As such an assessment of sustainable consumption issues is necessary.

Defining sustainable consumption

According to Reisch (1998) there are approximately two dozen definitions of sustainable consumption within the literature. The definition of the sustainable consumption concept has not been without criticism and its vagueness has led to Reisch (1998) labeling sustainable consumption a “fuzzy concept” because issues such as scale, scope, point of reference and the time horizon remain unclear. In response to these shortcomings new environmental indicators were developed, particularly in reaction to economists concerns and their preoccupation with numbers. Also according to Reisch (1998) critics have been calling for not only greater precision in the definition of key terms but also a clearer separation between sustainable and unsustainable behavior. This view has been countered by Daly (1990) who argues that in the case of sustainable development, lack of a precise definition may not be without benefit, as it has allowed a consensus to evolve in support to the main idea, that it is both morally and economically wrong to treat the World as a business in liquidation. He contends that the Brundtland Report was wise in not insisting on a more precise analytical definition, as although the current definition is vague, consensus on the issue is more important. This contention may also be as valid in the case of sustainable consumption, as both philosophies are irredeemably linked. So the question is, do we really need to tie ourselves to the complexities of a precise definition? Stern et al (1997) also supports Daly’s thesis and adds that a broad definition has the advantage that it does not foreclose the study of human choices and activities that may hold keys to reducing the environmental impacts of human activity. As such further empirical analysis of sustainable consumption suggests an exploratory analysis of consumer opinions towards consumption behavior, which will help in addressing the debate as to what sustainable consumption actually means.

Tackling the Demand side

Sustainable production and consumption, are essentially two sides of the same coin (Carley & Spapens 1998, Robins & Roberts 1997). The focus by many academics until recently has been on the supply side (production) (Fisk, 1998) particularly in relation to technology and eco innovation (Weizsacker, Lovins & Lovins, 1997), trade opportunities in sustainable production (Robins & Roberts,
1997), market opportunities through technology development (Hart, 1997), and the relationships between businesses and their suppliers and other stakeholders (Crane, 1998) to reduce the negative environmental consequences of consumption.

However the number of critiques on the ideology of consumption and its social limits have increased (Scitovsky 1976, Hirsh 1977, Kilbourne 1991, Kilbourne, McDonagh, Prothero, 1997, Schor 1998). Gabriel and Lang (1995) argue that any triumphalism about Western style consumption is misplaced and the future of global consumption must remain the object of questioning on economic, cultural, environmental and moral grounds. Warde & Shove (1998) posit that critiques of consumer culture directed at its negative environmental consequences are the exception rather than the rule.

Sustainable consumption addresses the demand side, looking at how consumer goods and services can be delivered in a form that reduces the burden on the Earth’s carrying capacity. McNeill (1994) has acknowledged that the emphasis in both analysis and policy prescription until recently has focused on production and technology. The demand side must not be ignored however, particularly in the area of consumer research. Heiskanen and Pantzar (1997) maintain that current consumer research in the area of sustainable consumption has failed to focus on the important issue, reducing the resource intensity of Western lifestyles. The issues that consumer research has dealt with have been trivial such as the recycling of soda bottles or the application of household energy conservation measures. This specific research in areas such as energy conservation (Heslop, Moran and Cousineau, 1981, Ritchie, Gordon, McDougall, & Claxton, 1981), product recognition and information search (Olshavsky & Granbois, 1979) and recycling is interesting and of significant importance in its own right. However, from a sustainable consumption perspective they are insufficient and do not provide a basis for drastically reducing the resource intensity of Western lifestyles. This view concurs with Kilbourne, McDonagh, Prothero (1997) who feel that while the examination of such areas as energy conservation, recycling, and green products are important in developing sustainable consumption they do not address the root causes of the crisis.

Very little attention has been given to strategic consumption decisions, the process of consumption itself or its ultimate results. Hence, the social and environmental consequences of consumption have also been largely overlooked. The environmental impact of consumption as a whole has been neglected and according to Heiskanen and Pantzar (1998) consumer research has been surprisingly silent on the environmental impact of increasing consumption as a totality, leaving the topic to environmentalists and philosophers. Consequently this paper aims to highlight the contrast between consumers' ambivalence to the issue of consumption and their enthusiasm and concern for recycling and waste disposal issues.

The meaning of consumption

Stern et al. (1997) point out that the meaning of consumption itself is varied as physicists, economists, ecologists and sociologists have applied different meanings to the concept. This brings us to the second principle issue of this paper, that an over emphasis on the functional/utilitarian aspects of consumption, what is essentially an economist’s perspective, will not further the cause of sustainable consumption. McNeill (1994) confirms the view that economic theory offers little in understanding consumer behavior. It is in the area of consumer research that a greater insight can be achieved. It is the understanding of the meaning of consumption and the meaning obtained by consumers when they consume that is vital for the goal of sustainable consumption. Richins (1994) asserts that consumer motives for consumption and possession stem from the meaning of consumption objects and the value that meaning provides.

The problem with recent studies on sustainable consumption is the starting point of consumption itself has been based on economist and engineering perspectives (Heiskanen & Pantzar 1997). A more
holistic concept of the meanings within consumption practices is required, incorporating sociology, anthropology and philosophy. As Bauman puts it “Consumption is not just a matter of satisfying material greed, of filling your stomach. It is a question of manipulating symbols for all sorts of purposes. On the level of the life-world, it is for the purpose of constructing identity, constructing self, and constructing relations with others” in (Kilbourne, McDonagh, Prothero, 1997, P.7). The tenets of this paper are firstly consumers do not equate consumption itself as part of the environmental crisis and secondly that the value of consumption to consumers is its communication/sign value as opposed to its utilitarian function value espoused by economists. These issues are further explored below.

Methodology

Given that little research has been conducted in the area of sustainable consumption (Heiskanen & Pantzar, 1997), a research paradigm that allows for exploratory research is necessary. The paucity of work in this area establishes this necessity for exploratory research as opposed to confirmatory research (Deshpande, 1983). This study has taken the path of the humanist tradition, and the research findings are based on existential-phenomenological interviews, which explores the meanings behind consumer decisions, which are affected by the environment. Because sustainable consumption is a macro issue (Kilbourne, McDonagh, Prothero, 1997), and as Belk (1987) posits, macro issues are not as susceptible to experiential research (positivism) as are micro issues, it requires a humanistic approach.

This methodology is also advocated by Heiskanen & Pantzar (1997) who posit that if consumption is really about self-enhancement, social esteem, or other immaterial rewards, perhaps we could find a more efficient way of providing these to people through a less environmentally destructive means, and it is here that phenomenological and psychological studies could be invaluable. Existential-phenomenology also offers researchers a means of putting consumer experience back into consumer research, an area that has been relatively ignored by consumer researchers (Mick 1986, Hirschman 1986, Hudson & Ozanne 1988).

The methodology utilized here is similar to the research methodology used in the areas of compensatory consumption (Woodruffe, 1997), consumers’ uses of fashion discourses (Thompson & Haytko, 1997), cultural viewpoints that underlie consumers’ expressed meanings (Thompson, Pollio, Locander, 1994), and the everyday consumer experiences of contemporary married women (Thompson, Locander, Pollio, 1990). Phenomenology, according to Denzin & Lincoln (1998) is the best method of research when one is concerned with the “meaning of a phenomenon”.

An existential-phenomenological approach was conducted to provide further understanding into the experiences and feelings of consumers on how the environment impacts on their consumption practices. The aim was not to prove hypotheses, but to provide a deeper understanding of consumer experiences regarding the environment and their consumption habits and the meanings that evolve from them.

Textual data for the study was generated by means of phenomenological interviews with six volunteer participants. Denzin & Lincoln, (1998) maintain that six is adequate for this form of research. All participants in the study were assured of anonymity and Table 1. provides a list of participants’ pseudonyms and brief background information.

Table 1.

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<td>FEMALE</td>
<td>HANNA</td>
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<td>CANCER RESEARCH</td>
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Prior to each interview, the participants were informed that the purpose of the research was to gain an understanding about their feelings, experiences and perceptions relating to their consumption habits and the environment. A number of the participants, before the interviews began, were unsure what was meant by consumption, and many felt it related to food. They were informed by the researcher that it was in respect of all types of consumption from energy to what they buy, eat, drink, use of services etc. Both Thompson & Hayto’s (1997) and Woodruffe’s (1997) studies gave considerable detail to the participants of the research subject in question prior to the interviews.

The researcher encouraged the participants to describe actual experiences. The length of the interviews ranged from forty minutes to eighty minutes and each interview was audiotaped and transcribed verbatim. Four of the interviews took place in the participants’ own homes, while the other two took place in cafes. In all the interviews only the participant and the interviewer were present. The interviews, both their context and format, followed the format outlined by Thompson et al (1989). The researcher sought to create a context in which the participants felt at ease and comfortable in discussing their experiences and perceptions regarding their consumption habits and the environment. All interviews began with a general question running along the lines of ‘Have any of your consumption habits been influenced by the environment?’ This opening question began the dialogue in an open-ended manner and is in keeping with phenomenological interview techniques as prescribed by Thompson et al (1989). Once the dialogue began, the participants were encouraged to describe actual experiences (lived experiences) related to their general perceptions. The dialogue was circular rather than linear, in that descriptive questions employed by the researcher flowed from the course of the dialogue and not from a predetermined path. The interviews were characterized by a conversational quality and the participant generally set the dialogue. Any probing or follow-up questions were informed by the researchers general familiarity with the research subject and insights gained through the process of interviewing. The researcher also refrained from using “why” questions as they are ineffective for generating descriptions of lived experiences.

The analysis of the verbatim interview transcripts involved an iterative, part-to-whole reading strategy by which the researcher developed a holistic understanding of each interview transcript, while any similarities across the transcripts that were being analysed were also noted as in Thompson et al (1989). Initial readings of the text informed later readings, and additionally, later readings allowed the researcher to recognise and explore patterns not noted in the earlier analysis. Once notations regarding substantive content areas were developed, the transcripts were then analysed to further develop thematic categories and to identify holistic relationships among the meanings and categories participants used to describe their experiences of consumption and the environment. Participant-generated text is presented in indented form interspersed with blocks of researcher-generated text. According to Stern, B. (1998) indentation is a printing convention signifying polyvocality, as it separates the researcher’s narrative from the participants and it exemplifies the postmodern spirit of eclecticism.
Research Findings

This next section examines the key themes developed from our research and their implications for the sustainable consumption literature.

Environmental concern seen as a recycling and waste problem rather than consumption issue.

One of the major findings of this research is that participant’s knowledge in relation to their consumption and its affect on the environment is reflected in their shopping and recycling habits. The participants all expressed a knowledge and willingness to discuss the issue of recycling and waste disposal and all were aware of green products which were biodegradable or included recycled packaging.

Maria: Yes, when I go shopping in Superquinn. I always use a bag for life type bag. Its ten pence a bag and when it wears out they replace it. It’s such a waste, all those other plastic bags. When I buy sprays I always try and get non-spray types, roll-on-deodorants. I try for the non-aerosol types of air fresheners. I try for recycled packaging as well. Here in the house we use the recycling bin.

Hanna: I generally don’t do that much shopping any more, but when I was I would generally try to get environmentally friendly products such as aerosols and so on, especially if there was a greener version. I also use the reusable bags I try not to use the plastic ones. We have a recycling system in our area and we do use that, I would be quite conscious of that. That’s really all that comes to mind.

Alexander: Yeah when I am buying two products I would look at the packaging, I would look if it’s recycled. I mean, I’m just going along and I just have a look to see if the packaging is recycled. If there are two products there and the recycled one is a bit dearer, I would get it. Aerosols and air freshener’s stuff like that, I would get a plug in rather than a spray.

None of the participants connected consumption with environmental degradation. The issue, as the participants lived experiences show is one of waste created by non-green products rather than consumption. As Gregory indicates the consumption problem, as he views it, is the non-biodegradability of products requiring more landfills, whereas if more recycling took place less waste would be produced. The most salient point here is Gregory’s indifference to using less, although very committed to recycling, consuming less is not an option for him.

Gregory: I have stopped using plastic bags, virtually. Like I just use a Superquinn bag, but I tend to forget it sometimes then sometimes I use a knapsack. I usually recycle bottles, cans. I would recycle stuff like cardboard, plastics if there were a collection, but there is no facility. Whereas there are bottle banks down the park. If it’s easy to do it I will do it like.

Interviewer: Have you ever considered using less as opposed to recycling?

Gregory: No I don’t think I ever thought about consuming less. I suppose it is probably better to buy a glass jar, rather than maybe plastic that is more difficult to recycle. I mean I do think about turning off lights.

Interviewer: Do you ever feel that consumption itself is the problem?

Gregory: Yes, but I think about in terms of waste really, landfills and that type of thing. I mean we are consuming all of these products, but there is always a by-product from them, and I suppose that’s the whole idea of this plastic bags thing. I mean I think we use a million plastic bags a day in Ireland that’s why prior to using the Superquinn bags I used a knapsack.
Hanna who works in a research laboratory links environmental damage to the issue of industrial waste. We also see that she, like the other participants, describes the consumption problem as one of waste and over-packaging.

**Hanna:** I mean like, even where in labs that I would work in, you would be conscious of the amount of incineration, I mean the amount of wastage their. All the plastics we use are all disposable, I mean if I am moving one piece of tissue from one universal to another, within that, a pair of plastic gloves have to be thrown out, I have used three universals, I have used tips and sterile's and things like that. The amount of plastics that are used are unbelievable and they have to be incinerated because they could be toxic.

In the case of Maurice we see that although he recognizes consumption as a problem, it is the number consuming rather than individual consumption that he feels is the cause of environmental destruction. This view is almost a mirror image of the attitude of the industrialized countries who urge less developed countries to curb and reduce their population growth while at the same time consumers of the industrialized countries consume most of the World’s resources.

**Maurice:** I would say undoubtedly population pressure…….. I just think its natural really, people are people they don’t.. I’m not sure if they overconsume. The majority of people consume as much as they need.

None of the participants equated their consumption habits as directly linked to environmental destruction. The issue, as the participants lived experiences show, is one of one of waste created by non-green products rather than consumption levels. The participants all felt that consumption was linked to environmental issues, but not in the way defined by environmentalists or the ecologically concerned. The findings from our research indicate a similarity with the findings of The Harwood Group in their study in the USA in 1995, which used focus group research. They found consumers did perceive a link between consumption and the environment, but it was vague and issues like recycling and pollution were more prevalent. More familiar concepts such as waste, pollution and recycling were seen as more directly related to environmental problems and solutions.

Our research is also intriguing when compared with a study carried out at the beginning of the nineties by Czinkota & Ronkainen (1992). The study employed a Delphi approach and surveyed 29 experts from business, government and academia and asked, “What are the major global trends and issues affecting marketing in the 1990’s and beyond?” The issue that rated highest was the environment; “consumers will demand more environmentally friendly products …Corporations will have to find solutions to environmental challenges through marketing strategies, products and services in order to remain competitive….New technologies for handling waste, sewage, and air pollution will proliferate.” Ten years later we have still not, it appears, moved beyond this prognosis, that is green products and tackling the supply side through technology is the way forward. We appear to be in a position where environmentalists and many academics now accept consumption as one of the root causes of environmental degradation, where issues such as recycling and waste are no longer considered fundamental. However, the most vital element needed in the equation to obtain sustainable consumption, that is the consumer is passive on the consumption issue and energetic and concerned on recycling and waste. This area has been completely ignored by consumer research to date, with the focus concentrated on specific micro issues (Heiskanen & Pantzar, 1997). Consumer research may need to look at why there is a lack of knowledge or linking between consumption and environmental problems. The focus on micro causes, although important, does not as Kilbourne, McDonagh & Prothero (1997) note address the “root causes”.

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Consumers’ failure to link their consumption practices with environmental degradation may also be connected to their understanding of the meaning of sustainable consumption. According to Robins & Roberts (1998) one of the barriers in an effort to get consumers to change their lifestyles has been consumers belief that sustainable consumption means giving up and losing out. As the UK Advisory Council on Business and the Environment put it ‘a sustainable future conjures up negative impressions – colder, darker and offering less choice and comfort’. This negative view may not only be confined to the issue of sustainable consumption, Reisch (1998) refers to the results of a study (Diekmann, 1995) on environmentally conscious consumer behavior which showed the discrepancy between extremely high environmental concern on the one hand (sixty to ninety percent of the European population think of themselves as environmentally conscious’) and low and inconsistent behavior on the other. The question is are consumers lacking the knowledge to engage in environmentally responsible behavior or is the image of environmentally responsible behavior the problem? Or perhaps more importantly is consumers’ quest for well being now so firmly entrenched in the philosophy of consumption that any notion of non-consumption as illustrated above, is a “colder, darker” place. According to McCracken (1986) people seek a meaning from goods that, does not exist in the goods, some seek to “appropriate kinds of meaning which they are not by some sober sociological reckoning entitled to”, others “attempt to constitute their lives only in terms of the meaning of goods”. All of these consumer pathologies are evident in modern consumer behavior. Woodruffe (1997) in her paper on compensatory consumption has argued that compensatory consumption is not limited to a restricted group of consumers who are repressed or suppressed. Compensatory consumption is “so routine, so quotidian in the lives of many consumers, whether it be responding to the frustrations of a traffic jam by stopping off at the petrol station to buy a mars bar…” (P.326). In her article she refers to Cohen and Areni’s (1990) view that an important function of normal consumption is to maintain consumers in a positive mood. Commodities as one can see from this perspective are used by commodity culture to uplift our emotions, to ‘cheer us up’ by purchasing and consuming.

Through this understanding of the importance of the role of commodities in consumers lives we can begin to question, whether consumers actually lack the knowledge, which relates their consumption habits to environmental degradation or if the actual concept of non-consumption ( or sustainable consumption ) is inconceivable to them for what it appears to involve, as Gregory put it “No, I have never considered using less”. Baudrillard (1970) views consumption as external to, and coercive over individuals. He emphasizes while it can, and does take the form of a structural organization, a collective phenomenon, a morality, it is above all else a coded system of signs. The use of that system via consumption is an important way in which people communicate with one another. The ideology associated with the system leads people to believe, falsely in Baudrillard’s view, that they are affluent, fulfilled, happy and liberated. Consequently, is the ideology of non-consumption in the minds of consumers a dark and cold place. Are consumers desires to purchase green products, and recycling, a genuine attempt for ecological progress but with the safety valve of the freedom to consume? No ‘real pain’ of limiting consumption and its inherent meanings. The message to consumers that, directly or indirectly, the consumption of goods and services causes social and environmental problems is important to the cause of sustainable consumption, however, in the context of our findings it is a complex issue for consumers involving the meanings behind consumption behaviors. All of the studies indicate a desire by consumers to behave in an environmentally conscious way, but these desires and behaviors are not reflected in their consumption levels, but rather in product choice and disposal. More importantly consumer research has failed to examine this issue.

Individual’s lifestyles affect green opinions.

The personal experiences of many of the participants had a strong impact on their views regarding the environment and also their actions. In the case of Maurice we see that his belief that population
pressure has placed a considerable strain on the Earth’s resources and also contributes to environmental
decline is reflected from his own personal experience of travelling through India.

**Maurice:** I’m not radically over consuming. I mean it is all right (it is over consumption) when you
see the amount of stuff we can get by with is very little… Interestingly when we (me and Catherine,
my girlfriend) were in India, I think people don’t consume very much, but they generate like huge
amounts of litter and the sort of environmental impact is huge. I’m not sure that over
consumption is, well it is obviously a contributing factor, I don’t think it’s necessarily the entire
cause although it has a huge environmental impact. I think that population density has a lot to do
with. I mean that’s obvious, you have like say ten people consuming twice as much as they should
do, are going to have less of an environmental impact than a thousand people consuming just what
they need.

In the case of Alexander his experiences and love of fishing has influenced most of his
environmental concerns and any changes he has made to his consumption habits have resulted from this.
His passion for the water has also resulted in an inherent dislike for those he feels responsible for
damaging its quality, even though it may have occurred in the past.

**Alexander:** … I’m just trying to think of lets say when I’m fishing or something like that, just
trying to think how would that tie in, because that could, well obviously with that I do care about
the environment. If I look at the paper and I see a river being polluted, things like that. For
instance like HB (an Irish ice-cream manufacturer) polluted the river Dodder twice in four years
and they put some effluent or something and ever since when I see HB it would put me off buying
an ice cream. Not that I buy them a lot but I’d be conscious of it. If I see a HB sign I go those so
and sos, they polluted the river and they were brought to court and fined and stuff like that, but still
its something strong. If I look at the paper, the river Dargle was polluted during the week and
again it would hit home. In terms of the environment the only time that I would, the environment
its difficult like, the way it would hit home to me is that through something tangible, like I’m able
to measure it, like water quality or something like that because that, would be a part of my life.
Things I do would make me think, like pouring detergent down a drain, because we are close to the
river.

Alexander still links a sign or logo of HB ice cream with water pollution and is essentially
boycotting the purchase of HB ice cream. This is a very important aspect as we can see here that a
commodity such as an ice cream communicates a very negative emotion to Alexander, in essence a sense
of anger. Through not purchasing HB products Alexander finds a means of retaliation, of punishing the
company for what they have done. Here, we see essentially what consumption is and its value to
consumers, that is its communication value, as declared by Baudrillard (1970) “consumption is an active
form of relationship (not only to objects, but also to society and to the world), a mode of systematic
activity and global response which founds our entire cultural system (P.77).” According to Baudrillard
(1968/88) in Postner (P.22) “consumption is neither a material practice, nor a phenomenology of
“affluence”. It is not defined by the food we eat, the clothes we wear, the car we drive, nor by the visual
and oral substance of images and messages, but in the organisation of all this as signifying substance.
Consumption is the virtual totality of all objects and messages presently constituted in a more or less
coherent discourse. Consumption, in so far as it is meaningful, is a systematic act of the manipulation of
signs”. Essentially what we are seeing is Alexander’s manipulation of products/ brands (signs) to
communicate a message. Appadurai (1986) notes that consumption is “a focus not only for sending
messages… but for receiving them as well”. According to Silverstone (1994) “We speak through our
commodities, about ourselves and to each other, making claims for status and for difference, and actively
and creatively marking out a map for the negotiation of everyday life”. This message-sending through the
consumption or non-consumption of particular products or brands, indicates not only the true value of
consumption, its sign value, but more saliently where the real power lies, and that is with the consumer. Beck (1996) notes that “citizens are discovering that the act of purchase can be a direct ballot which they can always use in a political way”. As Klein (2000) points out more and more consumers are using this power. More specifically, Dolan (1999) states “the commodity, whether consumed or not, becomes the totem of the power ratio between consumer and producer”. And in the context of this paper it is the link with non-consumption and its power that is significant, and which consumers such as Alexander demonstrate. As we see however this is linked to one's own lifestyles. Like Maurice, it is Alexander’s lifestyle that gives meaning to his opinions on the environment and his subsequent actions. Alexander’s passion for fishing has also noticeably impacted on his consumption habits, we have already seen his refusal to purchase HB ice-cream, but we also see that the type of fishing line he buys has changed so as not to harm wildlife. His interpretation of hitting back at those he feels responsible is also mirrored in his refusal to purchase or eat tuna. Any company or product that can be associated by Alexander to the environmental harm of water quality, or fish, leads to an angered reaction on his part. So, commodities for Alexander carry within them a system of signs and meanings.

Interviewer: When you are fishing are you very conscious of the quality of the water?
Alexander: Yeah very conscious, like I would not drop litter. Another thing I would be conscious of, actually this is something I do, when I am buying my fishing line, often when you’re on a river you see line discarded. Its got monofilament, and this stuff, like you could use and come back in a hundred years and it would still be there. I buy this kind of fishing line, well they’re not biodegradable but they decay over time. Now on the down side to that is if I use it this season well then next season it will just snap on me. But at least if I leave it or drop some of it, a bird is not going to get caught in it or whatever. That costs me more and I have the down side of it that if I don’t use it within a certain period it goes off. But I do make a conscious decision on it. And as far as I know it’s getting a lot more popular. You know you’d see a swan who might get caught up and it would be like cheese wire they would just cut through it eventually. If they got caught up on the line I would discard them would be ok. That's something now that I have actually changed my habits on.

Another issue again coming back to the fishing and also because it’s getting a lot of press, I wouldn’t buy a can of tuna, Dad would but I wouldn’t. I don’t mind it its ok but I wouldn’t eat it, and even if I go shopping and he has it on the list I won’t buy it. You know the dolphins and all that, which is a bit stupid, its like don’t eat the tuna because it might affect the dolphins, but what about eating the tuna. Anyway, also I think an issue that is important, I was watching a programme that was on yesterday, now I don’t know how this would relate to my consumption patterns, and it’s the issue of the whales being slaughtered, and sharks as well. I think probably that I feel so strongly about the water and the oceans and fish and the health of our oceans. Well I think to me it would be a very big issue. I mean its kinda tied into water quality and all that. Like I hate to see water polluted and stuff like that.

Yeah another issue that really annoys me, and it is going to affect my consumption habits, and has, and its I hate plastic bags. You have got the shopping centre just beside the river, now whenever there is a bad storm the whole river is littered with bags hanging from trees, and it was actually on the news that the minister is going to bring in a fine, a charge for using plastic bags of ten pence. I mean obviously that is such a hassle but you have to say yeah it makes sense, so you can see that that is going to affect my consumption.

Eating tuna or HB ice-cream carries a meaning for Alexander and in both these instances this meaning has negative connotations. A utilitarian or economic view of commodities in this instance is of little relevance, as neither are an issue for Alexander. The whole process of being viewed as a protector of
the waters (not eating tuna as it affects dolphins, using the right fishing line, boycotting HB, watching programmes regarding nature but particularly the oceans), is an image he has created for himself through the communicative power of commodities. The meanings carried by commodities allow Alexander to manipulate them so as to create the image he wants for himself. In this instance non-consumption of particular commodities carries powerful meanings. This contends with Baudrillards (1970) claims that commodities are not merely to be characterized by use value and exchange value, as in Marx’s theory of the commodity, but sign-value – the expression and mark of style, prestige, luxury, power, and so on – becomes an increasingly important part of the commodity and consumption (Kellner, 1989).

He contends that consumption may be analyzed from two basic angles,

1. As a process of signification and communication, based on a code into which consumption practices fit and from which they derive their meaning. Consumption here is a system of exchange, and the equivalent of a language.

2. As a process of classification and social differentiation in which sign / objects are ordered not merely as significant differences in a code but as status values in a hierarchy.

We must understand that the utilitarian aspect of commodities is not important, but their sign value, and the significance that the sign value carries. Through Alexander’s boycott of particular products he is effectively communicating a message and this is one of the most salient points of this paper, that is non-consumption and consumption are essentially the same when evaluated by their sign value under the paradigm of consumption as communication. Sustainable consumption therefore falls under this paradigm when evaluated by consumers.

Baudrillard (1970) introduced a concept he termed ‘personalisation’ – that little extra that can be found in the consumption of products that will bring us to our true personality, “that little touch that will show up our deep individual bent, the difference which will make us ourselves”. According to Baudrillard advertising as a whole has no meaning. It merely conveys significations. Its significations (and the behaviours they call forth) are never personal: they are all differential: they are all marginal and combinational. In other words, they are of the order of the industrial production of differences, and this Baudrillard believes serves as the most cogent definition of the system of consumption. It is important for us to grasp that this personalisation, this pursuit of status and social standing, are all based on signs. They are based not on objects or goods as such, but on differences. Only in this way can we understand the paradox of ‘underconsumption’ or ‘inconspicuous consumption’ i.e. the paradox of prestigious super-differentiation, which is no longer displayed in ostentation (Veblen’s conspicuous consumption), but in discretion, sobriety and self–effacement. His most important contention is that this differentiation may then take the form of the rejection of objects, the rejection of ‘consumption’, and yet still remains the very ultimate in consumption. It is crucial, he feels, to grasp this social logic of differentiation as fundamental to the analysis and to see that the exploitation of objects as differential, as signs – the level which alone specifically defines consumption – is precisely established upon the relegation of their use-value (and the needs attaching to it). As he puts it “all men are equal before objects as use-value, but they are by no means equal before objects as signs and differences, which are profoundly hierarchical” (Baudrillard, 1970, P.90). Applying Baudrillard’s concept we see that Alexander’s refusal to purchase certain products is an exploitation of objects as differentials, as signs. This manipulation of signs as we see can take the form not only through consumption, but more importantly through non-consumption. In the case of Alexander his adoption of a more environmentally friendly fishing line, or his non-purchase of tuna and his purchase of consumer goods are, if measured from an economist’s perspective, or utilitarian value are fundamentally different, however if measured by sign value, all three are the same, a form of communicating messages. However, much of the focus on progressing ecological concerns has taken economists’ perspectives, Reisch (1998) arguing that the lack of “environmentally sound pricing policies is one of the greatest obstacles that prevents consumers from making sustainable choices”. Our study
indicates that consumers are very conscious of the sign value of commodities and how these commodities or differentials are manipulated are dependent on consumers individual experiences.

“Material greens” and buying an image.

In this section we see that both consumption and environmentally responsible consumption are a means of constructing self-identity. Both are communication systems incorporating meanings and signs. For Alexander the image of hunter/gatherer is produced through his fishing, protecting the animals and fishing “at one with nature” through the use of special fishing line. The conflict here for Alexander is obvious, his image of hunter/gatherer and image of the Amazonian Indians content within their environment is in sharp contrast to the commodity culture within which Alexander lives. The paradox here is illuminating, as Alexander attempts to grasp this image through commodity culture, yet the image he desperately longs to be is essentially an identity created by its lack of commodities. He notes that the Indians have little of the consumer goods he possesses and yet they appear happy. McCracken (1988) posits that commodities offer a means of fixing our identities in fantasy (how we would like to be) rather than in reality (how we are), “Consumer goods are bridges to … hopes and ideals. We use them to recover this displaced cultural meaning, to cultivate what is otherwise beyond our grasp”. (McCracken, 1988, P.104)

Alexander: I see these Indians on National Geographic, in the Amazon and that, and they look really happy and all that and they are at one with nature. And they don’t have all the consumption items I have but they seem happy, theirs a guy he has his wife, he has a family. His house was different he didn’t have a TV, he sat down he talked to people, they told stories, he entertained himself. I genuinely think myself he has, his life might be harder physically, but I think he probably has a better quality of life than I have, you know. The more I kind of think about it myself, the image I have of this kind of Indian, this kind of hunter/gatherer, if I think of environmental issues I actually put myself into the role of hunter/gatherer. What I say to you about the tuna, and it fits in with my image of hunter/gatherer and that is maybe why with the jeans and that they don’t fit in with my role as hunter / gatherer. The reason I’m saying to you about this hunter gatherer thing is that is my whole idea of being a man, that’s where that’s coming from.

McCracken (1988) writes of ‘displaced meaning’ and consumption’s role in creating it. This displacement is between the real and the ideal, and is mediated through the commodities of mass consumption. In his view there is an intimate connection between consumer goods and hope in consumer societies and that goods can act as bridges to displaced meaning. We see from the dialogue below that Alexander has in essence manipulated his environmental concerns to create his image of hunter/gatherer. His concerns for the environment are not based on a desire to stave off ecological destruction or to protect his local environment, but to create an identity for himself. The environment has almost been commoditised by him to communicate certain meanings that create the identity he desires. This is one of the most important tenets of this paper and it supports the view of Prothero & Fitchett (2000) that “the green movement must develop strategies that will effectively commodify the idea that desiring fewer goods and services (no matter how green they appear to be) is a valuable commodity to acquire and be associated with”. Since he was a kid all Alexander’s images and identities have been created through commodities, those that wore cowboy hats and carried guns were the cowboy’s, while later the car he drives, clothes and cologne he wears projects who he is to others. Solomon (1983) reiterates that consumers not only display products for impression management but may also be used for self-definition. Considerable evidence of this can be seen from Miller (1995) who points out that the car now dominates the Trinidadian self-image, outweighing clothing in its ability to incorporate and express the concept of the individual. People are constantly recognized through their cars. Street dialogue constantly asserts that
men are attractive to women as much through the body of their cars as their own bodies and there are abundant sexual metaphors based on car parts. Dolan (1999), notes that commodities and consumption practices offer the most accessible means of identity construction and expression. According to Warde (1994), all acts of consumption, clothing, eating, tourism, entertainment are not only decisions about how to act but who to be. Klein (2000) indicates that youth and twenty something culture does not know any other culture than that to buy, and this can be seen from Alexander by his desire to buy his image, he knows of no other way to obtain an identity other than through consumption and the purchase of commodities. Silverstone (1994) has pointed out that commentators such as Schwach (1992), note that in the actual practice of consumption, goods are imagined before they are purchased, prior to any loss of illusion that comes with ownership. Purchase in this sense, is potentially, a transformative activity, marking a boundary between fantasy and reality, opening up a space (or not) for imaginative and practical work on the meaning of the object, either as a compensation for disappointed desire or as a celebration of its fulfillment. In this instance, it is the purchase of a commodity to bring Alexander closer to his “fantasy” that is actually destroying the image he needs to create. It is here that the role of the environment comes into play, it fulfills the role of a commodity, a means of communicating one's identity to others but also to one's self. Alexander has interpreted the environment as a strategic instrument deployed to create his hunter/gatherer image. Is this use of the environment as an identity creator any different than the process of branding and image creation used by companies such as Nike, as “Nikes magic slippers will help them fly-just as they do for Michael Jordan” (Klein,2000, P371)?

**Alexander:** I think what you are looking at is two people. I think you have an image and reality. Me buying the clothes is an image, me fishing is reality. When I'm buying clothes its to project an image which is an image that is not my image, as I said I bought that jumper because I saw it on TV and it was cool, and if I buy it I'm cool. When I'm fishing that's the image I have created myself. Like no one is on the TV going hey Indians are cool and you don’t see the Indian with loads of women running around after him. The Indian is the one who is dumb, can't really talk. That's my image that I have created not one where some image is created on the TV. That's my image and it's an image I have created that I have drawn from different areas. And not one that is created on TV. Like you have this, like the Indian I have created myself from National Geographic and different programmes and my own experiences when I am out fishing and how I feel in touch with my environment. Like it's not like the image I see on TV that is fabricated, like the guy on TV, who has all the clothes and all the women. Its like a total package whereas the Indian is different, and I can't go out and buy it. Thiers no product that I can go out their and say, like if I went out and bought a long bow, it doesn't mean anything, its something much deeper than that. That said if someone could come up with some product that could help me get more in touch with that I probably would buy it. Because it's really what I want I probably would buy it. Because probably the only way I know of getting an image is by acquiring it and probably any image I have got of my life was by buying it or that is buying a product that creates the image, I mean its kind of confusing.

The environment is almost a second skin for Alexander, a means of becoming closer to his image of hunter/gatherer. According to Belk (1988) clothing, housing and cars are all acquired as a ‘second skin’ in which others may see us, but because, in Alexander’s case, commodities such as consumer goods actually destroy the image he desires, the environment becomes his second skin, essentially a commodity. Alexander's consumption practices are what Buadrillard referred to as “equivalent to a language”. Commodities tell stories and communicate meanings and in the end Alexander is indicating if only there was a product that he could purchase, a commodity to create his image just like the “fabricated” image that is created on TV that Alexander too has bought into. McCracken (1988) noted that commodities offer a means of fixing our identities in fantasy (how we would like to be) rather than in reality (how we are). But therein lies the paradox for Alexander, the more consumer goods he obtains to try and create the identity of hunter/gatherer, the lesser the image becomes, and only through the environment and the consumption and non-consumption practices it creates for him can he come closer to creating his identity.
of hunter/gatherer. According to Slater (1997) modern identity is best understood through the image of consumption. Warde & Shove (1998) refer to social theorists such as Beck (1992), Giddens (1991) and Bauman (1988) who maintain that people define themselves through the messages they transmit to others through the goods and practices that they possess and display. They manipulate and manage appearances to create and sustain a self-identity.

Alexander is essentially a “material green”, intent on purchasing the image required, which in this instance is almost impossible, but by immersing himself within the environment he gets closer to his desired identity. Watts & Loy (1998) indicate that our sense of self, because it is a fragile construct, is inherently insecure and uncomfortable. The result is that we become obsessed with constructing our own identity, that is, with making ourselves real through different forms of symbolic fashion. As we have seen we increasingly construct our self-identity through consumption. Campbell (1987) maintains that because George Herbert Mead’s thesis concerning the dependence of self images upon the attitudes of others is generally presumed to be valid, changing one’s consumption habits in order to indicate a new identity to others is presumed to be the only way in which consumers can effectively adopt a new one for themselves. In to-days modern society Chaney (1996) refers to our obsession with continual identity construction, reconstruction and its projection. Significantly Dolan (1999) refers to the possibility of growing numbers of people seeking alternative means of cultural identity formation. Can this possible vacuum be filled through sustainable consumption? What we see from Alexander’s consumption of consumer goods and his environmentally responsible consumption is identity construction, but significantly the environment and non-consumption can play a role in self-identity construction. More significantly Warde & Shove (1998) maintain that personal identity might be expressed through a disciplined asceticism, through a rejection of glossy material culture or through the adoption of green consciousness and commitment. If sustainable consumption falls under the paradigm of consumption as communication it too can be used in identity construction and thus further advancing the prospect of a green commodity culture.

Conclusions and Future directions

This paper addresses the issues of the environment and consumption from a consumer's perspective. The key issues raised examine the lack of consumer knowledge regarding the effects of consumers’ consumption habits on our natural environment. In a society driven more than ever before by free market principles and the economic model of consumption and growth integrating sustainable consumption is undoubtedly a difficult task, but as Heiskanen & Pantzar (1997) note in a market driven economy the main responsibility for environmental degradation lies with the consumer. Is it within the communication value of consumption and the use of capitalist commodity discourse, as advocated by Prothero & Fitchett (2000), where the answer may lie?

Many theories of consumption espoused by sociologists (Giddens,1991,Bauman,1988, Beck,1992) represent all consumption as a process in which ‘meanings’ rather than tangible objects are actually ‘consumed’. The communication process within consumer culture incorporates both consumption and non-consumption as both carry meanings, the difference being in our Western society and in many Newly Industrializing Countries that the meanings behind consumption and the philosophy of ‘consume, consume, consume’ are presented as the ‘dream’, the ‘idyllic’, the good-life and happiness personified with no negative consequences; while those of non-consumption are those who are missing out on ‘real-life’. This problem is linked to consumers’ attitudes, as seen in the first theme of our research, as consumers, even when they are environmentally concerned, are still consuming, only they consume perceived green products and recycle more. The actual level of consumption is not identified as a problem and this is constantly threatened by our desires to fill our lives with meaning and create identity. Both
issues are irredeemably connected.

Not only do we use consumption, as we have said, as a means of creating self-identity, but we also use consumption, and marketing has played a significant role in this aspect, in attempting to fulfill our inner needs through consumption, an issue which has already been questioned by Kilbourne, McDonagh and Prothero (1997). The more we use consumption to fulfill these inner needs, the more importance we apply to commodities and the process of consumption. Van Dam & Apeldoorn (1996) note, the psychological role of possessions and materialistic consumption have been greatly underestimated by the proponents of ecological marketing and conserver thinking.

Consumers' preoccupation with identity construction, which now incorporates green behaviours or the “material green” attitudes, we have seen from our research leaves the issue of sustainable consumption at a point which has already been advocated by Prothero & Fitchett (2000) and to which this paper lends further support, that is to embrace capitalist social relations to further the ecological cause of sustainable consumption. In essence working within the current system to initiate change. According to Prothero and Fitchett (2000) the green movement must develop strategies that will effectively commodify the idea that desiring fewer goods and services (no matter how green they appear to be) is a valuable commodity to acquire and be associated with. But more importantly they ask “if conventional marketing efforts can employ a commodity discourse to furnish individuals with the same idea that two cars are better than one (or three are better than two) then the very same commodity discourse can be used by the green movement to encourage people to buy less”. It is our contention that the idea of commodifying the desire for fewer goods and services is further enhanced by this paper, through the examination of the sign-value of commodities. Furthermore, Baudrillard (1970) posits that the sign-value of commodities can quickly migrate from one commodity to another: “A washing machine serves as equipment and plays as an element of comfort, or of prestige etc. It is the field of play that is specifically the field of consumption. Here all sorts of objects can be substituted for the washing machine as a signifying element. In the logic of signs, as in the logic of symbols, objects are no longer tied to a function or to a defined need. This is precisely because objects respond to something different, either to a social logic, or to a logic of desire, where they serve as a fluid and unconscious field of signification” (p.44). We see here that Baudrillard is indicating that the desire for a specific object (commodity) can be transferred to desire for another object. And it is this which Gabriel & Lang (1995) believe makes sign-values fiercely contested as well as ideal material in the hands of marketers. However, if as our research indicates, the environment can be commodified under sign value (lending support to the possibility of commodifying the concept of sustainable consumption) could it replace the desire of a specific object just as Baudrillard contends between two objects. Before we can move this far we must start at the beginning and it would seem apparent that from our research consumers are not linking consumption in itself with environmental degradation; consequently, we must start there, if we are to initiate change and move towards more sustainable consumption practices in the future.

References


Consumption Ideology and the Dominant Social Paradigm in the UK: Is Demarketing Consumption a Necessity?

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Abstract

In this exploratory study of the relationship between the dominant social paradigm (dsp) and consumption ideology, a conceptual definition of the dsp is developed and includes economic, political, and technological dimensions all of which function within an anthropocentric background. A sample of university students was taken in England, Scotland, and Wales and their position on the dsp was measured by a questionnaire developed for the study. Their willingness to limit consumption, trade economy for ecology, and their perception of necessary social change were also measured. The results of the analysis indicate a negative relationship between the consumption variables and the dsp as hypothesized in the study.

Introduction

Beginning in the early 1970’s, the rationality of geometrically increasing levels of consumption was called into question within the marketing discipline (Fisk, 1973). The theory of responsible consumption was developed which argued that irresponsible resource use resulting from U.S. style mass consumption would have dire future consequences. From an ecological perspective, Fisk (1973; 1974) argued that technologies could be used to demarket extravagant consumption and engender in society rational consumption priorities. It was further argued that advertising could be used to inform and persuade consumers to act differently. Thus it was suggested that rational limitation of consumption could have positive ecological effects. For the next decade, few in the marketing discipline followed the initial call for demarketing consumption on ecological grounds although research on the topic of green marketing did increase (Kilbourne and Beckmann, 1998).

Much of the research regarding the relationship between consumption and ecology that followed focused less on limiting consumption and more on altering consumption patterns toward green products. While this does not suggest limiting consumption, it does suggest altering product selections. The critical factor in this stream of research was the tacit assumption that if consumers were made aware of the ecological consequences of their actions or if their attitudes toward the environment were transformed, they would willingly change their consumption behavior appropriately. However, it was increasingly evident that while attitudes over a two-decade period reflected greater ecological concern, an attitude behavior gap was developing. Individual attitudes were changing in the desired direction, but the necessary changes in consumption were not following suit (Grunert and Juhl, 1995). Individuals were neither changing to green products in significant quantities nor limiting consumption.

Within the 1980’s, a new basis for the limitation of material consumption evolved. Based primarily on the concept of voluntary simplicity (Elgin, 1981), which goes back at least to Emerson and Thoreau, it argued from a salutary perspective that simplifying one’s consumption practices could result in increased quality of life. This was contrary to the “ideology of consumption” (Hetrick, 1989), which suggested that the way to happiness was through increased material consumption or that consumption might be somehow therapeutic (Lears, 1983). It was also suggested in this perspective that personal growth might be retarded when approached through the consumption process (Kilbourne, 1987;
Kilbourne, 1991). As with the ecological approach, the emphasis here was the limitation of consumption, and, once again, there has been little evidence that large numbers of individuals have chosen to deny materialism and reduce their consumption.

Each of these perspectives is, of course, limited in the scope of analysis. It has been argued more recently that consumption matters for a diversity of reasons. Primarily, consumption practices reflect cultural biases and peculiar ethics of the self that are built into them (Dolan, 1999). As a result, changing consumption patterns may require deeper cultural shifts than suggested by either the ecological or voluntary simplicity arguments thus far developed. It is these cultural shifts that the present paper will examine. If the ideology of consumption is deeply embedded in culture, then admonishing consumers to consume less would be tantamount to asking them to be less happy. We might expect in such a case that the call would go unheeded.

As can be seen, there is no shortage of perspectives from which consumption may be examined and rather extensive analysis of the activity has been rendered from each. The perspectives include, but are not restricted to historical, anthropological, economic, postmodern, ecological, sustainability, sociological and psychological. While all of the perspectives can be seen as quite different in their approaches, they have something in common as well. They all approach the problem from within a similar paradigm that has become known as the dominant social paradigm (DSP) of Western society.

Paradigms
The popularity of this framing can be attributed to Kuhn (1996) who used the term in the examination of transformations in science. Pirages and Ehrlich (1974) expanded the notion of paradigm and appended “dominant social” to it. They described the DSP as “The collection of norms, beliefs, values, habits, and so on that form the world view most commonly held within a culture…” (p. 43). Milbrath’s (1984) definition of the DSP is quite similar to Pirages and Ehrlich’s. Kuhn (1996) adds a dimension to the definition by including in the DSP objects of interest and relationships between them. He now uses the term “disciplinary matrix” rather than paradigm. Cotgrove (1982) elaborates further suggesting that a paradigm is 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 (Rifkin, 1980). This is the perspective from which the present paper is developed. It is argued here that whatever one’s conclusions on the nature, role, or practice of consumption in the 21st century, it must rest, at least in part, on the foundations of the DSP of Western industrial societies. To develop this perspective and provide a framework for the empirical analysis that follows, the elements of the DSP relevant to the model tested herein will be briefly examined. From this conceptualization, hypotheses relating the DSP to one’s willingness to limit consumption or trade economic well being for other factors will be derived.

The Dominant Social Paradigm
While the concept of a DSP was developed within the environmental framework, it has been expanded to include other areas as well. This includes the ideology of consumption and its relationship to contemporary definitions of quality of life (Kilbourne, McDonagh and Prothero, 1997). Specifically, it is argued that the DSP of Western industrial societies informs and justifies the belief that increasing material well being provides the basis for progress. This idea of progress is traced from Enlightenment science to liberal economics and politics. Since the mid 19th century, material well-being has been the primary constituent of the definition of progress (Bury, 1932). Evolving from the Baconian ideal of science, this
definition is openly anthropocentric and utilitarian (Kilbourne, 1995) and migrated to liberal economics and politics in the succeeding century recreating them in its own anthropocentric and atomistic image.

This new image of consumption is informed by neo-classical economics, laissez faire politics, and unconstrained technological growth. Because of its essential relationship to the dsp, virtually no one questions its existence or visualizes potential transformations in its nature. It becomes part of the cultural background integrated into the economic, political, and technological elements of the dsp. Any critique of the ideology of consumption then requires exposing the “commodification of life” in which non-market areas of life are absorbed by the liberal market (Heilbroner, 1985). If problems arising from the ideology of consumption could be resolved by altering specific behaviors, then such remedies as market incentives, legal action, or technological fixes might serve. If, however, as suggested here, the ideology of consumption were tied intimately to the dsp, such tactical policies would be ineffectual, as they would contradict fundamental beliefs supported by the dsp. In this case, a broader understanding of the dsp and its economic, political, and technological dimensions would be necessary if the desired end were the limitation of consumption for ecological, personal, or social reasons.

The basic elements of the dsp to be examined here are the economic, political, and technological. In addition, the anthropocentric structure directing these dimensions will be examined. To develop hypotheses regarding these dimensions a brief exploration of each and its relation to the ideology of consumption will be provided. Since the dsp was most directly the product of Enlightenment thought (Merchant, 1980), the analysis will begin with that period.

**Anthropocentrism**

A brief explanation of anthropocentrism will be provided here because it forms the background against which the other dimensions have evolved historically. Because it is argued to be so influential in the development of Western metaphysical ideas (Dryzek, 1987; Dobson, 1990; Eckersley, 1992) it will be considered a separate dimension here. The underlying Enlightenment development of anthropocentrism is human centeredness in which humans are separated from and are elevated above the rest of nature (Eckersley, 1992; Gladwin, Newbury and Reiskin, 1996). The consequence of this is the view that all value in non-human nature is instrumental value at the disposal of humans. The development of modern science has, since its inception, been for the domination and control of nature to provide for human felicity (Merchant, 1992). Assumptions engendered by science during the Enlightenment shaped the later development of both politics and economics (Kilbourne, 1995; Gladwin et al., 1996). It is also argued that, while attractive philosophically, the undoing of anthropocentrism is problematic because it is imbedded in socio-economic realities of contemporary industrial societies (Purser, Park and Montuori, 1995).

It has been demonstrated that there is a weak negative relationship between consumption and anthropocentrism in an environmental context. Thompson and Barton (1994) showed that individuals who saw nature in its own right rather than instrumentally were more likely to engage in conserving behaviors than their more anthropocentric counterparts though the result was weak. However, their definition and measurement of anthropocentrism is different than what is proposed in the conceptual literature from which the measurement here is derived. The focus here is on the distinction between humans and other organic forms, the instrumentality of nature, and the importance of humans in nature. From the conceptual definition and the limited empirical results the first hypothesis for the study can be derived.

H1: There is an inverse relationship between anthropocentrism and willingness to change consumption habits.
**The Science/Technology Dimension**

Capra (1982) argues that the shift from the organic to the mechanical worldview resulted in a new conception of reality that has dominated our culture since the Enlightenment. Specifically, it manifested itself in two ways: our view of nature and our view of science/technology. It will also be shown that it impacted our views of political and economic thought. With respect to science and technology, the dominant figures were Bacon (1944) and Descartes (1916) who developed the contemporary view of science. Within their thought, the purpose of science and technology was predominantly the elimination of the "inconveniences of man's estate." Eliade (1962) adds, "It is the specific dogma of the nineteenth century, according to which man's true mission is to transform and improve upon Nature and become her master, ... (p. 172)." These two features combined to transform science and technology into the paragon of human achievement.

The new vision of nature as raw material for the satisfaction of human material needs removed proscriptions and constraints on the violation and exploitation of nature (Shiva, 1988; Merchant, 1992). Thus, the essence of science and technology was transformed from the Greek ideal of knowledge to the contemporary ideal of domination and control (Leiss, 1972). Further, this control would be achieved through deconstruction and reduction of nature. The characterization of nature as a machine rather than a living organism allowed the ascendance of humans in the hierarchy of being. We are no longer a part of nature, but above it and superior to it (Ehrenfeld, 1978). As a result of the Enlightenment project, nature was demystified (Lewis, 1947) and reduced to instrumental value through which industrial technologies deliver an array of consumer goods (Leiss, 1990).

With the success of science and its practice in the material world, its union with industry became inevitable through the medium of technology. Both Bacon and Descartes extolled the application of technology as the means to compel nature to relinquish her fruits for the betterment of humanity. Of this union, Heisenberg (1962) states, "Therefore, natural science turned into technical science; every advancement of knowledge was connected with the question as to what practical use could be derived from it (p. 197)." And in almost all cases, the practical use became increased capacity to produce within industry and the concomitant increase in the capacity to consume.

Technological optimism best describes the attitude toward science and technology within the dsp. It is the basic belief that technology will provide the solution to whatever problems and opportunities arise (Ehrenfeld, 1978). The geometric increase in consumption, even on a global scale, can be sustained into the future with few problems. If this is the belief within the dsp, then it would be expected that its supporters would be less willing to sacrifice consumption or trade off economic well being for other less material goals. This is the second hypothesis to be tested.

H2: There is an inverse relationship between technological optimism and willingness to change consumption habits.

**Political Dimension**

The relationship between the development of science and technology and English liberal thought forms the basis for their encroachment on political thought. There are several factors that require illumination as to their role in ideology of consumption that will now be addressed

**Possessive Individualism**

Since the new anthropocentric and atomistic paradigm was working well in unraveling the mysteries of the physical world, it was a natural extension to apply the new methods to the social world. It is here that science and technology invade the political through the liberal philosophy of Locke (1954;
The fundamental unit of analysis for Locke was the possessive individual from whose self-interest the general will of society could be extrapolated. The possessive individual is one who is free from the will of others, who enters into social relations voluntarily, is the proprietor of her/him self and capacities, and may alienate the capacity to labor. From the collective perspective, civil society is a series of market relations between such individuals and political society is for the protection of self and property and the maintenance of orderly exchange relations. This is predicated on a like freedom for all other individuals in society (MacPherson 1962).

**Private property**

The step to a justification of private property was a short one once possessive individualism in a market society is established. Since individuals are in possession of themselves, then all that they attach their labor to becomes their property. This presupposes a natural right to property independent of civil society, which is taken as axiomatic. Locke first justified the right to private property through the application of one's labor. He then justifies the elimination of sanctions against unlimited accumulation by eliminating the necessary cornucopian assumption that there be "as much and as good" for others and the spoilage limitation. The first is resolved by arguing that the distribution of excess production will be equitable for those who do not have land, and the second is resolved by the use of money as a medium for the storage of wealth. Thus it is seen that it is a right to a living standard that must be as good, not a parcel of land.

Unequal appropriation and enlargement of one's possessions becomes a virtue then if the fundamental test of a better living is passed. As long as those without land can get subsistence by selling their labor (the alienation of labor condition) to those with land, their subsistence can be improved. Further, the right to the product of alienated labor rests in the provider of wages, not in the provider of labor (MacPherson 1962).

**Procedural Neutrality**

The purpose of liberal politics in the democratic state was limited to the protection of individuals' property in themselves and their goods and for maintaining orderly relations in market exchanges such as the enforcement of contracts. And further, the state was to remain neutral in all matters concerning the good. Individuals were free to pursue whatever version of the good they imagined so long as this did not infringe on the right of others to do the same.

These are then the primary elements of liberal political philosophy in the dsp. The fundamental unit is the possessive individual freely behaving according to perceived self-interest. Self-interest becomes construed as interest sought through the unlimited acquisition of material property. And finally, with democratic institutions to protect and encourage property rights, the necessary conditions for the evolution of the ideology of consumption are in place.

It should be pointed out that at this time in the development of social theory, economics was still subservient to the political and the relationship was not to change fundamentally until Adam Smith (1937). However, the economic did not escape Locke whose works on property rights and material wealth were to set the stage for Adam Smith and later, the fully developed ideology of consumption.

Political liberalism best describes the political philosophy of the dsp. It is an atomistic theory of free individuals pursuing their own conception of their well-being on an equal political footing with others. It is a laissez faire political structure in which one individual’s interests do not take precedence over another’s (Ophuls, 1977; Sandel, 1996) (Rawls, 1993). From this assessment, the third hypothesis can be stated.
H3: There is an inverse relationship between political liberalism and willingness to limit one’s consumption behavior.

Economic Dimension

With the transformation of avarice from vice to virtue, the political was transported to the economic in the form of unbridled pursuit of self-interest as the sole motivator and justification of behavior. The idea of self-interest held so strong an appeal that no one even bothered to define it. It is significant to recognize that self-interest was originally a political construct not an economic one, and its use in economics signified a conflation of the two disciplines (Hirschman, 1977). It was Smith (1937) who drove the intellectual wedge between politics and economics suggesting that economics could stand alone. With the successful application of technology to industry and the virtual elimination of moral and political restraint on consumption, the door to the ideology of consumption was wide open. With each individual pursuing economic self-interest in the form of unlimited material accumulation, all would be released from the political and social proscriptions history had imposed on them (Ophuls, 1977).

While it was not for another century that the political and moral dimensions were to be cleaved completely from economics, the "Invisible Hand-writing" was on the wall. It took the success of physics to sound the death knell for an economics "burdened" by the value non-cognitive elements of politics and morals. To be a "science," economics had to exorcise these scientifically unsavory constructs. The end result was a deconstructed, reductionist discipline with self-interest as the sole motivator and utility as the singular goal that became the apotheosis of the social sciences (Mirowski, 1988; Mirowski, 1989).

Neo-classical economics hypostatized an eco-mutant calculating machine who negotiated through a sterile culture in which institutions and social relations did not interact with essential market processes. With utility as a metaphor for production and consumption, the essence of each was reduced in a social deconstruction that separated them from reality. The locus of creation was separated from production and the locus of destruction was separated from consumption. This effectively negated the essential features of both, i.e., production is primarily consumption (of resources) and consumption is primarily production (of waste). It also removed the environment from economistic consideration, a condition that persists to the present when direct consequences of national economic activity are still considered "externalities," and its impact on social relations and ecological degradation in developing nations is largely ignored. The nature and level of Western consumption thus becomes independent of the global ecology and social relations. Negative effects on both counts are relegated to the “necessary costs of progress.”

The political ideology that justifies economic growth, unequal distribution of wealth, and exploitation justifies itself through the concept of Pareto Optimality. By engendering the belief that only absolute, rather than relative, wealth is important in economic justice, the imperative of economic growth materializes as it is only through continuous growth that elites can incessantly and uncompromisingly increase their wealth without appearing unjust. While justifying maldistribution of wealth, both domestically and internationally, this condition promotes irrational consumption and ecological degradation in its wake. Yet it is the mainstay of the economic dimension of the dsp (Kassiola, 1990).

Economic liberalism best describes the economic dimension of the dsp. It is the basic belief that the pursuit if individual self-interest in unconstrained markets provides the best solution to all allocation problems. Continued economic growth legitimizes disparate accumulations and encourages everyone to increase their own consumption. This provides the fourth hypothesis to be tested.

H4: There is an inverse relationship between economic liberalism and willingness to limit consumption behavior.
RECAPITULATION

It is the confluence anthropocentrism and the three anthropocentrically motivated factors, the technological, political, and economic that makes up the dsp and leads to the apparent intractability of both the physical and the social limits to growth problems. They combine to create not just a set of independent ideas within individuals, but a consciousness. It has been forcefully argued that it is an ideology in the pejorative sense (Marcuse, 1964; Lang, 1967; Marcuse, 1969; Habermas, 1971) engendered to benefit an elite minority at the expense of the many and the environment.

Demarketing consumption is problematic when the full implications of the context are appreciated. For now we must locate the source of the ideology of consumption and its negative ecological (Mishan, 1967) and social (Hirsch, 1976) consequences within a three dimensional construct consisting of a technological, a political, and an economic dimension. These are informed by a fourth labeled here as anthropocentrism. To suggest that we must demarket consumption in the cultural context of the dsp is far more difficult than if we assume there are singular entities labeled consumption behavior or ecological concern that are not integrated into the dsp of a culture. Despite the potential integration of the dsp and consumption values, their independence is the assumption that has been made implicitly in virtually all research in marketing as it relates to the environment, and it represents an extreme oversimplification of the situation. The hypotheses developed for each of the dimensions of the dsp will now be subjected to empirical investigation. In addition, a country comparison will be made to determine if the paradigm is consistent across the three countries used in the study.

METHODOLOGY

Sample

The sample consisted of university students from three large universities, one each in Wales, Scotland, and England. Questionnaires were passed out during class periods, but students were not required to participate if they chose not to. No compensation or class credit was given for participation. Thus a convenience sample of 314 was used in the study. The sample consisted of 142 from England, 65 from Wales, and 107 from Scotland. Since all respondents were students, the only demographic data collected was gender, age, and marital status as there would be too little variation in other demographic variables. The student sample was considered appropriate here because of the nature of the variables being studied. Specific consumption behaviors were not being questioned and dsp measures are considered to be deep rooted in the individual, developed early in life, and likely to change only slowly in adult life.

Questionnaire Design

The questionnaire consisted of three sections ostensibly measuring socio-economic, anthropocentric, and environmental factors. A fourth section consisted of fifteen attitudinal items on various topics. The environmental section was not used in this analysis and only items relating to willingness to change and perceived necessity for change were used from the last section. Since there is no scale similar to the one used here to define the dsp, an exploratory principle components factor analysis was performed with a varimax rotation to determine the dimensions of the dsp contained in the data. All items pertaining to economic, political, technological, and anthropocentric attitudes were subjected to a pooled analysis of respondents across the three countries. The result was a five factor solution explaining 56% of the variance, but the scree plot indicated that only four factors should be retained. The four retained factors explained 50% of the variance. The first factor was a measure of anthropocentrism and included items like “What is best for humans is more important than what is best for nature.” The second factor was economic and included such items, as “The best measure of progress is economic.” The third factor was technological and included items like “Advancing technology provides us with hope for the future.” The last factor was political and included items like “Political equality can
be attained only by changes in election procedures.” Approximately half of the items were randomly reversed on the questionnaire.

Thus the exploratory factor analysis indicated that the dimensions defined in the introduction were supported by the data. Factor scoring coefficients for each of the factors were used as the independent variables in the study to maintain orthogonality. Scores for dsp measures were arranged so that a higher score indicated greater belief in the dsp.

The dependent variables in the analysis were individual items expressing the respondent’s willingness to consume less and trade off economics for the environment if necessary. One additional item was used to assess the respondent’s perception of the amount of social change necessary in the future to alleviate potential resource problems. Thus there are both individual and societal measures examined. Scoring of the change variables was such that a higher score indicated individual willingness to change and a greater amount of necessary societal change. In accordance with the hypotheses then, the relations between the dsp variables and the change variables should be inverse. As belief in the dsp increases, willingness to change should decrease.

Analysis
To test the hypotheses, multiple regression was used. Three regressions were run regressing the three change variables on the four dsp variables. In addition, to examine the relationship between the three countries, an indicator variable was added to the equation. This allowed for comparing the main and interaction effects across countries to determine if the dsp has the same effect in each country.

Results
The results of the analysis, presented in Table 1, indicated that the hypotheses were substantially confirmed with only a few exceptions. In the relationship between the economic, political, technological and anthropocentric dsp variables and willingness to limit consumption in the future, all relationships were significant (p<.02) except the technological. The hypothesized model explained 21% of the variation in this analysis. In addition, as predicted in the hypotheses, all the beta coefficients were negative indicating the inverse relationship hypothesized. The analysis also indicated that there was more willingness to limit consumption among students in England than Wales when dsp variables are controlled. None of the interactions were significant indicating that the dsp variables had the same effect in all three countries.

Table 1. Standardized regression coefficients for DSP and Change Variables

<table>
<thead>
<tr>
<th>Description</th>
<th>Model R²</th>
<th>Anthropocentrism</th>
<th>Economic</th>
<th>Technology</th>
<th>Political</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limit Consumption</td>
<td>.21</td>
<td>-.337</td>
<td>-.170</td>
<td>-.015</td>
<td>-.119</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(.001)</td>
<td>(.001)</td>
<td>(.760)</td>
<td>(.021)</td>
</tr>
<tr>
<td>Trade Economy for</td>
<td>.45</td>
<td>-.558</td>
<td>-.245</td>
<td>-.177</td>
<td>-.171</td>
</tr>
<tr>
<td>Ecology</td>
<td></td>
<td>(.001)</td>
<td>(.001)</td>
<td>(.001)</td>
<td>(.001)</td>
</tr>
<tr>
<td>Social Change</td>
<td>.12</td>
<td>-.310</td>
<td>-.159</td>
<td>-.042</td>
<td>-.108</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(.001)</td>
<td>(.003)</td>
<td>(.447)</td>
<td>(.045)</td>
</tr>
</tbody>
</table>

p-values for the coefficients are in parentheses.

For the second variable, willingness to trade off economy for the environment, a similar but more pronounced relationship was found. Here all the beta coefficients were significantly different at p<.001 and the model explained 45% of the variation in the dependent variable. As before, all the coefficients
were negative indicating the hypothesized inverse relationship. However, in this case, the effect was the same for all three countries as there were no country effects or interaction effects.

Finally, for the variable indicating perceived social change, the hypotheses were substantially confirmed. For this variable, all the dsp variables except technology were significant (p<.04), and the model explained 12% of the variation. Again there were no country differences or interactions indicating that the dsp operates the same across countries in the sample. The means scores for all variables are presented in Table 2.

Table 2. Mean Scores by Country

<table>
<thead>
<tr>
<th>Description</th>
<th>England</th>
<th>Scotland</th>
<th>Wales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anthropocentrism</td>
<td>-.17</td>
<td>.04</td>
<td>.20</td>
</tr>
<tr>
<td>Economic</td>
<td>-.24</td>
<td>.34</td>
<td>.13</td>
</tr>
<tr>
<td>Technological</td>
<td>-.28</td>
<td>.27</td>
<td>.21</td>
</tr>
<tr>
<td>Political</td>
<td>-.18</td>
<td>.10</td>
<td>.18</td>
</tr>
<tr>
<td>Consume less</td>
<td>5.47*</td>
<td>4.82</td>
<td>4.56</td>
</tr>
<tr>
<td>Trade economy</td>
<td>5.82</td>
<td>5.05</td>
<td>5.06</td>
</tr>
<tr>
<td>Social change</td>
<td>5.94</td>
<td>5.62</td>
<td>5.62</td>
</tr>
</tbody>
</table>

Means for DSP variables are standardized
* P<.01 for difference between England and Wales

Summary And Conclusions
The purpose of this study was to begin an examination of the dsp and its relationship to the ideology of consumption. There were four dimensions of the dsp developed from an examination of the conceptual literature. These dimensions were economic, technological, and political. It was also hypothesized that these dimensions were related to a fourth called anthropocentrism. The ideology of consumption is defined as the belief that increased consumption leads to happiness, and this has become intimately related to the prevailing definition of progress in contemporary industrial societies. These factors then are incorporated into the dsp of Western industrial societies.

Because consumption is integrated into the dsp of industrial societies, it is hypothesized that arguments admonishing consumers to consume less, whether for social, personal, or environmental reasons will be less effective in promoting change than recent marketing literature assumes. If it were shown that consumption values were integrated in the dsp, then changes in consumption behavior would necessarily involve changes in the dsp as it relates to consumption. The purpose of this paper was to begin such and investigation.

A sample of university students was drawn from three countries, England, Scotland, and Wales, and they were administered a questionnaire to determine their position on the dsp, their expressed willingness to change consumption behavior, and the amount of social change necessary to preserve resources. The relationship between the dsp and these change variables was then examined. It was hypothesized, based on the conceptual literature, that there would be an inverse relationship between the dsp and willingness to change. Thus, if one’s position on the dimensions of the dsp were high, their willingness to change would be low. The results of the analysis substantially confirmed all the hypotheses. It was shown that there was an inverse relationship between all change variables and the anthropocentric, economic and
political dimensions of the dsp. The technological dimension was a significant predictor of willingness to trade economy for ecology only, but not the other two.

While the results of this study are exploratory, the evidence suggests that consumption behavior is more complex than previous research focusing on the limitation of consumption implies. While in most cases it is assumed that, for example, if consumers are made aware of the environmental consequences of their behavior, they will willingly reduce their consumption. Or if proponents of voluntary simplicity make a compelling argument, they will recruit new consumers to their low consumption way of life. The results of this study suggest that the process is more complex than admonishing consumers to limit their consumption for whatever therapeutic benefit that might arise. Rather, they are being asked to violate a fundamental principle of progress that is incorporated into the dsp. They are asked to consume less in a culture that subtly demands more consumption, and they are asked to be content with less in a culture in which personal validation is still subtly linked to the possession of property.

If this relationship is confirmed in future research, then there are substantial policy implications. It suggests that if one desires consumers to limit their consumption for whatever the reason, informing them of the consequences of their behavior will not be sufficient to effect meaningful and lasting change. What would be necessary is to effect transformations in the dsp itself in addition to informing consumers of the consequences of consumption behavior.

While the results of this paper, because of its limitations, do not confirm the relationship between the dsp and consumption, they do suggest a starting place for the examination. There may be other dimensions of the dsp not examined here, and the results suggest this is the case. There may be other ways of defining the dsp that may further illuminate its relationship to consumption. As Dolan (1999) suggests, the relationship between culture and consumption is a complex one and can have meaning along many dimensions. All of these need to be examined if one wishes to change the consumption behavior of a society.

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Rethinking Green Consumption

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Abstract

It has been argued that contemporary Western consumption levels are ecologically unsustainable and that environmentally more responsible consumption is necessary. Existing conceptualizations of green consumption mostly take a traditional view of consumption as a rational activity directed towards need satisfaction. In the consumer behavior literature, however, anthropologically inspired views of consumption as a cultural activity are becoming more prevalent. Such notions of consumption have so far been largely missing from the green marketing literature. This limits the insights gained from green marketing research and academics working in this area should engage more comprehensively with alternative conceptualizations of consumption. We raise some preliminary propositions and questions regarding the relationship between consumption as a symbolic, cultural activity and the goal of sustainability.

Introduction

Kilbourne and Beckmann (1998) in their extensive review of the literature on the relationship between marketing and the natural environment suggest that new macro-oriented directions in theory and research are required. This paper takes up that challenge by examining, and ultimately expanding, the notion of green consumption within wider debates about the social and cultural meaning of consumption. Given its centrality to green marketing theory, it is perhaps surprising that, to date, theoretical debates around the conceptualization of green consumption have been largely lacking. Whilst some critics have certainly attacked the very notion of green consumption and its limitations in delivering a genuinely sustainable society (see Irvine and Ponton, 1988; Kilbourne et al., 1997) the accepted orthodoxy in the green marketing literature of what green consumption actually is and represents as a form of consumer behavior has not been challenged. There is a striking homogeneity in extant conceptualizations of green consumption, based almost entirely on the micromarketing model of rationalistic, information-processing view of the consumer as found in most mainstream marketing textbooks and as derived from neo-classical economics. It is our view that such a conceptualization is somewhat limiting in epistemological terms, and fails to acknowledge, never mind embrace, the growing heterogeneity in the consumer behavior literature, as well as the need for a more developed macromarketing view of green marketing. Indeed, we shall endeavor to show that certain new views of consumption can contribute enormously to our understanding of green consumption in contemporary society.

In order to achieve this goal, we set our discussion of green consumption firmly within the context of sustainability. After all, it is widely argued that from a macro point of view, current (and ever increasing) levels of consumption pose enormous barriers to the development of sustainable business solutions (Kilbourne et al., 1997). Hence, in this paper, we shall first set out the challenges of sustainable consumption. Having done so, we shall present the dominant conceptualization of green consumption in the literature, exploring its limits and limitations, not only as an adequate representation of consumption behavior, but also as a fundamental framework for understanding and fostering sustainable consumption.

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The main part of the paper shall examine some alternative views of consumption and seek to articulate what new insights and challenges might be revealed. Finally, we shall offer our view of which changes in direction green consumption research might usefully and legitimately pursue in order to develop an understanding more rooted within the macromarketing perspective.

**Green Consumption and Sustainability**

Green consumption is often thought of as the process of avoiding certain types of products, such as those which cause pollution, are natural resource intensive, are excessively packaged, involve animal cruelty, etc. (Elkington and Hailes, 1988). However, it can also represent positive product choices (such as decisions to buy environmentally branded products) and even decisions not to purchase at all, or to change use and disposal behaviors (Banerjee and McKeage, 1994; Schlegelmilch et al., 1996; Minton and Rose, 1997). Hence, we can think of green consumption (or green consumer behavior) more broadly as the purchasing and non-purchasing decisions made by consumers, based at least partly on environmental or social criteria (Peattie, 1995: 84). It is, therefore, a generally accepted verity (at least in the marketing literature) that from an environmental point of view, more green consumption is good, and that less is bad. If we buy more recycled paper, then this is good for the environment, but conversely, if we buy a washing powder containing phosphates, chlorine and bleach, then this is going to have negative environmental consequences.

To a considerable extent, this simple assertion has represented the raison d’être of green marketing, for it suggests that environmental improvement can be achieved by developing and marketing environmentally beneficial (or at least less harmful) products. Research has thus sought to identify and analyze such green consumption values, attitudes and behaviors (Bohlen et al., 1993; Minton and Rose, 1997; Roberts and Bacon, 1997; Balderjahn, 1988), as well as exploring ways to segment and target such consumers (Kinnear et al., 1974; Roberts, 1996; OZanne and Smith, 1998). This has also been the starting point for much of the other research published within the green marketing literature, such as examinations of the new product development process for goods and services targeted at environmentally-concerned consumers (Dermody and Hamner-Lloyd, 1995; Polonsky and Ottman, 1998), analyses of green communications aimed at informing and encouraging green consumption (Banerjee et al., 1995; Lord and Putrevu, 1998; Polonsky et al., 1998), and explorations of how to improve the eco-efficiency of products, distributions systems and reclamation and recycling systems integral to the wider purchase and disposal cycle of green consumption (Schmidheiny, 1992; Schrum et al., 1994; Meijkamp, 1998; Fuller, 1999).

Whilst such examinations of green consumption and green consumers have long been central to the green marketing literature (albeit using slightly different terminology, see Kassarjian, 1971; Fisk 1973; Kinnear et al., 1974), it is only more recently that questions of sustainability have arisen. The term *sustainable consumption* has emerged as a key element in the green marketing discourse, giving rise to various academic research papers (van Dam and Apeldoorn, 1996; Kilbourne et al., 1997; Heiskanen and Pantzar, 1997; Dolan, 1999) and publications from organizations such as the Royal Society and the US National Academy of Sciences (www.royalsoc.ac.uk/st_pol12.html), and the UK Government (DETR, 1997). Although some work on carrying capacity has been carried out, there is so far no agreement on what level of consumption would be sustainable even at an aggregate level, even less so when broken down to specific regions or individual consumers. However, it does appear certain that current levels of western consumption would be unsustainable if the entire world population were to enjoy them. They may even be unsustainable without other parts of the world population aspiring to the same levels of consumption (which in itself raises significant equity issues). While individual sustainable consumption is thus impossible to define, sustainability has become the ultimate goal, and the main organizing idea, around which green consumption theory and practice has increasingly been centered.

From a macro point of view, presenting environmental amelioration in terms of consumption, not least with a goal as challenging as *sustainable* consumption, is clearly not without its problems. For a
start, there is the vexed issue of how meaningful progress can be achieved through *more* consumption, and through the very processes and modes of thinking that have ushered in many of our current environmental problems in the first place. Kilbourne (1998) points out that looking at green consumers in isolation is an oversimplification and that green marketing and consumption should be studied within a more holistic framework taking into account the dominant social paradigm. This suggests that we need to look not at the micromarketing processes of producing and purchasing products, but at the macromarketing system which sustains a belief in the promise of abundance and ever greater levels of material accumulation (Kilbourne *et al.*, 1997). This presents a challenge to the emphasis in the green marketing literature on individual consumer actions and orientations, what Smith (1990) regards as the ‘purchase votes’ of social control. According to Sagoff (1986) it is inappropriate to treat environmental problems as economic distributive problems in this way: not only is there a very real problem in assigning a price to environmental attributes, but also environmental solutions are consequently predicated on consumers’ willingness to pay. The problem with this, according to Sagoff (1986: 229), is that individuals act differently as consumers than they do as citizens, namely that ‘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’. The danger, then, of approaching environmental problems through the market mechanism is the reliance on atomized individual consumer preferences which may reflect short-term ‘selfish’ desires and wants rather than a long-term appreciation of the common good. If consumers are not willing to pay for social and environmental ‘goods’ through their individual purchase behavior, then such goods will not be supplied. In Sagoff’s (1986) view, then, the ‘public’ and ‘shared’ nature of environmental problems renders them more appropriate for public policy than market solutions.

It is further apparent that consumption has become a - to some the - key defining characteristic of contemporary society, particularly when one looks at the developed world (see Featherstone, 1991; Baudrillard, 1997). Indeed, it is widely acknowledged that consumption is not only at the heart of economic activity, but also represents an important means of communication, identity construction and self-expression for individuals and (sub)communities across the globe (see Gabriel and Lang, 1995). Thus, whilst it may be very useful and interesting to examine what level of consumption might be environmentally, socially and economically sustainable, consumption is so intrinsically bound up with the modern citizen’s sense of identity and identification that the very idea of sustainable consumption is significantly weakened if it does not engage, and engage successfully, with such debates.

We generally agree with the argument that consumer behavior is only one part of a complex jigsaw in trying to conceptualize ways towards a more sustainable economic system. Moreover, a concentration on green consumer pressure and marketing often merely seems to serve the purpose of patching over fundamental rifts between current western life-styles and the requirements of ecological balance, thus suggesting easy solutions where there may be none (Smith, 1998; Iyer, 1999). If this paper nonetheless concentrates on the consumer aspect of the jigsaw, our intention is to provide the impetus and insight necessary to imagine a view of green consumption which focuses less on the purchase behaviors of the individual consumer, and more on the culture of consumption of which that individual is part. In this respect, as we shall elucidate in the following section, extant green consumption theory is sorely, and by our understanding, sadly, lacking.

**Conceptualizations of Green Consumption**

When reading the majority of the green consumer and marketing literature one is struck by the great similarity between the image of the green consumer portrayed therein and the image of consumers familiar from marketing textbooks. Much as our textbook consumers are presented as being motivated by their individual and cultural beliefs, perceptions, and the rest, green consumers are thought to be motivated by strong environmental values and attitudes. They therefore seek environmental product information, rationally weigh up the utility provided by a particular product against the environmental
cost attached and make a purchasing decision based on these environmental criteria in conjunction with more conventional considerations of price, quality and convenience.

The chapter on green consumers in Ottman’s (1993) book on green marketing illustrates this well. According to Ottman, environmentally conscious consumers ‘decisions are shaped by deep rooted values’ (p.20) as they feel ‘guilt over their contribution to environmental ills’ (p.21). They show ‘moderation, seriousness and social responsibility’ (p.22), have a ‘perception that new is risky’ (p.22) and try to ‘gain control over their consumption’ (p.22, p. 34/35). They show a strong sense of social conscience (p.24) and responsibility (p.37), ‘have access to more information than any other generation in history and they know how to use it’ (p.20). They also ‘consider themselves logical and rational and are attracted to high quality and substance; they shun glitter and glitz’ (p.20). They ‘discuss products with friends’, ‘make a detailed shopping list’, ‘check ingredients’ on labels and ‘look for useful information’ in advertising (all p.29). Those with the highest environmental commitment are thought to be highly educated and seek out information on product labels and through advertising (p.33/34).

This highly cognitive and rational view of green consumer behavior is also found in numerous other publications. A number of authors (e.g. Peattie, 1995; Fuller, 1999) have modeled green consumption in terms of the buyer decision process. This suggests that the consumer moves through a number of discrete cognitive and behavioral stages such as problem recognition, information search, evaluation of alternatives, purchase decision and post purchase behavior. Individual environmental values and attitudes have also been widely assumed to be integral to green purchasing behavior. Dembkowski and Hamer-Lloyd (1994), for example, suggest a value-attitude system to conceptualize the process by which environmental values and attitudes may be translated into purchasing behavior (or otherwise, as the case may be). Ozanne and Smith (1998) suggest that concern about environmental quality leads US consumers to seek out environmentally certified wood products and that consumers can be segmented in terms of their attitudes towards such products. Martinsons et al. (1997) examine environmental concern and report on a longitudinal investigation of consumer attitudes and behavior with regard to ‘green’ products in Hong Kong.

The widely held assumption here is that individual attitudes, need recognition and information search etc. will lead to behavioral intentions and ultimately to behavior (see Bohlen et al., 1993; Schlegelmilch et al., 1996; Minton and Rose, 1997; Roberts and Bacon, 1997). If this is how green consumption is understood, then the barriers to green consumption can consequently be found in various impediments to this process. For example, consumers might: have insufficient levels of environmental awareness and concern ( Schrum et al., 1994); be limited in environmental knowledge and cognitive capacity (Anderson and Claxton, 1982); accord insufficient salience and importance to environmental criteria over other product performance benefits (Anderson and Claxton, 1982; Peattie, 1999); be skeptical toward environmental marketing claims (Schrum et al., 1995; National Consumer Council, 1996; Mohr et al., 1998) and/or feel of ineffective, even powerless, in contributing to environmental solutions through any single act of purchase (Kinnear et al., 1974; Peattie 1999).

There are certain advantages to viewing green consumption in this way, not least because it highlights some of the issues that have clearly been important in limiting the development and expansion of successful green marketing programs and policies thus far. A rationalistic, information-processing framework also allows for tried and tested quantitative methods of consumer research to be deployed. This not only helps to establish the credibility of green marketing research, but also provides the kind of research findings that are useful to marketers and more readily published in marketing journals. Hence, the image of green consumers as rational information processors and utility seekers can be seen more broadly to aid in the establishment of green marketing within mainstream marketing theory and practice. Indeed, without the establishment provided by this largely uncontroversial conception of green consumption, it is arguable whether green marketing would have made the inroads it has into marketing...
theory and practice. It is, therefore, perhaps not too surprising that this image of consumption should have dominated the green marketing literature because, under these assumptions, marketing as marketers like to see it (i.e. as the generally benign activity of satisfying customer needs and demands) can go on as usual, albeit with the difference that these needs and demands now include environmental criteria. Indeed, incremental greening of this kind has accounted for the majority of the developments in green marketing practice over the past two decades (see Schot and Fischer, 1993; Wong et al., 1996; Peattie, 1999; Crane, 2000).

Empirical studies on green consumption have generally used the same broad theoretical framework of consumers as information processors, driven by their green values and attitudes to seek out environmental product information and choose products with reduced environmental costs. Kilbourne and Beckmann (1998) provide a review of 65 publications that fall into this type of research, which attempts to characterize the environmentally conscious consumer:

The majority of studies here sought to define and describe what constituted “green” consumers and to determine their viability as a market segment whose environmental concern might make them amenable to “green” offerings. Demographics, psychographic, and personality variables were measured to profile the environmentally conscious consumers. The majority of studies here focused on operationalizing, conceptualizing and measuring “social consciousness” and “environmental concern”. They typically sought to establish a relationship between these measures [...] and environmentally related behaviors such as recycling, use of “greener” products, and attitudes towards various types of pollution. (Kilbourne and Beckmann, 1998: 515)

Kilbourne and Beckmann (1998: 515) conclude that ‘results of these studies were frequently inconclusive and sometimes contradictory’. The findings of this type of research can thus be regarded as disappointing in so far as they failed to show any strong or consistent relation between widespread environmental concern and environmentally motivated consumption behavior, except perhaps for a very small segment of ‘deep green’ consumers. Indeed, there has been a consistent stream of convincing research highlighting very clearly this notable disjunction between attitudes/concern and behavior in terms of green purchasing activity (Mintel, 1995, 1999; Wong et al., 1996; Peattie, 1999; Crane, 2000). Whilst to some extent this can be argued to be a reflection of the problems imposed by taking a simplified, individualistic, micromarketing perspective on consumption (as discussed earlier), it is the intention of this paper to illustrate the potential for developing more insightful and illuminating knowledge about green consumption by removing the epistemological restraints imposed by this approach and exploring the challenges presented by alternative views of consumption.

The Challenge of Alternative Views of Consumption

The mainstream view of the consumer, as a rational information processor and utility seeker, is increasingly being challenged by culturally and sociologically inspired conceptualizations of consumption (see Belk, 1995; Brown, 1995). Whilst this literature encapsulates an impressive heterogeneity of theoretical positions, informed by perspectives as diverse as postmodernism, post-structuralism, feminism, Marxism, social constructionism and others, common to almost all of them is that they tend to regard consumption as much less rational, less information-dominated and less oriented toward objective product utility than in the traditional account. Beyond this commonality, however, consumption is variously portrayed as hedonistic self-indulgence, a means to construct and portray individual identity and lifestyle, an instrument of constructing social relationships of belonging, love, status, etc. and as a form of ritual replacing religion (for an overview see Gabriel and Lang, 1995).

Seeing consumption in this way – that is as not merely fulfilling a need for product utility but as a meaningful, social and cultural activity in its own right – is somewhat more challenging for green
marketing theory. If more than functional utility is sought from products and from the act of shopping and consumption, concentrating on the provision of product alternatives that provide the same utility but with a lower environmental cost may be beside the point. After all, if consumption is in itself socially useful, not to say intrinsically attractive, then the prospects for limiting that consumption would need to be readdressed and reassessed within those constraints. However, ultimately, whilst the green consumption literature has tended to accept a certain inevitability of continued consumption, it has clearly failed to engage in the possibility that consumption is, or has become, a very real and important human need with consumer society (see Baudrillard, 1997). Moreover, whilst proponents of sustainable consumption attack contemporary consumption and its attendant materialism as excessive, ecologically destructive, socially divisive and emotionally and spiritually bereft, they generally fail to acknowledge that it can also be, perhaps at times needs to be, joyful, positive, liberating and emotionally uplifting (Firat and Venkatesh, 1995; Borgmann, 2000). Therefore, we feel that it is imperative that green consumption theory should take these increasingly prevalent alternative conceptualizations of consumption into account, since by not doing so, the relevance of the contribution claimed for the green literature may well be severely curtailed.

**Implications of Alternative Views of Consumption**

A number of implications arise from a juxtaposition of green consumption thought and alternative views of consumption. In this section we explore in depth three of the most developed views, and examine their implications in terms of the challenges and fresh insights that they bring. The three conceptualizations are: consumption as hedonistic self-indulgence; consumption as identity and lifestyle construction; and consumption as a means to construct and sustain social relationships. It is not at all the intention of the paper to give the impression that these are the only alternative views of consumption that might be usefully brought to bear on the green consumption literature. However, given certain limitations in space and scope imposed by the confines of an academic article, it clearly makes sense to begin this development of the literature in significantly new directions with those perspectives that have already been accorded extensive research attention within the consumer behavior literature. As mentioned above, though, whilst these alternative views have a commonality in rejecting the highly rationalistic, utility-maximizing classical view, they are in themselves rather diverse. Their implications are thus dependent on the particular view of consumption in question. For example, hedonistic self-indulgence may have different implications from the construction of identity and social relationships. In this section we put forward some preliminary propositions and questions raised by these alternative views, presenting in each sub-section both the problems and opportunities that each view poses for conceptions of green consumption. These new insights touch on issues both of theory (how we understand green consumption) and practice (how green consumption occurs and may be fostered). Nonetheless, we would certainly not claim that the questions we pose are necessarily immediately solvable given the extant research and knowledge base, nor that our list of problems and opportunities is as yet complete. Our intention is more to move the debate forward, to challenge some of the sterile assumptions in the extant literature, and to seek out new, exciting and challenging possibilities for future macromarketing theory and research in green consumption.

**Consumption as hedonistic self-indulgence**

Let us first take the picture of consumption as hedonistic self-indulgence, an activity that brings pleasure in itself, largely independent of the object purchased. This is an increasingly common conceptualization of shopping and consumption, one that is familiar from both the popular press and the academic literature. Several theorists have dealt with the problem of consumption for pleasure. Baudrillard (1997) claims that in contemporary society consumers do not merely have a right but almost a duty to seek pleasure:
The modern consumer, the modern citizen, cannot evade the constraint of happiness and pleasure, which in the new ethics is equivalent to the traditional constraint of labor and production. [...] He must constantly be ready to actualize all of his potential, all of his capacity for consumption. If he forgets, he will be gently reminded that he has no right not to be happy. (Baudrillard, 1997: 48-49)

Abercrombie (1994) argues that the lives of modern consumers are organized around fantasies and daydreams about consuming, that they are hedonistic individualists, largely pursuing their own ends and uncaring about others, while for Bauman (1992) consumer pursuit of pleasure is part of the sustaining force of modern capitalism. In contrast to these rather critical views of hedonistic consumption, Lebergott (1993) paints a more optimistic picture. He agrees that in modern, western societies, human consumption is made largely in pursuit of happiness but he regards this as positive. Lebergott argues that necessities make as significant a contribution to consumers’ pursuit of happiness as do luxuries. This is because necessities free consumers from drudgery and give them more free time.

One of the most thorough examinations of pleasure as the organizing principle of modern consumerism is provided by Campbell (1987). He distinguishes between utility, deriving from need (which is based on absence) and pleasure, deriving from desire (which is based on experience). Unlike needs, which are tied to objects, desires can be about fantasies and illusions which can supply pleasure in themselves. In contrast to traditional hedonism, which was attached to the senses and required constant new stimulation, modern hedonism, according to Campbell (1987), rests in the emotion that accompanies all kinds of experiences. If submitted to appropriate control, any emotion, including fear or grief, can contribute to pleasure. Goods can serve as props for imagined scenarios that afford pleasure, without these scenarios ever becoming reality. Pleasure can derive from new environments, such as the places where shopping and consumption take place, as well as from new products. The development of personal taste and style becomes an important element in this daydreaming and pleasure seeking. Whilst Campbell’s hedonism is highly individualistic, Bourdieu (1984) adds a social dimension to the idea of hedonism. For Bourdieu, taste and style does not only serve to increase the individual’s personal pleasure but also to mark social boundaries and distinctions. Important though the contribution of these ideas and theories of consumption as hedonism is, relatively little empirical evidence has been offered to suggest how common this form of consumption actually is. Thus, whilst much theoretical support has been forwarded to suggest the prevalence of hedonistic consumption, Miller (1998) found it to account for only a relatively small number of shopping experiences.

The benefits of hedonistic consumption for the individual seem to lie primarily in the act of shopping itself, not in the satisfaction of any objective need for utility. If it is the act of buying, rather than the actual object, that is being sought then, presumably, this act needs to be repeated from time to time for the benefit to continue. Continued possession of the object purchased would not be enough to provide continued benefit. In fact, Campbell (1987) argues that guaranteed satisfaction actually kills pleasure. From an environmentalist point of view the acquisition of objects that fulfill no objective need would certainly constitute a waste of natural resources and be therefore considered as non-green. Following this argument, a number of questions arise. First, is there a grading of hedonism in shopping with deep green consumers being the least hedonistic, light green consumers somewhat more hedonistic and non green consumers the most hedonistic? Without wanting to dismiss this possibility entirely it seems somewhat unlikely that any such distinction should be quite so neat. Second, we might also ask whether consumers of varying shades of green actually do engage in hedonistic acts of shopping from time to time (perhaps rather infrequently). Perhaps green consumers then classify these purchases as non-green exemptions or deviations from their normally more environmentally responsible purchases. This possibility is lent credence by the fact that some of the most frequently cited green products (recycled paper products, environmentally friendly detergents, organic vegetables) seem fairly mundane and perhaps not the most obvious objects of hedonistic consumption. It is conceivable therefore that such hedonistic behavior might
induce guilt, tension or feelings of unease upon the otherwise ‘green’ consumer. Third, we could also ask if there is perhaps not such a strong contradiction between hedonistic shopping and green conscience in many consumers’ minds. Perhaps the products bought for the pleasure of shopping are considered to be relatively innocuous from an environmental point of view by most shoppers (cosmetics, fashion, jewelry, for example). Whilst clearly of considerable import, these are all questions which have yet to be even asked, never mind answered, in green consumption theory.

Clearly there are tensions here between shopping and consumption. Consumers may want to buy things but not necessarily consume them in any meaningful sense of the word. The most extreme cases of this are perhaps shopping as mood repair (‘retail therapy’ as it is often only semi-jokingly referred to) (Woodruffe, 1997) or ‘compulsive’ or ‘addictive’ shopping, where a person feels an irrepressible urge to go out and buy things, regardless of whether they have any use for them, can afford them, or even like them (Elliot, 1994; Faber and Christenson, 1996). For existing notions of green consumption, and for environmentalists generally, this is highly problematic, and sets serious challenges for attempting to articulate a ‘sustainable’ level of consumption. In the extant literature, sustainability is presented as being very much a question of satisfying a certain base level of need. Established conceptions of need tend, therefore, to classify such hedonistic shopping desires as ‘unnecessary’, ‘artificial’ or ‘false’ needs as opposed to the ‘real’ or ‘basic’ needs for those goods and services which sustain us physically (Dolan, 1999). Hence, such behaviors are effectively defined out of the phenomena that the green consumption literature deems legitimate and acceptable. Whilst this is not necessarily surprising, it is not particularly helpful when considering what level of consumption may actually be possible and appropriate in the context of sustainability. The whole question of need might thus have to be re-addressed.

Considering the notion of shopping as hedonism more generally, it is also apparent that the green consumption literature has focused almost entirely on the subjects and objects of the purchase (i.e. the product and the consumer) rather than the act of purchase itself, and the place in which it is enacted. However, there are a number of opportunities for new understandings in this respect. By looking at consumption in terms of the consumption space, we can immediately start to locate consumption within an environment. ‘Green places’ and ‘green space’ (that is, the physical and psychological experience of a place in terms of its community, ecological conditions and interdependencies) have already begun to receive attention in the ecotourism literature (Walker and Hanson, 1998), the organization theory literature (Walck, 1996) as well as in eco-psychology (refs.), the natural sciences (Barlow, 1997) and others. It is possible, for example, to conceptualize an eco-shopping experience which takes place in a high-street retail environment as less ecologically harmful and more ecologically meaningful than, say, an out-of-town shopping mall or supermarket.

Finally, the view of the consumer as a self-indulgent hedonist might also provide us with different ways of seeing the way that the ostensibly green consumer approaches the act of purchase itself. Rather than understanding the consumer as a rational utility-maximizing chooser between the vast array of products on offer, with all their various green and non-green attributes, we might understand green consumption in slightly more heroic terms as ‘exploration’ (see Gabriel and Lang, 1995: 68-80). In particular, attempts to go off in search of ecologically sound suppliers of, for example, fair trade products or organic foods, rather than visiting the local supermarket or high street retail outlet, entails considerable effort and commitment. This foraging for products is yet more emphatic when we consider the relatively environmentally benign form of consumption that involves the search and purchase of second-hand goods. Similarly, attempts to (re)discover ‘authentic’ and unbranded products and shopping experiences (such as evidenced through a range of diverse phenomena including farmers’ markets, backpacking holidays, flea markets and yard sales etc.) hold some promise in terms of green consumption. Hence, again we see shopping as an intrinsically enjoyable and self-fulfilling activity, which rather than being in need of minimization (as most conceptions of sustainable consumption would have it) might be usefully encouraged from an environmental perspective. Picturing green consumption in these ways helps us to
see the importance of consumption in shaping the way that individual identity is constructed and communicated. We shall now go on to explore this in more depth.

Consumption as Identity Construction

Consumption as a means to help construct a person’s psychological and social identity and lifestyle has been explored at some length in the cultural studies literature (Gabriel and Lang, 1995). The notion that psychological and social identity is not a fixed, given property but that humans undergo crises of identity was first argued by Erikson (1968). Constructing a unique identity for oneself is a project which is closely tied to notions of self-worth and status. People can draw their identity from a group to which they belong but in western, industrialized societies such group identities are no longer fixed or taken as granted. Consequently, this form of identity seeking through stable group membership can become problematic. According to Giddens (1991) self-identity in modernity becomes a reflexively organized endeavor and individuals negotiate lifestyle choices among a diversity of options. Identity, in Giddens’s view, is a narrative and individuals may construct a number of simultaneous identities for themselves. Such insights may help to throw more light on the aforementioned issue of environmental concern failing to translate into environmentally related (consumption) behaviors. This is seen as problematic, even paradoxical, within the extant green consumption literature since the rationalist paradigm rests upon the assumption that people will strive to be consistent in their values, attitudes and behaviors. Yet, if consistent, stable identities are no longer sought after or easily obtainable, then such a gap between general environmental concern and non-green consumption behavior may be more easily explainable. Perhaps, for many people environmental concern mode and shopping mode are part of different identities that they construct for themselves – again a key question for future research.

Looking deeper into this perspective, it is clear that whilst special and cherished possessions have always formed part of humans’ identity, part of an extended self (Belk, 1988), it is the particular characteristic of consumer societies that any kind of object may be imbued with meaning and be used for the construction of identity and self-image (Featherstone, 1991; Baudrillard, 1997). Consumers do not establish profound relationships with such mundane products but use them in highly visible ways, conscious of the inferences that others will draw from them (Gabriel and Lang, 1995). According to Bauman (1988) the proliferation of consumer choice and freedom means that identities are no longer scarce goods and discarded old images can instantly be replaced with new ones through new consumer choices. However, Gabriel and Lang (1995) argue that consumers, even in the face of over-abundance, remain pre-occupied with authenticity and uniqueness of self-images and that ‘any image will simply not do’. Yet, the construction of unique identities through consumption may be more difficult in the face of overabundance of commodities.

This has important implications for conceptions of green consumption. It is quite conceivable that people might want to choose an environmentally responsible lifestyle, constructing the identity of the kind of person that values the environment sufficiently highly to make personal sacrifices. Both the consumption of environmentally less harmful product alternatives and non-consumption for environmental reasons could fit this type of consumption. Some work done on voluntarily simple life styles would point in this direction (Leonard-Barton, 1981; Shama and Wisenblit, 1984; Rudmin and Kilbourne, 1996; Iwata 1997). However, some of the work in this area has conceived of a voluntary lifestyle as essentially deprivalional in nature, i.e. that in some way it represents a restriction on existing ‘wasteful’ and ‘overconsuming’ lifestyles. This is, of course, accentuated when taking on board a view of consumption as identity, since this, perhaps more than any other perspective, emphasizes the important social, cultural and symbolic role that consumption plays in shaping and sustaining the individual’s sense of self. If sustainability means a curtailment of such activity, then this might very well have highly problematic consequences for individual well-being. This need not necessarily be the case, though, and
Elgin (1981) and Etzioni (1998), among others, have pointed to the emotional, psychological and spiritual benefits of simplified lifestyles.

In a sense, it could be argued that many of these conceptualizations of voluntary simplicity are not that different from much extant green consumer research that concentrates on values and attitudes. Indeed, there has been some empirical work conducted on the values and lifestyles of voluntary simplifiers (Leonard-Barton, 1981, Shama and Wisenblit, 1984, Iwata, 1997) and frugal consumers (Lastovicka et al., 1999) which is very much within the traditional, highly rational consumer research paradigm. However, the notion of consumers actively constructing a green identity through their consumption patterns is somewhat more dynamic than the notion of pre-existing values and attitudes influencing purchase choices. As yet, this has not been addressed in any real sense by this literature, and clearly represents an interesting and important avenue for further research and theory development.

If we extend this thinking a little, we can also see how the green consumption literature would benefit from an understanding of identity construction through specifically anti-consumption attitudes, values and behaviors. That is, rather than examining attempts to construct an identity through passive non-purchase, it would be useful from an environmental point of view to examine active rebellion against consumption, or subversion of existing consumption practices. Gabriel and Lang (1995), for example, have examined the literature dealing with the consumer as presented both as a rebel and an activist, identifying behaviors such as unorthodox (mis)use of products, consumer boycotts, LETS schemes and others as attempts to construct an identity and lifestyle through different ways of buying and using products. As events such as the anti-globalization demonstrations in Seattle, Washington London and Prague, as well as institutional challenges to modern consumption represented by Adbusters Media Foundation, International Buy Nothing Day and TV Turnoff Week attest, activism through withholding consumption of certain products (as in consumer boycotts) has now been supplemented with activism against consumption itself. This has given rise to a breed of green consumers who actively use their antagonism towards consumption as a means of identity and lifestyle construction. Again though, we are talking about deriving social and cultural meaning and signification through the discourse of consumption. Hence, the green consumption literature could be significantly enhanced through recourse to some of the literature and ideas cited above.

Consumption and Social Relationships

Finally, we want to concentrate on the social aspects of consumption. Consumption is not only an individual but also a social activity. There are several strands to the study of consumption as social activity. A very large proportion of daily consumption takes place in social units, most frequently the family, but also circles of friends, within the work group and other social settings. Miller (1998), in an empirical study of shopping, stresses that most daily shopping is actually done with other people in mind, usually people with whom the shopper has a relationship of love. Hence, shopping becomes an activity through which this relationship of love is being expressed on a daily basis. The fact that consumers are influenced by family, friends, peer groups and other social units is usually fairly well covered in the general marketing literature although it has perhaps not received much detailed attention from green consumption research. Yet, consumers will in all likelihood make green or non-green purchases not only with their own values but also with those of other people in mind. This could include an attempt to influence others by setting an environmentally responsible example or the opposite case of making environmentally influenced purchases not out of one’s own environmental conviction but because it is expected by others, such as family members, guests, friends, etc. Where shopping is carried out not just for the shopper him-/herself but for others (e.g. family members) as well, their needs may be seen to conflict with the needs of the environment. Losses of functionality, e.g. in detergent, may come to be seen as much less acceptable if the detergent is used to clean babies’ clothes. Conversely, many parents buy
‘organic’ baby food even though they do not normally buy organically grown foods for themselves or other family members.

Tied up closely with this social aspect is the communicative aspect of consumption which has received considerable attention from researchers (see Gabriel and Lang, 1995: 47-67). Seeing consumption as a code through which status relationships are expressed has a long tradition, going back to the Simmel’s (1904) theory of fashion and Veblen’s (1899) work on conspicuous consumption. According to McCracken (1988) social differences and status become encoded in systems of dress and clothing, food, transport and other areas of consumption. Douglas and Isherwood (1978) see consumption as a live information system through which cultural meanings are conveyed. For them the essence of objects lies in the social symbolism they carry, making visible and stable the categories of culture. Objects thus become material repositories of social meaning. Douglas and Isherwood (1978) do not, however, limit their discussion to the communication of status, which they regard as only one of the many social meanings that can be expressed through consumption practices. Such a recognition that goods are part of a communication system allows us to explain the seemingly insatiable character of modern consumption without recourse to concepts of greed and envy (Gabriel and Lang, 1995). This emphasis on consumption as a means of communication is, of course, closely related to the notion of consumption as a means to construct self-identities, discussed in the previous subsection, as such identities are often only valuable if they can be successfully communicated to others.

Yet, understanding consumption in this way seriously undermines the implicit assumption, derived from the general environmental discourse, that consumers (at least in their guise as citizens) actually want less consumption and would be happier should they do away with all the ‘unnecessary’ consumption which merely fulfils ‘false’ needs. Doing away with all but ‘necessary’ consumption would remove from the individual some of the principal means by which love and other social emotions are expressed, and relationships are sustained in consumer society. Whilst this is certainly, for us, an issue that green consumption research must at some stage address, a look at the social aspects of consumption also reveals some enticing prospects of a more positive outlook for green consumption.

First, we might develop the arguments made in the previous subsection about voluntary simplicity and anti-consumption. For many people these are not only individual lifestyle choices but shared experiences that occur within families, friendships and communities. If we look for example at the growing use of shared products and services (see Meijkamp, 1998; Schrader, 1999) we can see that the act of sharing the use of a car or a washing machine with a group of people can act as a useful social bond in today’s increasingly individualized society. In this context, Bauman’s (1992) concept of ‘neo-tribes’ is relevant, as communities constructed around shared environmental values and actions, such as road protests, are one of the most frequently described types of such neo-tribes. The shared experiences and social bond of such protests would seem to be at least as important to these protesters as the actual environmental protest. The same might be said for consumers’ development of community identification around ‘alternative’, less environmentally harmful, forms of consumption, such as local exchange trading systems (LETS), yard sales, and antique and flea markets. Hence, it could be argued that ostensibly green consumption might not necessarily remove the means to construct and sustain social relationships, but rather shift them into new forms of behavior and new spaces of consumption.

Conclusion

The above discussion illustrates some of the implications and insights associated with developing a more socially and culturally inspired view of green consumption. Whilst this paper has focused only on three of the most established views in the emerging literature on consumer culture and behavior, it is clear that this approach presents us with some exciting new directions for theory, research and practice, as well as some significant challenges and problems. Certainly, it would appear that the picture of green
consumption typical of the existing literature is somewhat limited in its scope. Whilst this mode of thinking has no doubt contributed to important developments in the literature (and even in establishing the green marketing literature in the first place), it is our contention that new ways of thinking and theorizing are needed in order to move the field forward and to deal adequately with the notion of sustainability in contemporary consumer society.

Several areas appear particularly worthy of attention. First, by replacing a view of the green consumer as a rational decision-maker, operating according to pre-determined and consistent values and attitudes, with a consumer who shops for enjoyment, for social communication and for the construction of multiple, shifting self-identities, significant space is opened up to consider the tensions and contradictions inherent in trying to effect environmental amelioration through consumer behavior in a cultural milieu saturated with the symbols, artifacts and activities of consumption. The persistent problem of determining why espoused environmental values do not necessarily lead to pro-environmental purchases appears to be considerably better addressed through an understanding of the wider cultural meaning of consumption than through an examination of individual preferences and decision making.

Second, by starting to unlock the social and cultural meaning of the act and location of shopping, post-purchase behavior and other consumption activities, it is possible to shift the focus of green consumption to arenas other than the decision process leading to specific purchases. Major new insights into the possibilities for sustainable consumption can be gleaned from examining non-consumption, re-use and product modification, alternative forms of consumption, service replacements to physical products, anti-consumption behaviors and others. Increased attention to these activities and their social meaning should provide significant illumination for identifying new roads towards sustainability.

Third, these new approaches throw considerable doubt on the usefulness of existing notions of ‘need’ in conceptualizations of green consumption and on the suitability of existing notions of ‘sufficient’ consumption. With consumption understood as a means of enjoyment, identity construction, emotional expression and social bonding, the idea of limiting consumption seems much more problematic, and perhaps even counterproductive. What these new views show us then is that not only do we need to readdress the whole question of need in the marketing literature, but also to explore the possibilities for how these wider cultural needs can be accommodated by other forms of behavior in other spaces of consumption. As Fitchett and Prothero (2000) have contended, there is a need to construct some form of green commodity that can be made to appeal to certain consumer needs. We believe that in the preceding discussion some enticing possibilities have been opened up in this respect, articulating not only a range of potential routes for more sustainable consumption, but also a means for conceptualizing them in terms of the extant consumer studies literature.

In addition to opening up new conceptual space in the study (and the advancement) of green consumption, the perspectives outlined here also appear to be more satisfactory from a macromarketing perspective than the existing view of the green consumer as a rational, utility seeker. By locating our understanding of green consumption within wider notions of the values and meanings underpinning consumer society, it is possible to explore the social and cultural forces shaping individual purchase behavior (Kilbourne et al., 1997). This is vital for a more informed, persuasive, and ultimately more useful, view of green marketing to emerge (Kilbourne and Beckmann, 1998).

Finally, whilst this paper has sought to make an important contribution to the development of the green consumption and marketing field, we also acknowledge that this only represents a starting point for the potential questions to be asked if a culturally-inspired frame of reference is to be fully applied and integrated. Other notions of consumption, for example, conspicuous consumption, consumption as celebration, the consumer as vagabond, compulsive buying, dysfunctional consumption, unethical consumer behaviors, and various ‘pathologies’ of consumption (see for example, Gabriel and Lang, 1995;
Brown, 1995; Belk, 1995; Firat and Venkatesh, 1995), might also bring useful new angles to the study of green consumption. Our main aim, however, has been to show some avenues through which a fuller meaning of green consumption might be discovered, and to elucidate how they might contribute to our understanding and promotion of sustainable consumer behavior. It is a small step, but we would argue, a vital one.

References


Environment and Sustainability: Culture Creation,
Cosmology and a Challenge

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Abstract
This paper discusses the cosmological and socio-economic level of values in the DSP, which shapes all further responses and agendas in environmentalism and, as Kilbourne and Beckmann (1998) note, the marketing agenda. Can consumerism be replaced by sustainability? And can marketing contribute to a change in values? What might an environmentally friendly DSP look like? The intention is to contribute a cosmological chord to the marketing discourse (Kilbourne, 1998; Kilbourne and Beckmann, 1998).

Introduction
In the consumerist culture of today, when the markets discourse is the most powerful (Collier and Esteban 2000; Christensen, 1995; duGay and Salaman 1992), management itself is entirely instrumental i.e. means oriented rather than concerned with ends (Alvesson and Willmott 1996). The dominant paradigm of marketing teachings and practices is managerialist and the marketing concept has become the dominant ideal of management, fundamental to organising theories and practices (Christensen, 1995; duGay and Salaman, 1992). This dominance prevails despite a recent bevy of marketing academics critiquing this perspective and the concomitant core concepts of the marketing discipline (Brown 1995; Brownlie and Saren 1992; Hetrick and Lozada, 1999). This link is so firm because this micro-level managerialism derives from a macro-level acceptance of the dominant social paradigm of marketing which allows organisations to be viewed as "innocent systems of production that produce products desired by consumers" (Shrivastava, 1995 p.126). In this paper this critique at the macro-level contributes to a marketing beyond managerialism. It recognises that organisational destinies are linked to human destinies, in turn linked to ecosystem destinies (Rolston 1994). This paper is terming this critique a cosmology of marketing (c.f. Kilbourne 1998).

Since management’s micro-level perspective "may have contributed to the deterioration of our natural environment" (Kilbourne, McDonagh and Prothero 1997 p.20), this paper seeks to supplement critiques of managerialist marketing with the environmentally concerned set of ideas that can be gathered using the term "sustainability". However, sustainability as a set of ideas cannot effect real change if it is absorbed into the DSP. It has been claimed that changes of management practice have, in effect, been successful in "protecting established institutions and centres of power against the green threat by absorbing it" (Gouldson and Murphy, 1998 p.4). Therefore, this paper then uses the world-view termed "sustaincentrism" by Gladwin, Kennelly and Krause (1995) to argue that sustaincentrism is a social paradigm sufficiently robust to replace consumerism. A possible new DSP is modelled. In this way this paper lays a foundation for setting a draft agenda for micro-level marketing management. Only then can an agenda be set which can truly harmonise organisations and the natural environment in a non-destructive set of cultural beliefs and assumptions.

Culture creation and maintenance
In addressing the question of how it is that values and attitudes link individuals to the political process, Stern, Dietz and Guagnano (1995) developed a model to focus on the existence of a supra-national culture into which managerial theory and practice fit. This model (see Figure 1 below) is the framework used in this paper to explain why, unless the dominant social paradigm is changed, attempting to change attitudes and behaviours is doomed to have little effect. It links, in a cause and effect chain, elements of the macro-level to the micro-level arena of attitude and actions. Managerial effort, including marketing plans and actions, takes place at the micro-level; the parameters within which actions are taken and meanings made (Weick, 1995) are however limited to that which fits the top box, hence naming it the dominant social paradigm (DSP). Stern, Dietz and Guagnano
(1995) are addressing the failure of ecological concern to alter behaviour, and this important element of their model moves to centre-stage later in this paper. Their model is a top-down model of cause and effect, although in practice, since change can be influential from the bottom, the arrows should be two-way, perhaps with the upward arrows in a paler shade of grey. For while there is opportunity for change at the micro-level feeding up the model (c.f. events in Seattle 2000), the most powerful direction in this model is operating from the macro-level down to the micro-level. The legitimisation of actions at the micro-level is the element that is missing from the marketing discipline and it is giving voice to this concern that lies at the heart of this paper.

**Figure 1 Causal model of environmental research**
Kilbourne and Beckman 1998, adapted from Stern, Dietz and Guagnano 1995

**Cosmological**
**Socio-economic**

**Dominant Social Paradigm**

Value systems

General ecological view/world view

Macro

Micro

Specific beliefs, attitudes

Behavioural intentions

Behaviour

**Basic assumptions within Western culture**
The intention here is to outline the dominant social paradigm in Western culture and to articulate where it came from historically, theologically and philosophically. This is restricted to Western culture, due to lack of space and understanding, but this is sufficient to delineate the basic assumptions within which Western management operates. To use the model already provided, what is at the heart of Western culture in terms of the socio-economic area (c.f. Figure 1)? In socio-economic terms, late Western capitalism comprises forces "where meanings and values are created by the media...whose primary purpose is to maintain consumption levels" (Collier and Esteban, 1998 p.7). Writing at a time of unprecedented economic boom in the United States of America and cautious positive assumptions in Europe despite (because of?) the weakness of the European currency it is easy to talk of the success of economic growth as a national goal. This growth has been predicated on economic theory based on unlimited wants, with governments working for the highest levels of gross domestic product as the only economic policy worth following (Storkey, 2000). Language indicates the basic assumptions behind the dominant social paradigm, due to the link between processes of cultural creation and language as an artefact (Hatch 1993; Kilbourne and Beckmann, 1998; Whorf, 1956). Common metaphors use
economic language - such as the expression "the bottom line" to mean basic reality, or "time is money" to indicate its importance. Markets are personified and said to get excited, or overheated. Economies suffer disease such as inflation. It is this connection that substantiates the connection being made in this paper between economics and consumption - the markets discourse is the most powerful (Christensen, 1995; Collier and Esteban, 2000; duGay and Salaman, 1992). Social-economic values provide us with basic assumptions about human nature:

We come to understand ourselves as competitors driven by motives of wanting, having, choosing, never by need, by the wish to share, by altruism. Our self-understanding is so deeply affected by the power of metaphor that we come to believe that it is right to compete, to win, to conquer.  

(Collier and Esteban, 1998 p.21)

Cosmology of Western culture

For the argument at this stage it is now important to address the other element of the dominant social paradigm: its cosmology. What are the historical roots to Western culture and its cosmology? Secularisation is the usual word used to describe the last two to three centuries of Western culture (Brown, 2000). Secularisation "is a process in which religious ideas, values and institutions lose their public status and influence and eventually even their plausibility in modern societies" (Gay, 1998 p.19). There is not the space to explore this, but the relevance to the argument of this paper is that the cosmology of Western culture is post-Christian. The relevant ramifications of this for organisations and the environment is that, as Seidman (1983) summarises from the complex exploration of this topic represented by Weber's writings

As the secular-scientific ethos permeates the culture and psychology of modernity, religion is pushed into the realm of the irrational. Religion is viewed as an emotive and expressive act of the private individual.  

(p.269)

Brown (2000) argues that the conventional theory of science replacing religion is not correct, since during the early nineteenth century, a century after the Enlightenment, institutional religion was flourishing in the UK. Yet, as Armstrong (2000) notes, even within this latest explanation for secularisation in the UK, scientific rationalism may be at the root, since "it may not have damaged institutional religion, but it may have killed the faith that gave it meaning" (p.5). Digging for these historical roots has resulted in finding a slashed theological tap root. What explains the killing or death of God (Foucault, 1970; Nietzsche, 1882)?

It happens when human beings come centre-stage as initiators to replace the transcendent God to whose initiatives they had been duty-bound to respond. For it is this responsive status for mankind's precepts that Kant sought to replace with a primary role for mankind's reasoning ability. The view which he "repudiates is that according to which the test of a given maxim or precept is whether it is commanded by God" (MacIntyre, 1984 p.44). Because to know that we ought to obey implies sufficient knowledge to judge whether we should obey "but clearly, if we possess such a standard, the commandments of God will be redundant" (p.45). Kant, the father of the Enlightenment and the founder of modernism based all his philosophising and theological thinking upon the prior assumption of rationalism. Whether or not Kant believed in God or not is not important (c.f. quotation above describing Weber's definition of secularisation): the basic assumption of Western culture became rationalism rather than faith in the God of the Bible. Hume grounded morality not in reason but in passion, but he did not ground it in the person of God. The debate about morality need not detain us, as yet again there is no space to do justice to this topic. But the argument that is being constructed is that Western culture's basic assumption changed to a faith in reason from a faith in God.

What happens then is that since no longer could God's revelation indicate how humanity should act, there was choice, morally neutral choice. Enlightenment philosophers differed on the grounds for morality and so, "once the notion of essential human purposes or functions disappears from morality, it begins to appear implausible to
treat moral judgements as factual statements" (MacIntyre, 1984 p.59). This led to a separation of facts from values. The practical (micro-level to use the terminology of Figure 1) effects of this will be explored in the next section of this paper. The consequence at the macro-level was that "practical atheism is very deeply embedded in modernity's central institutions" (Gay, 1998 p.28). Foucault (1970) notes that Nietzsche anticipated the consequence for human beings’ centrality and stability in the order of things once either atheism or pantheism replaced belief in God. Individuals become imprisoned rather than freed, a viewpoint that is discussed later in this paper when marketing and consumer sovereignty is the focus. Facts now have a centrality in the culture’s discourse, and take the place of values, in Stern, Dietz and Guagnano’s model at the macro-level. However, there is one additional twist whereby Barthes (1957; 1973) shows how the facts themselves bring a value: that of neutrality. He discusses how

the myth-consumer takes the signification for a system of facts: the signifier and the signified, have in their eyes, a natural relationship, myth is read as a factual system, whereas it is but a semiological one (cited in Storey, 1999 p. 30 as 1973 p. 142)

In Barthes’ discussion this allows the French to view colonialism as a natural phenomenon. Connections to marketing’s positioning of itself as a natural system of exchange (Kotler, any year) can easily be made. As will be seen in the following section, neutrality and amoralit y are themselves the values of science, revered for its factuality (Habermas, 1971). As Foucault sees history,

Modern thought, in fact, has never been able to propose a morality. But the reason for this is not because it is pure speculation; on the contrary, modern thought, from its inception and in its very density, is a certain mode of action. Let those who urge thought to leave its retreat and to formulate its choices talk on; and let those who seek, without any pledge and in the absence of virtue, to establish a morality do as they wish. For modern thought, no morality is possible.

(1970, p.328)

It is not only nature that abhors a vacuum. Western culture lost the focus (previously given by the biblical God) on how humanity ought to live and replaced it with a focus on "how social and political order can be rationally reconstructed in the light of the positive knowledge revealed by methods of modern science" (Gay, 1998 p80).

Values of science and human progress
Methods of modern science came to replace God in what has now become a post-Christian culture. Science came to be seen to be authoritative, since it dealt with facts, objective facts, and enabled not the telos of the individual towards God, but the onward and upward progress of a continually improving world (Collier and Esteban 1998; Gay, 1998; White 1967). Not only the world i.e. the material benefits accruing to participants in Western culture, but also its inhabitants were improving.

We are culturally conditioned to believe in our own ability to know, to manipulate and control, to solve our own problems, to believe that facts are more important than values, that the material matters more than the spiritual, that material success is the measure of the "good life" and that competition and acquisition are the ways to achieve it. We also have a profound faith in the ability of technological change to create progress, growth and prosperity by providing new possibilities for economic expansion.

(Collier and Esteban 1998 p.15)

The individual is assumed in this scenario. The Romantic ideal was a creative individual (Campbell, 1983). Self-expression was a key value for this movement, which grew out of the Enlightenment, in response to it, and nevertheless built upon those assumptions of the Enlightenment identified earlier in this paper. By the time of the twentieth century, the individual has felt aloneness as isolation. Simmel (1903/1964) wrote that "the deepest
problems of modern life derive from the claim of the individual to preserve the autonomy and individuality of his existence in the face of overwhelming social forces” (p.409, cited in Storey, 1995 p. 39). The search for autonomy has ended, in Foucault’s words, with human beings in the “ambiguous position as an object of knowledge and as a subject that knows: enslaved sovereign, observed spectator, he appears in the place belonging to the king, which was assigned to him in advance by Las Meninas, but from which his real presence has for so long been excluded” (1970 p.313). This has implications for the sovereign consumer of marketing theory, which will be discussed later in this paper.

The centrality of consumerism
The historical, theological and philosophical exploration of the roots of the existing DSP has set the scene for a discussion of the current, post-modern, dominant social paradigm of consumerism. It has been explored as grounded in a combination of cosmological beliefs in rationalism and in socio-economic beliefs in individualism and continued economic growth. Miles (1998) gives his book on the topic the telling title: Consumerism as a way of life, and writes that "consumerism is ubiquitous and ephemeral. It is arguably the religion of the late twentieth century" (p.4). Bartholomew notes that "consumerism points to a culture in which the core values of the culture derive from consumption rather than the other way round" (2000, p.6). Fisk (1973) noted fairly early that Western consumption practices were contributing to a future ecological crisis. So why has so little attention been paid? It is because of consumerism’s place at the engine of the dominant social paradigm that these issues cannot be seen (Alvesson and Willmott, 1996). Consumerism is a set of values which interact with the DSP (Kilbourne and Beckmann, 1998) to the effect that continued economic growth, continued meeting of consumer wants, continued confidence in rational problem-solving linked to mastery of science and technology are our goals. For customer wants, read human beings' aspirations. "Take the waiting out of wanting" was the slogan for a brand of credit cards in the 1970s in the UK. "It could be you" is the hope now peddled by Camelot's national lottery in the UK: the hope is for an unearned fortune. This is now the key aspiration of the urban poor in the UK (Independent, 2000). For human well-being is given monetary value. Welfare is calculated using monetary value.

Storkey (1986; 2000) writes that neoclassical economics made consumption the focus of the production system from 1860, when economists considered that market prices were explained as outcomes of consumer choices.

In this model, if you could justify something in consumption terms, it was justified or validated without reference to deeper life principles or issues of justice. To see the weight of this change, we need to reflect on the fact that money and prices are human creations, meant to reflect human values.

(2000 p.103)

This leads to there being no limits to consumer demand, nor to prices charged. It follows that, in the absence of any limiting value system, any other system of accounting for value, price becomes the dominant value. This is what gives meaning to the post-modern world. Meeting our aspirations via consumer demand is a key goal (Gay, 1998) and hedonism is the result (Storkey 2000). Consequently the individual is also raised as the central focus of society - since in the often quoted words of the UK Prime Minister of the 1980s, Mrs Thatcher, there is no such thing as society. For the moment, at this point in the argument, it is sufficient to note once more this pivotal place for the individual is assumed in the dominant social paradigm.

The values of micro-level managerialism
In the current Western culture of consumerism, where the end is individual wants and aspirations being met, ends and means, to a very great extent, elide. "Economics has become the ultimate reference point for the justification of everything, and as such, transcends all evaluation" (http://www.alfred, 2000 p.3). Foucault (1970) noted this elision, which he roots in a historical explanation of meaning and words changing, leaving space into which new meaning to words could be poured. The taxonomy of grammar, natural history and the science of wealth changed, (and in the change, lost their meanings) to philology, biology and political economy. This third area is
the arena for this paper and Foucault concludes “What modern thought is to throw fundamentally into question is the relation of meaning with the form of truth and the form of being” (1970 p.208). That is, with no end in view, no wonder marketing and management get on with the job of providing the goods (Alvesson and Willmott 1996)! This link is so firm because micro-level managerialism derives from a macro-level acceptance of the dominant social paradigm. This allows organisations to be viewed as "innocent systems of production that produce products desired by consumers" (Shrivastava, 1995 p.126). This, it can now be seen, derives from the divorce between fact and value at the macro-level of Western culture. This in turn came from the Enlightenment conclusion that human beings could judge between right and wrong and had no rules by which to do so, and morals became a matter of private conviction.

The duty, then, of humanity was not to do right, but to control and organise and so create social and political order (Gay 1998). Down at the micro-level (c.f. Figure 1) managers are a prime agency of control. Management is assumed to be effective. It controls and plans the workforce and the work. Business has reinforced this basic assumption in its own micro-level values. MacIntyre (1984) points the finger at the twin virtues of efficiency and effectiveness. He writes that assumptions of management's right to control and manipulate are grounded in core values of effectiveness as a way of life. Yet Bittner (1965) pulls the plug on the myth of managerial effectiveness, noting

> Long range goals cannot be used definitely for calculating efficiency, because the impact of contingent factors multiplies with time and makes in increasingly difficult to assign a determinate value to the efficiency of a stably controlled segment of action. On the other hand, the use of short-term goals in judging efficiency may be in conflict with the ideal of economy itself. Not only do short-term goals change with time and compete with one another in indeterminate ways, but short-term results are of notoriously deceptive value because they can be easily manipulated to show whatever one wishes them to show.

(p.247)

MacIntyre questions the actual existence of managerial expertise, suggesting that it is logically required rather than actually observed. Such an artefact is required for management to function culturally, and this fits well into Hatch's understanding of the dynamics of culture (1993). MacIntyre supposes that, because of the dominance of scientific facts and reality and belief at the macro-level, management experts need a stock of knowledge and that such knowledge would have to include a set of factual law-like generalizations which would enable the manager to predict that, if an event or state of affairs of a certain type were to occur, to be brought about, some other event or state of affairs of some specific kind would result. For only such law-like generalizations could yield those particular causal explanations and predictions by means of which the manager could mold, influence and control the social environment.

(p.77)

And this is precisely what management science has created. Laws can be hypothesised, tested, repeated and generalized. The objective world is accessible to scientific experiments that establish causal processes. This is despite obvious inconsistencies, as pointed out by Brown (1995) since marketing is one of the more clearly subjective, human, elements of the management task. Despite this it has claimed the status of a science (c.f. The Journal of Marketing Science, one of the leaders in the field; Baker 1994). This is indeed the path trodden by many economists, since "Economics prides itself on its science-like character, and economists on their ability to speak like scientists, without color, passion or values" (Heilbronner, 1988 p.38).

**Marketing embedded in consumerism**

Gummesson (1997) sees marketing as relationship management and he notes the connectedness of marketing to the society's deepest beliefs:

> But business and marketing are embedded in society and marketing is a property or a subset of society. Consequently, marketing is also part of the network of relationships, a fact that has so far not been recognized in marketing theory.
This will mean that marketing is embedded in consumerism. Marketing theory has not yet recognized this as problematic, but concern about the environmental crisis has mobilized reflection on this connection. Peattie (2000) writes "consumer sovereignty as a concept encourages relatively blinkered attention to be paid to those receiving the benefits of economic activity, with little attention to the impact on non-consumers" (p.6). It is precisely this constraint to continuing consumption that Fisk predicted from within the marketing academy some three decades ago. He wrote nearly three decades ago, that "by ignoring social externalities created by marketing and production decisions, business executives have invited rising public criticism and government regulation" (1973, p.24). However, with the benefit of hindsight it is clear that Fisk underestimated the task. He suggested imposing a luxury goods consumption tax and "the development of consumer advertising programs designed to discourage extravagant consumption" (p.25). The tone and tenor of turn of the millennium advertising is as far removed from this as the likelihood of an American public voting George W. Bush into power with a commitment to raise taxes.

Fisk did note that "two things are needed - a new attitude toward the meaning of consumption and a social organization to implement such an attitude" (p.25). Yet without the use of a model such as that supplied in Figure 1 of this paper the enormity of this challenge seems to have escaped him. And it appears, also, to have escaped nearly all those marketing scholars who cite the Fisk article in their papers on micro-level marketing responses to the environmental crisis. Fisk approves what this paper has sought to show is a crucial assumption in Western culture. That is, the assumption that "growth facilitates the ideological drive toward economic equality" (p29). Fisk provides evidence from the past and makes a prediction that "by 1990, US income distribution is predicted to be an inverted pyramid, with relatively few households below the $3 000 poverty line" (p.30). After the 1980s of Reaganism in the US and Thatcherism in the UK both countries have seen the gap between the poor and rich grow wider and in the UK New Labour has proven powerless to reverse the trend, only achieving a slowing of the rate of increase. Fisk's advocacy of responsible consumption is carried out within the DSP.

**Is marketing responsible for consumerism?**

Can marketing see this relationship with the DSP as problematic? For, as Morgan notes,

> from a critical perspective the discourses and practices of marketing, for example, are seen to be as much a propagator and seducer of consumer desire as they are an articulation of, or response to, human need.

(1992 p21)

Venkatesh and Brown (1997) suggest that it is the American marketing paradigm with its set of ideological assumptions that is the problem. The assumptions made, within which marketing then works, are that firms must be free to do whatever they want; the essence of firm-level marketing is to increase profits; marketing is in essence to do with a single firm in a competitive environment; if broader contexts are amenable to marketing, this is only done by replicating these assumptions, not by questioning them. Much of this could be challenged by relationship marketing, and by green marketing (Saren, 2000). Does this deal with all aspects of marketing and consumerism?

One further area of problematic linkage has to do with branding. Values are interpreted and artefacts created or realised from the basic assumptions of the DSP and most of the creative media in Western culture manifest the symbols in terms of brands. Identity, significance and meaning are promised by consuming both the advertisements and the advertised goods and services. Is marketing’s role in this the problem?
During the twentieth century there was an increase of supply and of consumer choice and one benefit has been the rise of consumer power. It is myth rather than history that states that consumerism is simply post-modern (Storey, 1999). Nevertheless, it can be argued that “postmodernism is consumption” (Storkey, 2000), since consumerism is now more all-powerful than ever before, and is therefore in its ascendancy in its current stage. This may not have brought all the freedoms promised. Foucault sees human beings as not grasping the fruits of their labour: "He begins to exist at the centre of a labour by whose principles he is governed and whose product eludes him" (1970, p318). But at the least, this has coincided with greater freedom for greater numbers of people, and so is relatively liberating compared to alternatives in 20th century and earlier, when lack of freedom to consume at will was matched by lack of other freedoms, for the masses. The increasing participation of the masses in what is a bottom-up system, which has grown alongside an increasing democratisation of our culture. Individual prosperity has resulted in expression of individual’s identity, and character. This is more than the early twentieth century prophets predicted (c.f Metropolis, a 1920s film directed by Fritz Lang set in the year 2000).

Indeed, one of the latest forms of marketing, experiential marketing (Schmitt 1999) which views consumers less as rational decision makers who care about functional features and benefits, more as rational and emotional human beings who are concerned with achieving pleasurable experiences (Jevons and Gabbott, 2000). Now, people are able to fulfil desires and aspirations and to experience wish fulfilment. Some of the critics seem rather dour. Consumers are having fun, but perhaps not the critical consumers. Given the various critiques of consumerism (Adorno 1941/1998; Adorno and Horkheimer, 1979; McKendrick, Brewer and Plumb, 1982; Morgan, 1992; Perkin, 1968) I think a reasonable counter-critique would be the question: Although, using consumerism, people are emulating, jostling for position, exploiting, and being exploited, how does this compare to how they might behave without consumerism?

Value is created through exchange; another question arises as to what alternative there might be. To follow Foucault: needs and desires may start innocently enough, food on the tree needs not only to be desired and eaten by the owner to be wealth, but desired and wanted by someone else who wants them from the owner. He then elaborates two developments by which value is created, and in both it is created by exchange value e.g. of a diamond to a starving man or of ability to create value to pay workers, distribution costs etc. The downside admittedly is that the worker becomes "an instrument of production" (p.313). And he is also critical of the characteristics the meeting of needs and desires create:

On the projected surface of economics, he appears as having needs and desires, as seeking to satisfy them, and therefore as having interests, desiring profits, entering into opposition with other men; in short, he appears in an irreducible situation of conflict.

(p.357)

However, this paper argues that it is the broader historical, theological and philosophical forces that caused consumerism to achieve its current dominance in Western culture. It may yet be possible, with foresight, to construct a marketing discipline and function from theory that fits not the current DSP, but a new one. Foresight requires vision of a new DSP, with a new rationality and new cosmology.

Challenge to change

Within scientific academia claims to objectivity and naive realism may now be questioned (Kuhn, 1970). Sociologists have often understood that their research does not replicate reality but represents it: reality is always viewed through particular perspectives; hence research accounts represent reality, they do not reproduce it (Hammersley, 1992; Silverman, 1993). This is also the stuff of the visual arts in which artists attempt to enhance reality. In doing this artists make a series of choices. Images are sights that have been recreated, not merely recorded. Every image embodies a way of seeing: a photograph is not a mechanical record, it is a choice made from "an infinity of other possible sights" (Berger, 1972 p.10). This artistic reproduction of what is seen
then aids the viewer in observing reality - an admittedly perspectival reality. And this is a relevant approach for marketing practice and research to take (Brown, 1995; Halliday, 1999).

MacIntyre supposes that, because of the dominance of scientific facts and reality and belief at the macro-level, management experts need a stock of knowledge and that is precisely what management science has created. Laws can be hypothesised, tested, repeated and generalized. The objective world is accessible to scientific experiments, which establish causal processes. This is despite obvious inconsistencies, as pointed out by Brown (1995) since marketing is one of the more clearly subjective, human, elements of the management task. Scientism at this macro-level has had a key role in rendering the ecological critique of "progress" difficult to penetrate leaders and electorates in Western cultures, which is explained in terms of theory by Figure 1.

Acknowledging a crisis in terms of usage of non-renewable resources opens up to management theorists a part to play in the politicisation of knowledge as it casts doubt upon scientific and social rationalities (Nelkin, 1979). It is therefore timely to progress in this paper to discussing an environmentalist perspective that critiques much past and current behaviour at the micro-level in management. For these perspectives question the basic assumptions of managerialism in the areas of value neutrality and the right to use manipulative power.

**Sustainability as a challenge to the DSP**

Sustainability as a concept includes separate areas such as sustainable consumption, sustainable development, sustainable management practices, and sustainable production. This notion (or even new scientific reality) of a system, an ecosystem as it has been termed, has provided the scientific foundation to question that scientism, that faith in mechanistic science, contained in the values deriving from the DSP (see Figure 1, and as previously discussed). It is the result of discoveries about the impact globally of environmental change and even destruction and degradation (White 1967). Bunker (1986) studied the Amazon basin and the global consequences of the destruction of the rain forests, being carried out for short-term gain to the Brazilian economy and supply to the First World nations:

> The exchange relations that bind this system together depend on locally dominant groups to reorganize local modes of production and extraction in response to world demand, but the ultimate collapse will be global, not local. The continued impoverishment of the peripheral regions finally damages the entire system.

(p.253)

Inherent within the idea of sustainability is this concept of connectedness, with dependence (Berry et al, 2000). This defies the individualism inherent in consumerism. Right at the heart of sustainability, then, is the challenge to the DSP of Western culture. It is this challenge to the DSP that is not wholeheartedly absorbed by Western governments, which accounts for the failure to take much action required by any sustainable agenda. Indeed, the newly-elected president of the United States of America has just reneged on an international treaty to limit carbon emissions, in deference to demands for continued economic growth, in the shape of the fossil fuel producers’ lobby.

If concern for the natural environment is one strand in sustainability, equity or justice is another strand. Here the idea is justice both between generations (Coopey, 2000; Gladwin, Kennelly and Krause, 1995) and globally (Peattie, 2000). "One important aim of sustainability is to more equitably distribute the benefits and costs of economic activity" and this is seen as, again, a core challenge to the DSP. Coopey (2000) regrets that sustainable development can be subverted into a prop for the current DSP, noting, "environmental sustainability for business is not a measure of sustainability of the environment, but the sustainability of business given environmental pressures" (p.278).
Can “sustaincentrism” replace consumerism?
“Sustaincentrism” draws cosmological sustenance from stewardship “common to the major religions” (Gladwin, Kennelly and Krause 1995 p.880). Prince Charles noted this idea of stewardship in his contribution to the 2000 Reith lectures on BBC radio (Berry et al, 2000). Halliday (2000), in putting forward a Christian response to the environmental crisis that “Christians can endorse the concern to recognise the complex harmony of the world God has made, rather than the mechanistic view of the Enlightenment” (p.9). For a value is given to nature, since mankind is to steward God’s creation on his behalf (Halliday, 2000). It is biblical Christian orthodoxy, not heresy (White, 1967) that “all things, animate and inanimate, [are] designed for the glorification of their transcendent Creator, who, in the ultimate gesture of cosmic humility, assumed flesh, lay helpless in a manger, and hung dying on a scaffold” (p.1207).

“Sustaincentrism” can embrace macro-level values to guide micro-level management of organisations. Its values are those of sustainability. It includes ecological efficiency, social sufficiency, and fair distribution of resource and property rights, within and between generations. It takes a longer perspective on time, therefore, and accounts over generations. This leads to prudence and a goal of security and safety in terms of access to the ecosystem’s resources. As a paradigm it enables movement from a belief in connectivity, to a dynamism based on seeing causal relationships in linkages between poverty, over-consumption and ecosystem degradation. Given this richness of “sustaincentrism”, sustainability provides a sufficiently robust challenge to the DSP to enable the ecocentric management orientation at the micro-level "that does not treat environmental risks as externalities, but treats them as the core problems of management” (Shrivastava, 1995 p.124).

Can marketing embrace values?
“Critical marketing studies can usefully debunk” (Alvesson and Willmott, 1996 p.127), but can they build marketing theory? Consumerism is based on dissatisfaction; for “it is the cycle of anticipation and disillusionment that drives the desire to consume” (Storey, 1999 p. 15). Can marketing be consistent with contentment and constraint? It may be as well to acknowledge the fun perceiving in consuming (c.f. an earlier argument in this paper), but the question about certain pleasures crowding out other questions of pleasure, such as quality of life (Alvesson and Willmott, 1996), seems a fair one. Can ethics, values, morality, be built in to marketing as a discipline, as a function, as a philosophy of business? What might be fitting ends for marketing, if the means-orientation of mainstream management is rejected? Management is currently committed to control, to purposive action, to efficiency and effectiveness (Habermas, 1971; MacIntyre, 1984). Weber discussed the idea of value-rationality (1920/78): these values might encourage contentment and constraint. They might enable decisions to be made on grounds other than instrumentally rational. Currently “marketing techniques rarely promote or serve the development of value rational consumption”(Alvesson and Willmott, 1996). The model used as a framework for this paper suggests that such values have to be found outside marketing at the macro-level rather than the micro-level, and Alvesson and Willmott themselves note that religious commitments or communitarian philosophy have to be looked to, to provide the boundaries for consumption within Weber’s thesis. Sustaincentrism and related values are put forward in this for discussion in the context of the role of marketing in pursuing ethical ends. Fisk’s insights are still relevant, even though hindsight has revealed that others have not seen his vision. Can sustainable consumption, leading to constraint, with the end or telos of contentment, be promoted by marketing techniques? The conclusions in this paper attempt to provide a framework and context for such change.

Towards a new DSP
This paper acknowledges that "social-construction processes are involved in shaping concepts of and relationships to nature -that such processes are intertwined with epistemological, ontological and ethical issues” (Purser, Park and Mantuori, 1995 p.1058). Therefore it has drawn attention to the move from a belief in an external God to the powers of reason as the starting point for thinking for human beings - the Enlightenment project (MacIntyre, 1984). This paper has shown that despite all the concern about intergenerational justice (Coopey, 2000; Gladwin, Kennelly and Krause, 1995; Iyer 1999) and environmental destruction (Purser, Park and Mantuori, 1995; Shrivastava, 1995) and the need for action (Coopey; 2000; Kilbourne 1998), in the end the
sustainability of sustainability itself is down to belief systems - the DSP. For, as has been argued earlier in this paper, under the existing DSP "the good of society as a whole is measured by its GNP per head of population and its rate of growth, and by its balance of trade. In this scheme of things nature hardly exists" (Grohe and Seiferle, 1980 p.569). "When the calculations are done [according to the socio-economic values of the DSP] it is clearly cheaper to let Third World people die than to slow economic growth by trying to limit greenhouse gas emissions" (http://www.alfred, 2000 p.3).

A historical, philosophical and theological examination of forces in the creation of the current paradigm has been undertaken and this carries with it a sense of critique. Many of the authors already quoted mention environmental and intra-cultural justice concerns when they refer to economic growth and meeting of unbounded customer wants (Bartholomew 2000; Collier and Esteban, 1998; Gay, 1998; Storkey, 2000). When Saren (2000) writes of the need for a general theory of marketing which moves beyond description of micro-level behaviour in marketing management, he looks to "green marketing". This paper aims to support this direction and now attempts to construct an alternative DSP.

Contents of a new DSP
What is it then, at the macro-level in general and the DSP in particular (c.f. Figure 1) that needs to be changed for sustainability to be sustainable in the hearts and minds of the inhabitants of Western culture? Given the existence of an ecological crisis (Bruntland, 1987; Shrivastava, 1995; White, 1967) and of the finiteness of resources (http://www.alfred, 2000; Iyer, 1999; Shrivastava, 1995) then consumption patterns within this DSP have to change (Coopey, 2000; Fisk, 1973; Iyer, 1999; Storkey, 2000). Since the Stern, Dietz and Guagnano (1995) model (see Figure 1) indicates that it is the cosmological and socio-economic level of values that shapes all further responses and agendas in environmentalism then it is at this level that change needs to occur. The history of the DSP was itself a history of change (Rolston, 1994). Kilbourne and Beckmann (1998) conclude "a concerted effort is still necessary for a transformation of the research problem from one of increasing concern and altering behaviours to one of understanding the nature of the problem in its full complexity." A framework to facilitate this matches Stern, Dietz and Guagnano's Causal Model of Environmental Research (1995) to a table of sustaincentric concerns provided in Gladwin, Kennelly and Krause's paper (1995). One such attempt is tabled below.

Table 1 Comparisons between the consequences of a consumerist and a “sustaincentrist” DSP

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<th>Existing DSP</th>
<th>New DSP</th>
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<td><strong>Cosmology</strong></td>
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<td><strong>Value systems</strong></td>
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<td>Control</td>
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<td>Price in short-term</td>
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<th>Specific beliefs/attitudes</th>
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At the organisational level there is a need for new "learning experiences that encourage the subversion of existing, narrowly economic paradigms...to experiment with ways of creating a new environmentally supportive paradigm" (Coopey, 2000 p.16). More work needs to be done on how changes in culture can be encouraged, how paradigms can be changed (c.f. Kilbourne, 1999) and on a draft agenda for micro-level marketing and management. However, this paper has laid a foundation for such future research, and provided a table for further discussion and development. Kilbourne and Beckmann (1998) doubt whether such a project, deconstructing the influences at a macro-level on marketing thought and practice will meet with success. This paper and the process of such a session should enable steps forward to be taken, taking cognisance also of the difficulty of the route.

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Tracing the Development of Macromarketing As A Sub-discipline Of Marketing

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Abstract

Mittelstaedt (1990) traced the development of consumer behavior as a sub-field of marketing by looking at the developments in its content area. Savitt (1990) employed a Kuhnian framework to trace the development of macromarketing from the 1920's to the period before Alderson. This paper attempts to trace the development of macromarketing as a sub-discipline of marketing from a sociology of science perspective.

Ziman (1984), and Mullins (1973) describe a pattern by which a sub-discipline may develop as a specialty in its own right. This paper applies the models developed by Ziman (1984) and Mullins (1973) to the development of macromarketing as a sub-discipline of marketing. Mullins' (1973) model studies the communication and social structures that develop as a field of study matures. Ziman (1984) describes a pattern for the institutionalization of an academic specialty.

The first section of this paper discusses the two models. The second section applies the two models to the development of macromarketing as a sub-discipline of marketing. The third section discusses the results of a preliminary data analysis on trends in co-authorship in writings in the area of macromarketing, and conclusions are given in the final section.

Tracing The Development of Macromarketing As A Sub-discipline of Marketing

Introduction

This paper examines the development of macromarketing as a sub-discipline of marketing from the sociology of science perspective. Mittelstaedt (1990) traced the development of consumer behavior as a sub-field of marketing by looking at developments in its content area. Savitt (1990) employed the Kuhnian framework to trace the development of macromarketing as a sub-field from the 1920's to the period before Alderson. An alternative way to study the development of a sub-field is to look at its development from a social perspective – that is, study how the communication structure between the interested scientists in that field evolved. The social aspects in the development of any field are important, as "social support for intellectual developments is absolutely necessary if these developments are to prosper" (Mullins 1973 P. 304). Mullins (1973) develops a model that traces the progress of a sub-discipline as it gradually differentiates from its parent discipline and eventually becomes a specialty in its own right. The basic features of this process are the changing patterns of communications within the emerging group. Ziman (1984) also develops a model to explain the development of a sub-discipline in terms of its process of institutionalization. This paper attempts to apply the models developed by Mullins (1973) and Ziman (1984) models to the development of macromarketing as a sub-discipline of marketing.

Two Models for the Development of a Sub-discipline

Mullins's Model of Sub-Discipline Development

Mullins (1973) traces the progress of a sub-discipline as it gradually differentiates from its parent discipline and eventually becomes a specialty in its own right. The basic features of this process are the changing patterns of communication within the emerging group. According to Mullins (1973) a sub-discipline goes through four stages of development before it becomes a specialty in its own right. These
four stages are:

a. **Normal stage** - in this stage literature on the subject is produced by isolated researchers at a few scattered institutions. There is no formal organization or communications networks between the researchers and only a few colleague, apprentice and co-author relations exist. At this stage the sub-discipline is usually not recognized by its parent discipline. This stage ends when some work is published on the subject which attracts several of the researchers working in the area and this could be the beginning of a theory group (a group of people who are interested in a particular line of research) for this area.

b. **Network stage** – This stage begins when scientists interested in the area discuss published works on the subject. The group begins to increase in size by attracting other students and interested scientists. According to Mullins (1973), group membership is still informal and the total group seldom numbers over forty members, before the next stage is reached. Two characteristics of this stage are (i) more ties are formed between scientists interested in the area as opposed to ties with scientists outside, and (ii) a few students enter the field and some teacher-student relationships develop. The intellectual developments include a determination of future directions of research and agreement between researchers on the scope of the sub-field of study. These may appear in a program statement by the group's intellectual leader (Neimeyer 1982) and a research center may develop. Mullins estimates that theory groups remain in this stage from four to fourteen years.

c. **Cluster stage** – A transition to this stage is a major development and this stage may be brought in by an explosion and success of publications and works in this area. The theory group grows in number and other scientists and students are attracted to this field (“clusters” around the intellectual leaders form). The relations become less informal and close collaboration between group members leads to co-authorship. As the group expands one or more persons assumes a position of social leadership, arranging for conferences, jobs and publications and the theory group becomes more known and visible to its parent discipline. On the intellectual front, the group focuses on directions of research described in the program statement. The volume of research literature increases rapidly and it has higher citations to work generated within its own field. Scientists outside this area start commenting on the sub-discipline and as a result the new group gets established either as an elite or as a revolutionary group. If the theory group gets established as an elite group it is respected by the parent discipline and its contributions are regarded as substantive, to the development of scientific knowledge. On the other hand, if the theory group is regarded as revolutionary it is not accepted by the parent discipline and may eventually fade away. Mullins estimates that clusterhood could last four to eight years.

d. **Specialty stage** - as the elite group grows and becomes more successful its members (both students and faculty) get articles published in established journals and members get jobs in the professional community. In this stage, the primary task of the group is to institutionalize the work that has been done, for example, by starting regular courses in the university. However, the stability of the group may be endangered by the hiring efforts of groups at competing institutions. The revolutionary group, on the other hand, finds it more difficult to gain acceptance and may have to establish its own publication outlets.

At this stage of the development of the sub-discipline research work is not typically ground breaking as in the earlier stages, but secondary materials, like textbooks, review articles, and edited volumes, begin to appear. Although publication increase, the communication structure gradually starts to weaken as the group re-establishes ties with scientists in other fields. Further, students become familiar with the sub-discipline and its basic principles. Eventually, the communication pattern of the group
begins to approximate that of any normal science, as different people in the group begin to expand their work in different directions.

Ziman’s Model of Sub-Discipline Development

Ziman (1984) explains the development of a sub-discipline in terms of its institutionalization, as it becomes a part of the discipline. In the initial stages of development of a sub-discipline, interested scientists organize informal conferences to discuss issues that interest them in the area. These scientists may be invited to write papers for a special issue of the leading journal in the discipline that attracts other scientists to the area. An “invisible college” may emerge that communicates through informal conferences, through pre-prints and re-prints, and/or an informal newsletter. The “invisible college” may evolve into a regular learned society and the newsletter may evolve into a reputable primary journal. In the next stage the structure of the “invisible college” becomes more formal so that the process of presiding over conferences, editing journals, and recognizing key contributors to the area runs smoothly and becomes routine. In the final stage the new sub-discipline is incorporated as a regular course of study in graduate and undergraduate institutions.

The Two Models Applied To the Sub-discipline of Macromarketing

This section traces the development of macromarketing, as a sub-discipline of marketing according to the models described above. See Table 1 below for a brief outline of the social and intellectual developments in this area

<table>
<thead>
<tr>
<th>Stage</th>
<th>Social Developments</th>
<th>Intellectual Developments</th>
</tr>
</thead>
</table>
### Speciality:

<table>
<thead>
<tr>
<th>Specialty</th>
<th>1996-present</th>
</tr>
</thead>
<tbody>
<tr>
<td>No specific research center.</td>
<td>Research becomes routine.</td>
</tr>
</tbody>
</table>

- **Normal Stage:** As is typical of this stage works on the subject of macromarketing were published in fits and starts, (see for example Hancock and Holloway 1964, Fisk 1967, 1974a and 1974b, Moyer (1972) and Slater 1969 and 1979), and not in a continuous or organized fashion. The reason was little communication between interested researchers in this area. Holloway (1964) established a link between marketing and society (see Sheth et al 1988, p 139). George Fisk, who was heavily influenced by Wroe Alderson and Reavis Cox, distinguished between microsystems and macrosystems, and used a systems perspective to understand the role of marketing in society (Sheth et al 1988 p 139). Moyer (1972) focused on societal issues and suggested that the study of marketing be approached from a societal perspective.

As predicted by the model developed by Mullins, writings in this stage were not continuous and were followed by a slack period when little progress appeared to be made in this area. However, the annual seminars on Macromarketing organized by Charles Slater beginning in 1976 (see Sheth et al 1988) gave the field of macromarketing a jump start and probably ushered in the second stage of its development. Based on the above we think that the Normal stage for macromarketing started in the early sixties and lasted till 1975.

As conceptualized by Ziman (1984) an “invisible college” for macromarketing was being formed during this period and interested researchers discussed issues informally.

- **Network Stage:** Charles Slater organized the first macromarketing seminar at Boulder, Colorado in 1976. The idea for this seminar was generated in informal discussions between graduate students and the faculty at the University of Colorado in the summer of 1975. As is characteristic of this stage, the first few conferences were informal. Also as predicted by Mullins, the definition and taxonomy of macromarketing was the focus of discussion in the first few conferences, (see for example Hunt 1976, Nickels and Hill 1977, Shawver and Nickels 1978). In fact, discussion on this topic continued for some more time. [e.g., Hunt and Burnett (1982) and Fisk (1980)]

The field of macromarketing was in the network stage for a relatively short period of time – from 1976 to 1980- and it probably entered the next stage of its development soon after (see table 1).

- **Cluster Stage:** Macromarketing became more visible to its parent field in the early 1980's. In fact, the macro group became more or less established as an elite group within the discipline of marketing. Evidence of this is provided by the appointment of a section editor for macromarketing in the Journal of Marketing. Further, the Journal of Macromarketing (JMM) commenced publication in 1981. In 1982 (after six macromarketing seminars), a section editor for macromarketing was appointed for the Journal of Marketing. This appointment implied that macromarketing as a sub-discipline of marketing had got recognition from its parent discipline. This is consistent with Ziman’s model too, that predicts recognition of the sub-discipline by its parent discipline through a reputable journal in the area. Another indication of recognition of the field was a decline in research work pertaining to definitional issues in macromarketing. In addition, there were an incredible number of publications in this period and researchers from outside the macro group also made contributions to the sub-discipline.
Macromarketing as a sub-discipline was being institutionalized in a number of ways. For example, macromarketing became required coursework for a Ph.D. in marketing in many universities. Subsequently, dissertations in macromarketing have become more common. More recently, a unique track has been set up for macromarketing in the American Marketing Association Conference. Relations between researchers became more formal in this stage and this is witnessed by an increase in co-authorship (see Tables 2 and 3). This is discussed in more detail in the next section. We think that this stage probably lasted from 1981 to 1995.

**Specialty Stage:** Macromarketing has probably entered the last stage of Mullins’s model. This stage is characterized by cross-hiring of scientists across institutions and the absence of a single research center. Evidence of the latter is provided by the fact that the macromarketing conferences are currently held at a different location each year. Moreover, undergraduate and graduate texts have started appearing on this subject.

**A Preliminary Data Analysis**

As an interesting exercise, we collected data on the number of single author and multiple author papers presented/published at the macro conferences, and in the Journal of Macromarketing (JMM). The purpose was to give us an indication of the co-authorship trends and the development of collegial relations between researchers working in the area. Table 2 gives the number of single and multiple author papers published in the JMM from its inception in 1981 to the year 2000. Similarly, Table 3 gives the number of single author and multiple author papers presented at the Macromarketing conferences from the first one held in 1976 to 1999. Based on the data in Tables 2 and 3, we constructed Table 4 which gives the total number of single and multiple author papers presented and published at the macro conferences and the JMM respectively. As discussed in the previous section, the Cluster stage is characterized by an increase in the number of papers in the area, and a close collaboration between researchers. Table 3 (column 3) gives the total number of papers presented at the macro conferences. If we break up the period 1976-1995 into two sub-periods we find that the average number of papers presented increased from 23 for the period 1976-80 to 26.8 for the period 1981 to 1995. Further, if we look at co-authorship trends (see Table 3) we find that multiple authored papers as a percentage of single author papers increased over the period 1981 to 1995 as compared to the earlier period. Both these trends support our hypothesis that macromarketing was in the network stage from 1976-1980 and in the cluster stage from 1981 to 1995.
Table 2. Co-authorship Trends In the Journal of Macromarketing

<table>
<thead>
<tr>
<th>A) Year</th>
<th>B) Single Author</th>
<th>C) Two Authors</th>
<th>D) Three or more Authors</th>
<th>E) Multiple Authors (Sum of c &amp; d)</th>
<th>Total Papers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981</td>
<td>10</td>
<td>3</td>
<td>2</td>
<td>5</td>
<td>15</td>
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<td>6</td>
<td>15</td>
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<td>1983</td>
<td>7</td>
<td>5</td>
<td>1</td>
<td>6</td>
<td>13</td>
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<td>7</td>
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<td>1985</td>
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<td>2</td>
<td>6</td>
<td>11</td>
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<td>1986</td>
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<td>1</td>
<td>7</td>
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<td>2</td>
<td>6</td>
<td>10</td>
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<td>5</td>
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<td>3</td>
<td>6</td>
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<td>Total</td>
<td>108</td>
<td>80</td>
<td>35</td>
<td>115</td>
<td>227</td>
</tr>
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</table>
Table 3. Papers Presented at the Macromarketing Conferences

<table>
<thead>
<tr>
<th>Year</th>
<th>(a) Single Author</th>
<th>(b) Multiple Authors</th>
<th>Percentage of Multiple Author Papers (\frac{(a)}{(a) + (b)})</th>
<th>Total</th>
</tr>
</thead>
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<tr>
<td>1977</td>
<td>16</td>
<td>7</td>
<td>30.43%</td>
<td>23</td>
</tr>
<tr>
<td>1978</td>
<td>15</td>
<td>10</td>
<td>40.00%</td>
<td>25</td>
</tr>
<tr>
<td>1979</td>
<td>13</td>
<td>12</td>
<td>48.00%</td>
<td>25</td>
</tr>
<tr>
<td>1980</td>
<td>19</td>
<td>7</td>
<td>26.92%</td>
<td>26</td>
</tr>
<tr>
<td>1981</td>
<td>16</td>
<td>5</td>
<td>23.81%</td>
<td>21</td>
</tr>
<tr>
<td>1982[1]</td>
<td>28</td>
<td>7</td>
<td>20.00%</td>
<td>35</td>
</tr>
<tr>
<td>1983</td>
<td>15</td>
<td>9</td>
<td>37.50%</td>
<td>24</td>
</tr>
<tr>
<td>1984</td>
<td>26</td>
<td>11</td>
<td>29.73%</td>
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<td>1985</td>
<td>22</td>
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<td>31.25%</td>
<td>32</td>
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<td>1986</td>
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<td>23.08%</td>
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<tr>
<td>1987</td>
<td>19</td>
<td>15</td>
<td>44.12%</td>
<td>34</td>
</tr>
<tr>
<td>1988</td>
<td>14</td>
<td>13</td>
<td>48.15%</td>
<td>27</td>
</tr>
<tr>
<td>1989[2]</td>
<td>12</td>
<td>8</td>
<td>40.00%</td>
<td>20</td>
</tr>
<tr>
<td>1990</td>
<td>15</td>
<td>12</td>
<td>44.44%</td>
<td>27</td>
</tr>
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<td>1991</td>
<td>10</td>
<td>9</td>
<td>47.37%</td>
<td>19</td>
</tr>
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<td>1992</td>
<td>19</td>
<td>18</td>
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<td>37</td>
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<td>1996</td>
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<td>7</td>
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<td>12</td>
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<td>1997[3]</td>
<td>25</td>
<td>27</td>
<td>51.92%</td>
<td>52</td>
</tr>
<tr>
<td>1999</td>
<td>14</td>
<td>12</td>
<td>46.15%</td>
<td>26</td>
</tr>
</tbody>
</table>

[6] Data for 1982 was difficult to interpret.
[7] For 1989, the round table discussions were not included.
[3] For 1997, a loose paper was included.
[4] For 1998, a special session was not included.
Table 4. Combined: Papers Presented and Published at the Macro Conferences and the Journal of Macromarketing

<table>
<thead>
<tr>
<th>Year</th>
<th>(a) Single Author</th>
<th>(b) Multiple Authors</th>
<th>Percentage Of Multiple Author Papers (b)/(a) + (b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981</td>
<td>26</td>
<td>10</td>
<td>27.78%</td>
</tr>
<tr>
<td>1982</td>
<td>37</td>
<td>13</td>
<td>26.00%</td>
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<td>1983</td>
<td>22</td>
<td>15</td>
<td>40.54%</td>
</tr>
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<td>1984</td>
<td>33</td>
<td>14</td>
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<td>35.14%</td>
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<td>1987</td>
<td>23</td>
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<td>47.73%</td>
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<td>1988</td>
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<td>18</td>
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<td>1989</td>
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<td>14</td>
<td>45.16%</td>
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<td>1990</td>
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<td>1991</td>
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<td>1992</td>
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<td>15</td>
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</tr>
<tr>
<td>1997</td>
<td>28</td>
<td>38</td>
<td>57.58%</td>
</tr>
</tbody>
</table>

Further according to Mullins’ model, in the Specialty stage of a sub-discipline there is a decline in co-authorship. Again if we look at Table 4 (column 3) we find that there is a trend towards more single author papers as compared to multiple author papers even though we have data for only three years (1997-1999). This preliminary analysis of the data supports our tentative hypothesis that currently macromarketing is in the Specialty stage of its development as a sub-discipline of marketing.

Macromarketing discipline has also entered the digital age, with the American Marketing Association including macromarketing as one of nineteen sub-disciplines organized into Special Interest Groups (SIGs). The goal of the "Marketing and Society/Ethics SIG" is to facilitate opportunities for; networking, sharing ideas, discussing problems and keeping up with new findings (www.ama.org). The SIG meets these goals by the coordination through their website (http://www.massig.org/), through newsgroup/email messages, and by special sessions organized at conferences.

Conclusions

This paper applied the models developed by Mullins (1973) and Ziman (1984) to study the development of macromarketing as a sub-discipline of marketing. Presently, macromarketing as a field seems to be in the specialty stage of Mullins's model, and in the last stage of its development according to the model developed by Ziman. A preliminary analysis of co-authorship trends supports this conclusion.
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Marketing and the Social Designation of Science

Jerome M. Katrichis, Karen M. Stevens, The University of Hartford

Abstract

This study investigates Anderson’s (1983) conception of science2 which proposes that the scientific status of a discipline should be determined by the perceptions of society, and that society bestows such status to disciplines that contribute to the best interests of society. This view of science is operationalized and explored. Results indicate that while in an absolute sense, all selected disciplines can be viewed as sciences, marketing is viewed by society as far less scientific than other disciplines. Additionally, little relationship was found between the contribution to society of a discipline and its scientific status.

Introduction

In a review of different perspectives on the philosophy of science, Anderson (1983) discusses the oft asked question, “is marketing a science?” (cf. Hutchinson 1952). In order to address the issue, Anderson (1983) suggests a distinction between what he refers to as science1, the logical empiricist view of science, and science2, or a social designation of science. His general conclusion was that society awards scientific status to those disciplines that produce knowledge products that benefit the interests of society. Given science2, Anderson offers recommendations as to how marketing might conduct itself in order to be granted the status of science by society.

This study has two objectives. First it attempts to answer the question: ”Is Marketing science2?” That is, it attempts to determine whether marketing is viewed as a science by society. Utilizing a sample of non-marketing university professors as a proxy for society, it does so in relative terms as well as in absolute terms. The second objective is to determine if perceptions of science2 have any relation to the perception that a particular field of inquiry has contributed to society. The paper concludes with a discussion of the results and their implications to the Marketing discipline.

Science vs. Non-Science

Concern over the scientific status of marketing emerged in the late 1940's with Brown’s (1948) address to the American Marketing Association. In his speech, Brown called for the need of the discipline to progress beyond a purely descriptive enterprise by employing the more analytical approach of scientific experimentation. In particular, he recommended that emphasis be placed on increasing basic knowledge in marketing through the accumulation of precise marketing facts, "the foundation of any science and in turn the art of the practitioner in any field", (p. 29). Shortly thereafter, Alderson and Cox (1948) addressed the need for the development of a theory of marketing to raise the analysis of problems facing marketers above the level of an "empirical art" and to establish the scientific criteria necessary for generating and testing hypotheses. In response, Vaile (1949) commented that marketing could never become a science, but is an art that utilizes scientific theories generated by other disciplines in its application. With this dialogue the nearly fifty year old debate over the scientific status of marketing began.

Some authors flatly reject the notion that marketing is or can ever become a science (Hutchinson 1952; Vaile 1949). Others suggest that marketing is indeed a science (Hunt 1976a, 1976b; Kotler 1972; Leong 1985; Monieson 1981). A third group maintains that marketing is not a science, but has the capacity to become one (Anderson 1983; Bartels 1951; Brown 1948; Buzzell 1963; Mills 1961; Levy 1976; O'Shaughnessy and Ryan 1979; Taylor 1965). The issue of the scientific status of marketing has raised questions regarding the status and construction of theories in marketing (cf., Alderson and Cox, 1948; Bagozzi 1984; Hunt 1976b, 1983; Leone and Schultz 1980), questions regarding the philosophy of science
that marketing should embrace (cf., Arndt 1985; Bush and Hunt 1982; Leong 1985; Hirschman 1986; Muncy and Fisk 1987; Hudson and Ozanne 1988; Hunt 1991), and alternative perspectives of reality and the goals of a discipline (Hunt 1990, 1992a; Peter 1992; Zinkhan and Hirschheim 1992). Implicit in all these dialogues is the belief that it is desirable, important and good to be a science.

To the early authors on this subject (Alderson and Cox, 1948; Bartels 1951; Brown 1948), the desire for marketing to become scientific was primarily motivated by the seemingly narrow scope of marketing research. In general, research was descriptive in nature with a focus on problems that were institutional in scope. The appearance of broader problems and social interests, as well as the progress of the discipline, called for more general principles and analytical theories to allow for the prediction and control of events.

A second reason for establishing marketing as a science is to assure its identity as a distinct field of inquiry rather than a purely applied field or one that overlaps with other disciplines. In particular, Hutchinson (1952) argues that marketing is not a science, but an art or a practice that relies on the knowledge gleaned by source sciences such as economics, psychology, sociology, etc. Similarly, Bartels (1951) notes that marketing knowledge is drawn not only from the institutional and functional aspects of marketing, but also from other disciplines such as accounting, law, psychology, sociology, production, engineering, and political science. Since a "distinct field of inquiry" is by definition a requirement for a science (Bartels 1951), it may be in marketing's best interest to be classified as a science in order to insure its continuation and prevent it from being assimilated back into its source disciplines.

We might speculate that marketing's desire to be elevated to the status of science is also motivated by its somewhat tarnished reputation among the general public. From the early merchants and middlemen, to the used car salesman and persuasive advertiser, historically marketing has been associated with deception, exploitation and opportunism (cf., Kelley 1956; Kernan 1973). On the other hand, science is held in very high regard. It is revered as the most important agent of progress in contemporary society (Buzzell 1963). It helps mankind to understand his universe (Hutchinson 1952) and solves important problems (Laudan 1977). Hence, if marketing is awarded the status of science, its reputation may no longer be questionable and the discipline could be exalted rather than scorned.

Finally, by achieving the status of science the continuation of the discipline may be secured. As Anderson (1983) notes, it is the goal of a science to ensure that its knowledge is dispersed to the greater society so that it can serve to benefit society's best interests. In addition, the more beneficial the knowledge products of a discipline, the more likely the flow of resources for further advancement of its knowledge base. Hence, once again, it is in marketing's best interest to become a science.

Science2

In general, the question of whether marketing is a science has been approached using a definition of science arising from the logical empiricist perspective which emphasizes the employment of the scientific method (Anderson 1983; O'Shaughnessy and Ryan 1979; Calder and Tybout 1987). This philosophy has been attacked due to fundamental flaws in its logic and its inability to adequately account for the historical progression of science (Anderson 1983; Holbrook and O'Shaughnessy 1988). Thus, alternative philosophies and consequently definitions of science have been proposed.

Influenced by a number of philosophers of science, Anderson (1983) adopts the perspective he refers to as science2, which is that science is whatever society chooses to call science. This approach also results in Anderson's assertion that scientific status will be granted to disciplines which produce knowledge products that function in the best interests of society. This indicates a positive relationship between the "scientificity" of a discipline and its contribution to society. The goals of this research flow directly from the work of Anderson. Accordingly, the first goal is to determine, in both a relative and an absolute sense, whether
society views Marketing as a science. The second goal is to investigate whether a relationship exists between how scientific society views a discipline and the perceived contribution of the discipline to society.

Method
Sample and Data Collection Procedure

The target sample consisted solely of university professors (all ranks). Professors were utilized for two reasons. First, it seemed that professors would be more familiar with the distinction between sciences and non-sciences so the questions would seem less strange to them. Second, it was thought that university professors are opinion leaders with regards to which disciplines might or might not be referred to as sciences.

The sample consisted of 203 professors and was divided into two categories, marketing professors, and other professors, with an original target of 100 respondents in each category. Marketing professors were selected randomly from the university affiliation section of the 1992 American Marketing Association membership directory. Once contacted, individuals were screened to eliminate AMA members holding strictly administrative positions. That is, only individuals who are currently marketing professors were utilized. Other professors were selected randomly from the telephone directories of three research universities (The University of Michigan, The University of Pennsylvania, and Temple University), with equal numbers (34) selected from each university. The selection criteria for a university was solely the convenient availability of a directory.

Individuals were contacted by telephone, and a questionnaire was administered during normal business hours (9:00 a.m. - 5:00 p.m.) in the respondent's time zone. If five attempts at contacting an individual by telephone were unsuccessful, the individual was discarded from the sample and replaced by another randomly selected individual. Contact attempts were staggered so that after an unsuccessful contact attempt, other attempts would occur at different times of day, and different weekdays.

Interviewers attempted to contact a total of 185 marketing professors, of which 115 (62.2%) responded, and 4 (2.2%) refused. Interviewers failed to make contact with the remaining 66 (35.7%) utilizing a five attempt rule. Subsequently, 14 questionnaires were discarded as incomplete, yielding a usable response rate within the marketing sample of 54.6% and a total sample of 101. For the non-marketing sample, interviewers attempted to contact a total of 255 professors, of which 119 (46.7%) responded, and 14 (5.5%) refused. Interviewers failed to make contact with the remaining 122 (47.8%). Subsequently 17 questionnaires were discarded as incomplete, yielding a usable response rate within the non-marketing sample of 40.0% and a total sample of 102. The resulting sample of non-marketing professors contained representatives from a total of 36 disciplines, with no single discipline representing more than 9% of the total sample. Table 1 gives a breakdown of the disciplines of respondents.

Measures

Two questions were asked in telephone interviews of the selected sample. The first two questions were asked in reference to twenty four preselected disciplines. The first question instructed respondents that disciplines are regularly praised or criticized based on peoples' perceptions of how scientific the discipline is. They were then asked to rate each discipline based on how scientific they perceived it to be on a 0-10 scale, with 0 designating "not at all scientific," and 10 designating "completely scientific."

In order to assess the ability of a discipline to make a contribution to society, a second question regarding the positive impact respondents perceived the discipline to have on peoples' lives was asked in reference to each discipline. A 0-10 scale was again utilized with 0 representing "contributes nothing to peoples' lives," and 10 representing "contributes a great deal to peoples' lives."

The selection of disciplines for inclusion as items in the study was based on three criteria. First, disciplines were selected to represent what seemed to the researchers a priori to represent a wide degree of variation of scores on the scientificity variable. For example, astrology, music, and literature were included with the expectation that they would receive low scores. Physics, chemistry, and biology were selected with the expectation that they would receive high scores. That is, these sciences represent traditional exemplars of
what a science is (cf. Chalmers 1982; Laudan 1977). The second criteria utilized was that the disciplines included would be readily recognized by an across-university sample. That is, institution specific discipline names were avoided. The third criteria was to avoid overlap in discipline titles. For example, biology was included but physiology was not. The order of presentation for these 24 disciplines was arrived at randomly with the original order reversed for half of the sample in order to avoid presentation order effects. For a list of the disciplines utilized, see the results table 2 or 3.

Table 1: Incidence of Respondent Disciplines

<table>
<thead>
<tr>
<th>Respondent Discipline</th>
<th>Number Of Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering</td>
<td>9</td>
</tr>
<tr>
<td>Biology, Economics</td>
<td>8</td>
</tr>
<tr>
<td>Chemistry</td>
<td>6</td>
</tr>
<tr>
<td>English, Foreign Language, Social Work</td>
<td>5</td>
</tr>
<tr>
<td>Computer Science</td>
<td>4</td>
</tr>
<tr>
<td>Architecture, Art, Finance, Mathematics, Physics, Psychology</td>
<td>3</td>
</tr>
<tr>
<td>Anthropology, Communications, Dentistry, Education, Geology, Management, Music, Pharmacy, Philosophy, Religion, Sociology, Theater</td>
<td>2</td>
</tr>
<tr>
<td>Accounting, Business Law, Geography, History, Occupational Therapy, Pathology, Pharmacology, Political Science, Radiology, Zoology</td>
<td>1</td>
</tr>
</tbody>
</table>

Data Analysis and Results

In order to assess whether a discipline could be referred to as a science in any absolute sense, raw data averages were calculated and simple t-tests were performed to determine if means were significantly greater than zero. All twenty four disciplines were rated significantly greater than zero (p < .001) on both of the multi-discipline items indicating that, at least in some sense, all twenty four could be seen as sciences and could be seen as contributing positively to peoples’ lives.

Relative scientificity was analyzed by standardizing responses within individual respondents across the 24 disciplines on the ratings of how scientific they perceived the discipline to be. Simple t-tests were used to determine differences between the marketing and non-marketing samples. Table 2 ranks the disciplines based on their mean ratings of scientificity by marketing and non-marketing academicians, respectively. Scientificity seems to vary greatly across the disciplines. Some disciplines, (e.g., physics, biology and chemistry), are viewed by both groups as being more scientific than others, (e.g., literature, religion and philosophy).
In comparison to their peers in other disciplines, marketers overrate finance ($p < .001$) and personnel management ($p < .001$). On the other hand, marketers underrate geology ($p < .05$), computer science ($p < .01$) and history ($p < .05$). This underrating of history by the marketing sample relative to the non-marketing sample may account, in part, for the lamentations of some within the discipline regarding the paucity of historical research in marketing (Fullerton 1987; Kumcu 1987; Savitt 1982).

Non-marketing academicians rate the discipline of marketing significantly lower than do marketers ($p < .001$). In addition, while no significance test is available for the difference, an examination of Table 2 implies that marketing's non-marketing academic peers perceive the scientific status of marketing to be closer to twenty-fourth rated astrology than to top rated physics.

Despite these differences, the results demonstrate a remarkable concurrence between the groups regarding the ranking of the disciplines. In particular, with the exception of personnel management, no discipline is ranked differently by more than two positions. (Marketers rank personnel management three

### Table 2: Standardized Rating of the Scientificity of Disciplines

<table>
<thead>
<tr>
<th>Discipline</th>
<th>MARKETING SAMPLE</th>
<th>OTHER SAMPLE</th>
<th>Diff. Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RATING</td>
<td>RANKING</td>
<td>RATING</td>
</tr>
<tr>
<td>Physics</td>
<td>1.338</td>
<td>1</td>
<td>1.265</td>
</tr>
<tr>
<td>Chemistry</td>
<td>1.151</td>
<td>2</td>
<td>1.212</td>
</tr>
<tr>
<td>Biology</td>
<td>0.997</td>
<td>3</td>
<td>1.023</td>
</tr>
<tr>
<td>Astronomy</td>
<td>0.994</td>
<td>4</td>
<td>1.004</td>
</tr>
<tr>
<td>Engineering</td>
<td>0.799</td>
<td>5</td>
<td>0.854</td>
</tr>
<tr>
<td>Statistics</td>
<td>0.776</td>
<td>6</td>
<td>0.860</td>
</tr>
<tr>
<td>Geology</td>
<td>0.737</td>
<td>7</td>
<td>0.862</td>
</tr>
<tr>
<td>Computer Science</td>
<td>0.640</td>
<td>8</td>
<td>0.854</td>
</tr>
<tr>
<td>Economics</td>
<td>0.306</td>
<td>9</td>
<td>0.173</td>
</tr>
<tr>
<td>Nutrition</td>
<td>0.294</td>
<td>10</td>
<td>0.392</td>
</tr>
<tr>
<td>Finance</td>
<td>0.229</td>
<td>11</td>
<td>-0.118</td>
</tr>
<tr>
<td>Psychology</td>
<td>0.103</td>
<td>12</td>
<td>0.108</td>
</tr>
<tr>
<td>Marketing</td>
<td>0.022</td>
<td>13</td>
<td>-0.279</td>
</tr>
<tr>
<td>Accounting</td>
<td>-0.004</td>
<td>14</td>
<td>-0.059</td>
</tr>
<tr>
<td>Sociology</td>
<td>-0.110</td>
<td>15</td>
<td>-0.153</td>
</tr>
<tr>
<td>Personnel Management</td>
<td>-0.395</td>
<td>16</td>
<td>-0.720</td>
</tr>
<tr>
<td>Education</td>
<td>-0.587</td>
<td>17</td>
<td>-0.497</td>
</tr>
<tr>
<td>History</td>
<td>-0.730</td>
<td>18</td>
<td>-0.528</td>
</tr>
<tr>
<td>Philosophy</td>
<td>-0.754</td>
<td>19</td>
<td>-0.597</td>
</tr>
<tr>
<td>Music</td>
<td>-0.840</td>
<td>20</td>
<td>-0.722</td>
</tr>
<tr>
<td>Journalism</td>
<td>-0.941</td>
<td>21</td>
<td>-0.969</td>
</tr>
<tr>
<td>Literature</td>
<td>-1.147</td>
<td>22</td>
<td>-1.036</td>
</tr>
<tr>
<td>Religion</td>
<td>-1.284</td>
<td>23</td>
<td>-1.301</td>
</tr>
<tr>
<td>Astrology</td>
<td>-1.495</td>
<td>24</td>
<td>-1.628</td>
</tr>
</tbody>
</table>
places higher than non-marketers.) Additionally, the ratings of both groups yield identical rankings on the
top four disciplines, (physics, chemistry, biology and astronomy) and the final five (music, journalism,
literature, religion and astrology).

Relative contribution to peoples' lives was assessed identically to relative scientificity. Responses
were standardized within respondents across the 24 disciplines, and simple t-tests were used to assess any
perceptual differences between the marketing and non-marketing samples. Table 3 ranks the disciplines by
their mean ratings of contribution to peoples' lives, by marketers and non-marketers, respectively.

Table 3: Standardized Rating of Disciplines' Contributions to Peoples' Lives

| Discipline         | MARKETING SAMPLE n=101 | OTHER SAMPLE n=102 | Diff. Sig. <  
|--------------------|-------------------------|--------------------|-----------
| RATING  | RANKING | RATING  | RANKING |   |
| Engineering        | 0.760 | 1       | 0.824 | 1 | n.s. |
| Chemistry          | 0.657 | 2       | 0.655 | 3 | n.s. |
| Biology            | 0.648 | 3       | 0.699 | 2 | n.s. |
| Education          | 0.605 | 4       | 0.629 | 4 | n.s. |
| Music              | 0.575 | 5       | 0.585 | 5 | n.s. |
| Literature         | 0.517 | 6       | 0.446 | 8 | n.s. |
| Nutrition          | 0.501 | 7       | 0.534 | 7 | n.s. |
| Physics            | 0.414 | 8       | 0.348 | 9 | n.s. |
| Computer Science   | 0.374 | 9       | 0.561 | 6 | .05 |
| Religion           | 0.275 | 10      | 0.049 | 11| .10 |
| Marketing          | 0.289 | 11      | -0.554 | 22| .001 |
| Psychology         | 0.004 | 12      | -0.023 | 14| n.s. |
| History            | -0.069 | 13   | -0.018 | 13| n.s. |
| Journalism         | -0.161 | 14    | 0.197 | 10| .001 |
| Finance            | -0.174 | 15   | -0.228 | 15| n.s. |
| Philosophy         | -0.184 | 16   | -0.343 | 20| n.s. |
| Economics          | -0.269 | 17   | -0.017 | 12| .01 |
| Geology            | -0.351 | 18   | -0.298 | 17| n.s. |
| Sociology          | -0.399 | 19   | -0.325 | 18| n.s. |
| Statistics         | -0.402 | 20   | -0.240 | 16| .10 |
| Personnel Management| -0.439 | 21 | -0.529 | 21| n.s. |
| Accounting         | -0.457 | 22 | -0.328 | 19| n.s. |
| Astronomy          | -0.766 | 23   | -0.592 | 23| .05 |
| Astrology          | -1.947 | 24   | -2.033 | 24| n.s. |

Just as the concurrence between the groups with respect to the ranking of the disciplines on
scientificity is remarkable, so too is their disagreement with respect to contribution to peoples' lives. In
comparison to their peers in other disciplines, marketers underrate computer science (p <.05), economics (p
<.01), statistics (p <.10) and astronomy (p <.05). On the other hand, marketers overrate religion (p <.10).
The most striking difference, however, is marketers' overrating of marketing's contribution to people's lives relative

**Figure 1: Scientificity vs. Contribution to People’s Lives (Marketing Sample).**

**Figure 2: Scientificity vs. Contribution to Peoples’ Lies (Other Sample).**
to the non-marketing sample (p < .001) which yields a rank of eleven for the marketing sample versus a rank of twenty-two for the non-marketing sample, surpassing only astronomy and astrology.

**Relationship Between Scientificity and Contribution**

Two modes of analysis were utilized to determine whether a relationship exists between ratings of scientificity and contribution to peoples' lives. First, the overall relationship within each sample was correlated yielding correlations of .288 and .322 for marketing and non-marketing respectively. While both of these correlations are significant, the difference is not significant, and neither accounts for more than 10% of the variation in scientificity ratings. Because these correlations could have been driven by the selection of disciplines (if only astronomy and music were included, the relationship would appear to be highly negative), a second, within-disciplines analysis was undertaken.

Table 4 presents correlations between scientificity and contribution to peoples' lives for each of the disciplines, for marketers and non-marketers, respectively. The correlations of marketers versus their academic peers differ significantly for nine disciplines. In addition, 95.8% of the correlations reach significance in the marketing sample. This compares to 66.6% for the non-marketing sample. For both groups, the correlations range from low to moderate, explaining only 4-7% of the variance. Finally, the average correlation for marketers (r = .255) is higher than that of non-marketers (r = .196). This implies that marketers are more likely to see a relationship between a discipline's scientific status and that discipline's contribution to peoples' lives. In reality, the notion of science2 seems quite ideological based on these results. That is, as figures 1 and 2 would seem to indicate, the closer a discipline is to science1, the closer it is to science2 indicating that there may not be a difference in the two concepts.

Figures 1 and 2 are graphical representations of the between discipline relationship between scientificity and contribution to peoples' lives for the marketing sample and non-marketing sample respectively. In both figures Astrology was omitted in order to enhance detail. As tables 2 and 3 show, Astrology scored substantially lower than other disciplines and would be located below and to the left of both figures.

Of particular interest in the figures are the upper and lower right quadrants, which represent high scientificity. For marketers, nine of the twelve disciplines that appear in these quadrants, (nine of eleven for non-marketers), are either "hard" sciences or typically associated with the hard sciences. Hence, it appears that for both samples, logical empiricism remains the received view.

**Implications**

These results should first serve as a reality check to the marketing discipline. That is, it appears that the rest of society views what we are doing far differently than we ourselves view it. While all of our soul-searching and introspective self examination is certainly important, there is a need to supplement it by looking outside the discipline to determine the impact that our knowledge generation has on society. At the very least, we are not getting the word out regarding the benefits that we offer society.

These results present a rather bleak picture for the discipline's quest toward achieving scientific status. With respect to scientificity, marketing is perceived as mediocre, and perceptions of its contribution to peoples' lives are worse. In order to improve its situation, there are several paths that marketing can take.

**Science for the Sake of Science**

In their discussion of the problems of defining science only in terms of logical empiricism, Dholakia, Firtat and Bagozzi (1987) suggest that "equating science with a certain method of science, "... is nothing but an effort by established 'scientists' to ideologically control their fields and continue their set ways and paradigms," (p. 380). While nothing can be said regarding the success of such an effort within any particular discipline, there seems to be some consensus on a between discipline level. That is, the results of this study...
suggest that society awards the highest scientific status to those disciplines typically associated with science, even when their contributions to people's lives are perceived to be minimal as was found in the cases of geology and astronomy.

In 1983, Hunt suggested that the logical empiricist view had managed to infiltrate the marketing
discipline as the received view. Although there has been movement in marketing supporting philosophies counter to this view, (e.g., Anderson 1983; Leong 1985; Muncy and Fisk 1987; Peter and Olson 1983), the results of this study suggest logical empiricism still dominates marketing thought. This implies that marketers are in luck. Under the assumption that society exchanges academic freedom for objective knowledge, i.e., truth, (Hunt 1992b), the discipline can continue to pursue knowledge for knowledge's sake. Hence, by embracing logical empiricism as its fundamental philosophy of science, the discipline may be able to achieve a more favorable scientific status while continuing to be perceived as contributing very little to society.

Of course, this is not without its problems. In particular, logical empiricism is said to support the context of justification and subvert the context of discovery (Zaltman, LeMasters, and Heffring 1982). This emphasis on justification has been accused of stifling creative and critical thought in marketing (Dholakia, et al. 1987). Furthermore, logical empiricism is said to support a "reductionist" mentality by ignoring change and assuming that marketing phenomena follow simple, structured and categorical patterns (Fullerton 1987). Hence, analyses of marketing phenomena tend to be static and ahistorical (Fullerton 1987; Kumcu 1987; Savitt 1980) by dismissing the integrated social, cultural and economic contexts in which the phenomena occur (Kumcu 1987). These criticisms of logical empiricism point to an encapsulated, self-perpetuating knowledge system that limits both the means and the bounds of marketing inquiry. Finally, consideration of logical empiricism as the philosophy of science for marketing provokes the time-worn debate of whether logical empiricism is a viable philosophy of science (cf., Anderson 1983), and, if it is viable, whether the investigation of social phenomena is amenable to such a scientific method (cf., Habermas 1988).

Is Being A Science Necessary?

It may be that society just isn't enlightened regarding the contributions that marketing makes. For instance, when consumers walk around the corner at 2:00 A.M. to buy milk from a 24 hour convenience store, they may not realize that by bridging the gaps of time, form and distance, marketing intermediaries contribute to the efficient separation of production and consumption (Smith 1776). In other words, society may not realize that through marketing, they can buy milk rather than milk their own cow. Hence, it may be that the images of the used car salesman and persuasive advertiser are what continue to guide society's perception of marketing as a science and as a contributor to society.

Earlier, this paper suggested that marketing desires to be awarded the status of science in order to legitimize the discipline as a distinct field of inquiry in the eyes of society, thereby casting away its tarnished reputation, and ensuring its continuation through the acquisition of resources. Fortunately, these goals can be realized in the absence of a favorable scientific status. Anderson (1983) suggests that society confers the title of science to disciplines that generate knowledge that benefits its interests. The results presented here, do not support this proposition. However, the absence of a relatively high scientific status does not necessarily mean that a discipline will not be respected or looked upon favorably as a distinct field of inquiry that receives resources to further its advancement. If this were the case, the disciplines of art, music and literature would long be dead. Hence, society does not necessarily award the status of science to disciplines that contribute to its well-being, instead it awards reverence, legitimacy and wealth. Therefore, it may very well be that marketing's quest to become a science has been misguided.

This suggests that marketing should consider abandoning any quest to become a science, replacing it with a quest to generate and disseminate knowledge that benefits society's interests. Although it may require a broadened marketing concept, this differs from Kotler and Levy's (1969) proposition of broadening the concept of marketing to include non-profit, social and other non-business enterprises. That is, this requires that marketing researchers, when formulating their research objectives, apply the societal marketing concept (Kotler 1991) by considering society's long run interests, as well as the wants and needs of marketing's constituencies which include marketing managers of both profit and non-business enterprises, public policy makers, special interest groups and consumers. This quest excludes narcissistic research couched in terms of social relevance. Furthermore, it strictly requires researchers to behave in an ethical and socially responsible manner.
Limitations and Conclusion

The results of this study suggest that the marketing discipline has quite a distance to travel before it achieves scientific status in the eyes of society. The distance is even greater with respect to perceptions of marketing's contribution to peoples' lives. However, these results should be interpreted with care. This study utilizes a sample of university professors as a proxy for the general public. On one hand, it may be argued that the sample is more educated, and, hence, more enlightened than the general public. As a result, the public's judgements of scientificity may be more extreme with distinct delineations between science and non-science. On the other hand, if logical empiricism has permeated academic thought, it may be that professors' perceptions of scientificity are more extreme. To the extent that these academicians are society's scientific opinion leaders, their perceptions may be leading indicators for the rest of society.

Despite this limitation, the results of this study are thought provoking. They present the discipline with disturbing information regarding how it is perceived by society. Consequently, they compel the discipline to engage in soul-searching and a determination of priorities. In particular, the marketing discipline must decide whether its primary goal is to achieve scientific status or to earn society's respect as a producer of knowledge that benefits society's interests. Until this decision is made, it seems the discipline will continue to be perceived as a mediocre science and a scant contributor to peoples' lives.

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The Image of the USA in Contemporary Croatia

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Zoran Franjić, Ph.D., Assistant Professor

Abstract

As a small country with an interesting geo-political position and natural resources, Croatia has lately become interesting to several European and world countries as a potential economic and cultural partner. Certainly, the setting up of a successful economic co-operation is the general priority with most of these countries. It is known that co-operation can be successfully set up and developed only if the local community has a positive opinion about these countries. Even though Croatia is a relatively small country, it is certainly not without significance for the USA, considering the geo-political and economic area it finds itself in. If from nothing else, the interests should derive from the necessities of Croatian immigrants in the USA: only between 1900 and 1910, 266,504 people immigrated to the USA. Certainly the immigrants are, or should be, a good connecting link in all areas of social life of contemporary Croatia and the USA. However, the co-operation significantly depends on how the USA is perceived in the Croatians' minds. That is the reason why we wish to determine, through the use of determinate scientific methods, what is the current image of the USA in Croatia. In part, this would be achieved by comparing USA’s image with the Croatians’ perception of Japan, the EU and Russia, in order to find out the possible deviations from the, for the Americans, desired or expected image. The results and their interpretation could be useful to the responsible subjects in the USA for the studying of strategies through which the current image of the USA in Croatia could be improved and in this way render the general activities, and business activities in particular, of USA enterprises in Croatia easier. The results of this work could also be useful and inspire other more detailed and broader researches by other scientists or institutions in the USA and Croatia.

1. Introduction and Methodological Explanation

Relations between Croatia and the US do not originate in the establishment of formal interstate relations with the declaration of Croatia’s independence in 1991. They date back and have continued with different intensity between the two peoples directly or indirectly through many years, indications of which are given in written sources and documents. They were and they could only partially be institutionalized and have in many fields developed only partly and as such could not develop to the desired or necessary level. The character of this work does not allow the authors to go into a deep historical analysis of the developments to-date, and particularly of the development of economic relations that certainly have the priority in the macro-marketing evaluation of this occurrence. At this moment it will be sufficient to summarize the more important factors of development of economic and other relations in the past and render our outlook and evaluation in line with the aspirations for future shaping of mutual, primarily economic relations. Mutual relations are given shape by the behavior of economic subjects and citizens on both sides, whereas behavior is predominantly determined by variables of acquired values and the derived impressions of both sides. The great geographic distance that physically divides subjects of both countries in their mutual relations imposes the need to institute and develop a significant part of the relations on opinions that are not the reflection of an objective image about the other country, on both sides. The research and the ascertaining of the image that citizens have about
countries with whom they maintain partner relations can help to achieve a more dynamic and congruous
development of mutual economic relations to mutual benefit.

It was our intention to comprehensively structure a sample of the population and ascertain with
sufficient representation the image of the USA in modern day Croatia. However, due to the impossibility
of financing of such a research, we had to opt for a partial research on a sample of economy studies
students that shall certainly in the future participate in the shaping of these mutual relations, with a partial
research of the print media. The testing comprised 150 students of the second, third and fourth year of
studies at the Faculty of Economy in Pula that, according to the national composition of the population, is
a representative Croatian sample. The data gathered have been processed with modern methods and their
results are here only partly given and explained due to the limited scope of the work. There is no room in
this work for the evaluation of past manifestations of the totality of relations between the two peoples and
countries, even though this would help to evaluate more realistically and more objectively the possibilities
of development primarily of economic relations in the future. Despite this we hope that this contribution
will awake the interest of the scientific and professional public and stimulate other researchers to engage
in a more comprehensive research of the influence that the image of a country has on the development of
mutual economic relations and behavior of partners in them.

2. A Short Assessment of the Current Development of the Croatian-American Relations

The geographical shape of Croatia, similar to a Mediterranean horseshoe, has always been exceptionally
attractive for its economic and geo-strategic position. It is for this reason that it was often attacked and
conquered. Consequently the Croatian people have been emigrating from this area for centuries. Despite
the striving of all past conquerors the Croatian people have finally managed with their own forces, with
great human and material sacrifice, after eleven centuries of enduring struggle to restore their
independent, present, recognized state of Croatia. A small state has been created that strives to be a
modern democracy. It wishes to be open for co-operation with all countries in the world that acknowledge
it and respect it and to welcome back from emigration at least a part of its emigrants that have been
waiting for its creation for a long time. The Croatian emigration is large and widespread. It is often
pointed out that there are more Croats in emigration all over the world than in Croatia. The largest
Croatian emigrant community is in the contemporary USA and different factors have favored this. We
shall mention only a few. The length of the Adriatic coast and the seafaring orientation favored the
centennial emigration. If examined from the aspect of migration type into other countries Croatians are
similar to the Irish, the Jews and the Armenians. It is calculated that, according to J. Prpić, only in the
US there are about 2.5 mil Croatian immigrants or their descendants. In the last 50 years more than 100
000 Croats have certainly immigrated into the US from Croatia or various other Croatian emigrations.
The same author further claims that the relations between the Americans and those from different areas of
contemporary Croatia have their origins in the times preceding Columbus’ conquistadors’ disembarkation
on the American soil. He finds the fundaments to his assertions in the statements of Louis Adamic.
Namely, Adamic mentioned that there were Indian tribes whose name Cr(o)atan associates to Croatia. His
statements are corroborated with reports that the first English seafarers that have disembarked on the
shores of North Caroline have found in these Indian tribes children that were the descendants of white and
Indian people. It is assumed that they were the descendants of Croatian seafarers that have long ago
disembarked on the mentioned territory.

According to the stories of Louis Adamic, Prpić says that the first Croatian immigrants were already in
America «some time before the unfortunate attempt of Sir Walter Raleigh to found an Anglo-Saxon
colony on the island of Roanoke in North Carolina».

2) Georg, Jure Prpic, Ph.D: Early Croatian Contacts with America and the Mystery of the Croatans,
The Web pages 3) offer a whole series of other facts that corroborate the assertion of the long-standing and early establishment of the mutual relations between the two peoples. It can be read that two Croatian seafarers, Ivan Malogrudić from Senj and Marino Masalarda from Dubrovnik have come on the American soil with the expedition of Jacques Cartier in 1534. We must especially stress the very important fact from the same source that the Republic of Dubrovnik was the first to acknowledge the independence of the United States of America in 1776, which indicates to the long-standing tradition in the relations between the two countries.

The important buildings of America point out at traces of mutual commercial relations. A considerable number of the used marble blocks for the building of the White House in Washington come from the Croatian island of Brač. Many immigrants in the USA from Croatia that have, we believe, given a significant contribution to the development of the US, as well as the past contacts and relations between the two peoples have built a mosaic-like base for further and more dynamic development of international relations with the appearance of the Croatian state. The physical distance between the two countries and high distribution costs of goods that usually appear in the exchange of goods on such long distances can only partly be blamed for the low value volume of the current exchange. According to the data of the State Office for the Statistics of the Republic of Croatia4) in the period 1995-1999 the value of the imported goods from the US increased from 89,061 mil US$ to 242,048 mil US$, while the export volume from Croatia into the US increased only slightly (1995-83,038 mil US$ vs. 1999-86,413 mil US$).

In the observed period the number of American tourists increased from 17,000 in 1995 to 36,000 in 1999. This increase did not yet manage to return even half of the US tourist turnover that Croatia realized in 1990. A more significant progress has been made in the direct and indirect investments of American capital in the Republic of Croatia. According to the National Bank of Croatia until September 2000 business entities from the US invested into Croatia the amount of 1.115.596.170 US$ which amounts to 41,2 % of all foreign investments into Croatia. A portion of these investments comes from Croatian immigrants into the US of whom it was expected that they would return “back home” in larger numbers. However, the number of people that have from 1991 to 1999 returned and whose cumulative number is 1479 was a great disappointment with respect to the excessively optimistic expectations. This problem deserves a special research in order to be able to have a better picture of the future demographic structure of Croatia. Some results have been achieved in the field of academic co-operation. From 1991 to 2001 121 Croatian scientists have visited the States within the program of both Governments and the granted scholarships (109 Fulbright, 8 Humphrey, 2 Hamilton, 2 Marshall scholarships), of which 15 scholarships were from the economic field. On the other hand, 84 American scholarship recipients stayed in Croatia (79 of them with a Fulbright scholarship), out of which 11 were from the economic field. We are certain that scholarship recipients from both countries can influence and contribute to the creation of a favorable image of both countries and to mutual relations based on such an image and therefore we give a more detailed portrayal of this trend in Table 1.

Table 1: Fluctuations in the number of scholarship recipients according to the program of the Governments of the RC and the USA for the period 1991-2001.

3) Interesting Facts on Croatia & some famous Croats, http://www.dalmatia.net/croatia/did_you_know.htm
4) State Institute for Statistics, Croatian Statistical Annals for the relevant year, Zagreb
<table>
<thead>
<tr>
<th>Year</th>
<th>Recipients from Croatia in the USA</th>
<th>Recipients from the USA in Croatia</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Economic field</td>
</tr>
<tr>
<td>1991/92</td>
<td>13</td>
<td>0</td>
</tr>
<tr>
<td>1992/93</td>
<td>9</td>
<td>1</td>
</tr>
<tr>
<td>1993/94</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>1994/95</td>
<td>18</td>
<td>4</td>
</tr>
<tr>
<td>1995/96</td>
<td>18</td>
<td>7</td>
</tr>
<tr>
<td>1996/97</td>
<td>14</td>
<td>0</td>
</tr>
<tr>
<td>1997/98</td>
<td>13</td>
<td>2</td>
</tr>
<tr>
<td>1998/99</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>1999/2000</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>2000/2001</td>
<td>14</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: Ministry of Science and Technology of the Republic of Croatia, April 2001

This scientific and cultural co-operation in some of the given years did not reach the volume of scholarship recipients from Croatia in the eighties, but it is expected that this volume will increase in the following years. It is recommended that the number of recipients from the field of economy be increased in the total structure of scholarship recipients in order to allow for a faster transmission to Croatia of the knowledge about the necessary creation of a framework for the particular model of sociomarketing economy.

3. The Image of the USA in the Republic of Croatia

The research of the image of a country has lately been perceived as a very important task of every country in the implementation of geo-political and macro-marketing. A certain number of countries already try to implement this research within their internal organization (for example: marketing of a region, city, municipality etc.) as well as in relations with other countries. One of the important factors of successfulness of the implementation of marketing in general is the image, and therefore also the image of the countries, nations and cities etc. It is therefore important to know:

- the status of the image of the observed country in certain interesting countries in its immediate vicinity, with whom this country maintains active economic and other relations,
- the changes that the image undergoes in time,
- factors that condition these changes in the image in time.

The received information can be of use to the state organs, institutions and economy of the country for the implementation of joint coordinated activities in order to improve the image of one’s country in the eyes of other countries. A favorable image contributes to a better realization of goals of a geographical area in relations with others and to an improvement in relations with other countries. That is why it should also be researched and used on macro-marketing.

3.1. Definition of the Terms Used

There is no theory of image and therefore there are no unified definitions of image. This is a complex theoretical construct that is a frequent subject of research of social psychology and marketing. It could be said that “image” is a reproduced multidimensional picture of all the perceptions that a man, or a group of people associate with the object about which they are thinking of.
The objects of one’s thought can be subjects and objects such as states, nations, cities, parties etc. According to Huber\(^5\) people in their thoughts reproduce predominantly consciously and clearly reproduce images of certain values and associations about subjects and objects. Image is a component of the human opinions, and opinions are parts of the image. The image of objects and subjects is formed on the basis of knowledge, experience, perception, but is also influenced by the emotional condition of a person and his milieu. All this confirms the multiplicity and complexity of this subject of research that also applies to the research of the image of a country. It is certain that an important role in the forming of America’s image in the minds of Croatian citizens, in addition to personal experience, is played by the public media, communications with relatives in the States as well as the general social situation in Croatia. That is the reason why we have concentrated precisely on these factors in our research of the image.

3.2. Review of the Presence of Information about the USA in Croatian Press

Certainly articles in the Croatian press and broadcasting of information via radio and television influence the forming of image with the public. For this reason we have analyzed the number of articles or stories about the US on a sample of three most circulated, relatively independent and centrally oriented weekly magazines (“Globus”, “Nacional” and “Feral Tribune”). We have found out that from 1991 to 1999 an average of 27 per annum of stories or articles about the US were printed in all three magazines: 71% in the issues of “Globus”, 29% in the issues of “Nacional” and 33% of the issues of Feral Tribune. The number of the articles in itself does not say much because they can be both positively and negatively oriented, or neutral, and can therefore differently influence the creation of the Croatian public’s image of the US. Unfortunately, we were not able to examine closely the second aspect of these articles for the purpose of this work.

3.3. Presentation of the Results of the Research of the Image of the US in Croatia

As mentioned before, we used results from the testing of a sample of 150 students of three different branches of the studies of economy namely being finance, marketing and tourism on one of the faculties in Croatia. The primary choice for the sample were the total number of students attending the second year and topping off the sample with third year students until n=150 was reached, by random selection. The testing was made by using a standardized questionnaire in which questions were scaled and the possibility to answer a few open questions was also given. 95% of the sample was made up of students of Croatian nationality, while the remaining 5% was made up of students of Serbian, Italian and Bosnian nationality, which roughly reflects the total national structure of Croatia.

3.3.1. Important Sources Of Information About The USA

Of all the students tested only six of them or 4% visited the US. They could, for this reason directly experience life in the States and get a more objective picture about it. All other students tested have gained their experience about the US through the media, films, books and relatives living in the US.

Data about the paths and sources of acquisition of information about the US are illustrated in Table 2.

Table 2: Sources of Information of Those Students That Have Never Been to the States.

<table>
<thead>
<tr>
<th>Source of Information</th>
<th>n=141</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^5\) Huber, J. (1990), Unternehmen Umwelt, Weichenstellungen fuer eine oekologische Marktwirtschaft, Frankfurt, S.Fischer, (23)
As it is clear from the data most of the students have come to learn about the US through films and television programs. For this reason 24.8% of them believe to be well informed and that they can evaluate well the general living conditions in the United States. The remaining percentage believes that the information they have (important for the evaluation of the image) is average, which, according to the author’s opinion, is realistic.

3.3.2. First Associations of the Respondents when Asked about the USA

The statements of the respondents about the first and second surveyed association to the US reveal reproduced conscious images of the respondents’ relations towards USA as a country and as a nation. Among the first five most frequent associations of the respondents within the given first and second statement about the association (for example: what is the first thing to come to mind when you think of the USA?) same terms are almost repeated. Only after this sequence between the first and the second association differences in the frequency of their repetition and their differentiation occur. More detailed statements about the associations to the US are given in Table 3.

Table 3: Frequency of Expressed Associations

<table>
<thead>
<tr>
<th>No.</th>
<th>First Association</th>
<th>Frequency</th>
<th>Second Association</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Wealth</td>
<td>11</td>
<td>Hollywood</td>
<td>17</td>
</tr>
<tr>
<td>2.</td>
<td>Freedom</td>
<td>10</td>
<td>Wealth</td>
<td>5</td>
</tr>
<tr>
<td>3.</td>
<td>High Living Standard</td>
<td>8</td>
<td>Freedom</td>
<td>5</td>
</tr>
<tr>
<td>4.</td>
<td>Statue of Liberty</td>
<td>7</td>
<td>Developed Economy</td>
<td>5</td>
</tr>
<tr>
<td>5.</td>
<td>Money</td>
<td>7</td>
<td>Education</td>
<td>5</td>
</tr>
<tr>
<td>6.</td>
<td>Hollywood</td>
<td>6</td>
<td>Dollar</td>
<td>5</td>
</tr>
<tr>
<td>7.</td>
<td>Chance for Success</td>
<td>4</td>
<td>NBA</td>
<td>5</td>
</tr>
<tr>
<td>8.</td>
<td>Fast Life</td>
<td>4</td>
<td>Big City</td>
<td>4</td>
</tr>
<tr>
<td>9.</td>
<td>Technology</td>
<td>3</td>
<td>Politics</td>
<td>3</td>
</tr>
<tr>
<td>10.</td>
<td>Big Cities</td>
<td>3</td>
<td>Business</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: Author’s gathering and processing of data, Pula, 2001.

After the associations given above, associations to fast food, easy money, New York, California etc. followed. Certainly, the represented positive associations that mostly originate from films partly channel the behavior of the young educated generation in Croatia. This generation, inspired by the so-formed image of the US, opts for emigration from Croatia and transformation of the associative image into the reality of life. We have not researched here what is the degree of concurrence of the image in the youth’s minds with the reality of life in the States and if they are disillusioned because of the possible discrepancy and incompatibility of the associated and the experienced. However, if this difference is possible and significant, then, in the future, both countries should act in order to form a realistic image of the US in the minds of the Croatian youth with additional informative activities. The repetition of the phenomenon of
emigration of young educated Croatian citizens has in the last years achieved significant proportions that if observed from a long-term perspective shall not be without negative consequence for the future development of Croatia.

3.3.3. **Evaluation of the Image Components**

The associations have indicated the first images that appear in the minds of our respondents. In order to find out something more about the background of these reproductions of the US thirty variables have been tested that could represent the structure of values of the images of respondents. The method used was the bipolar interval scale from 1 to 6, where numbers 1 to 3 are positively and 4 to 6 are negatively polarized according to the value structured statements about the USA. The scale did not purposefully give the possibility to the respondents to take a neutral position. In 17 out of 30 variables the respondents expressed their positive position towards the USA. The strongest positive position is held by the statement that USA is a country of business opportunities (average interval 1,54) and that it is a country with a fast rhythm of living (average interval 1,57). 13 statements were negatively positioned. This negative polarization is not a strong one and the average intervals are between 3,1 and 4,2. It is symptomatic in the statements that the respondents would not like to live in the USA and the reasons probably lie in the variables with a negative polarization such as: humanity, family life, safety of an individual, culture. It was especially interesting to find out that those respondents that had visited the US have positioned their opinions about the culture (4,8) and humanity (4,0) more negatively than the average position of all the respondents. Their personal experience probably contributed to that. The positioning of selected variables through which we have structured the profile of the image is given in Graph 1.
The impressions of the respondents about the USA oscillate from extremely positive to negative. The respondents have expressed their opinions about the strength of the USA as a country and as a nation on one side, and its weaknesses on the other side, by answering open-type questions. After summarizing the rate of recurrence of the frequencies the statements about the positive and negative features that contribute to the total impression of the respondents about the USA we got the following comparative values:

**Table 4. Frequencies of Variables that Influence the General Impressions**

<table>
<thead>
<tr>
<th>No.</th>
<th>Positive Influence Variables</th>
<th>Frequency</th>
<th>Negative Influence Variables</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Developed technology</td>
<td>12</td>
<td>Crime</td>
<td>38</td>
</tr>
<tr>
<td>2.</td>
<td>Possibility to succeed</td>
<td>11</td>
<td>Death penalty</td>
<td>32</td>
</tr>
<tr>
<td>3.</td>
<td>Freedom</td>
<td>8</td>
<td>Social differences</td>
<td>14</td>
</tr>
<tr>
<td>4.</td>
<td>Fast life</td>
<td>7</td>
<td>Violence</td>
<td>13</td>
</tr>
<tr>
<td>5.</td>
<td>Education system</td>
<td>7</td>
<td>Big cities</td>
<td>11</td>
</tr>
</tbody>
</table>
The variables that negatively influence the general impression and that repel the respondents from the US have a stronger frequency than those with positive polarization. They, at the same time indicate the possible directions in which steps should be taken for the improvement of the current image. By expressing only good and bad sides of the image of the US in Croatia the position of USA’s image in the world cannot be assessed. Consequently, with the help of selected variables and their ranking we have tested the preferences of Croatian students towards five important countries in the world, both in respect to the present condition and with respect to the expected importance of single variables for these countries in the future. Graph 2 provides the illustration for the variable of countries desirable as business partners.

**Picture 1. Desirable Business Partners Ranked By Country**

Source: Author’s processing of data, Pula, 2001.

When considered for their protection of human rights USA rank first with respect to other countries used for the comparison. The last place in the same category is held by Russia. When evaluating the existing conditions of scientific potential, offering of material help to other countries in economic trouble, coordination of the system of education with the needs of the society and the economy, and the chance to prosper that these countries offer to young people the respondents have ranked USA first on the list. However, the first places for the categories of model of behavior towards other countries in international
relations, as well as the choice of the country in which the respondents wanted to live were held by the European Union. The respondents think that in the next ten years the positions now held by the US vs. the positions held by the EU countries will change in a whole series of categories examined in this work. A reordering of ranks between the US, EU and China is expected. Table 5 offers us a preview of what changes might happen.

Table 5: Ranking of countries according to selected model values

<table>
<thead>
<tr>
<th>No.</th>
<th>Categories</th>
<th>USA</th>
<th>EU</th>
<th>Japan</th>
<th>China</th>
<th>Russia</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Protection of human rights and democratic freedom</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>2.</td>
<td>Own scientific potential</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Offering material help to other countries in economic trouble</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>4.</td>
<td>Desirable business partners</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Model of behavior towards other countries in international relations</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>6.</td>
<td>Country I want to live in</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Coordinated system of education with the needs of the economy and the society</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>8.</td>
<td>Offers prospering to young people</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Author’s processing of data, Pula, 2001

The evaluations of the expected re-shuffling of the ranks of the countries observed in this research and the images of the future that are created in the minds of the respondents, are probably, in part, under the influence of the process of Croatia’s moving toward the European Union, bearing in mind that these processes have lately become more intense. It should also be noted that the respondents, when evaluating the value models variables, conferred better ranking to China than to Russia, while one would expect contrary from Europeans. The important thing for this paper is the fact that Croatian respondents create a positive image of the US for the next ten years, which should stimulate the development of universal relations of both countries and peoples. What raises doubts when trying to bring some conclusions from the students’ perceptions about the US is the fact that regardless of the favorably ranked image of the States, young people do not wish to choose this country as a place to live their future life in. This is not a country in which the respondents would gladly live. We have, in part, already provided reasons of this occurrence earlier in this work. For a total explanation of the reasons additional targeted researches would need to be made. With the action of the public relations department of the American Embassy in Croatia, the Croatian-American Friendship Society, the newly formed agencies for direct investment into Croatia, as well as with an increased, targeted information of the citizens of Croatia through public media, the current image of the US in Croatia, provided that this is of interest to the USA, could in the future be maintained at this level or improved.
4. Conclusive remarks

The image of countries and nations has become an important factor of successfulness in the running of the policies of a country in international relations. Countries that lead an active international political life and wish to improve their relations with other countries have become, or are becoming aware of this requirement day by day. From the formed systems of images that the citizens of one country carry in their minds about another country greatly depends what will be the total cooperation with this country. The economic exchange is especially sensitive in this area and one of the tools for its strengthening and acceleration is the macro-marketing image. Economic relations of the USA and contemporary Croatia are gradually developing but have still not reached the levels prior to the dissolution of Yugoslavia. The further development of economic relations depends on both countries. The favorable image of the USA in Croatia can, because of a great physical distance, contribute to a faster growth of economic processes. A partial research of the wide spectrum of variables that influence the formation of the image on a sample of the younger generation in Croatia that should in the future partly carry on the development of these relations determined that the image of the US is favorable. However, it is expected that in the future it could weaken in the eyes of Croatia’s youth vs. the image of the European Union. Variables that act in this respect have been revealed. All those who care about the preservation of their image in the future can draw conclusions from this research about the necessary steps to be taken. New and more expansive, in terms of size of the sample, researches of structured segments in Croatia would provide a wider basis for gathering of knowledge.

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Challenges of Market Development: Some Issues in the Vietnamese Coffee Industry

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Clifford J. Shultz, II, Arizona State University
Anthony Pecotich, University of Western Australia

Abstract
In this considerably truncated paper, we examine Vietnam’s agribusiness sector, with special focus on the coffee industry. We briefly discuss the underlying forces and factors that affect this industry. Based on a review of the literature and fieldwork, we also introduce factors that can be modeled and we introduce variables examined in quasi-experiments. A working model and preliminary results of the study will be presented at the Conference.

Introduction
The purpose of this longitudinal study is to assess Vietnam and it’s agribusiness sector, with an emphasis on potentially promising agribusiness products and export markets. In this abridged paper we focus on coffee, factors that affect its export/import, potential markets and the role agribusiness and coffee play to further marketing and development. One of the end-products of the broader study is expected to be a conceptual framework that can be used not only for future research, but that is also expected to form an applied basis for marketing and socioeconomic development; the research process is also designed to illustrate the process of theory development in an applied context.

Trade and investment are crucial for the establishment of the conditions that allow economic growth to promote wealth for sustainable poverty elimination. While many of the now defunct collectivist systems attempted to deliver a better standard of living by Draconian and often ill-conceived moves from agriculture to industrialization, agriculture remains a crucially important sector for many developing transitional nations such as Vietnam. These countries depend on agriculture, not only for the daily sustenance of their people, but must, until the industrial infrastructure is built, rely on the export of agricultural products as a source of foreign exchange to finance development. Their ability to compete in this sector is seriously limited because subsidies and other trade restricting practices distort international trade in agricultural products. Despite moves toward trade liberalization this has eroded natural comparative advantage possessed by these developing nations. Whatever the future of international trade, it is clear that developing nations must convert their natural endowments into real comparative advantage through the use of modern strategic marketing practices. The coffee industry in Vietnam provides an interesting case to study, with hopes to make recommendations to this and other agribusiness sectors in Vietnam and other developing, transition economies.

The trends and findings in this study were derived by using multiple methods (cf., Lincoln and Guba 1985; Shultz 1997; Shultz, Pecotich and Le 1994), including a review of the extant literature, interpretive field research in Dak Lak province, Vietnam and quasi-experimentation (e.g., Cook and Campbell 1979) in both Vietnam and the United States. What follows is a synopsis of Vietnam and its agribusiness sector, with particular focus on coffee, implications for marketing and policy, opportunities for further research and lastly, an introduction to the quasi-experiments.
Agribusiness & the Coffee Industry

“At the threshold of the new millennium, agricultural production remains consistent with its crucial role in the economy of Vietnam whose rural residents make up eighty percent of the population (now nearly 80 million people)” (VET 2000 a). Reforms have enabled Vietnam to become one of the world’s major rice and coffee exporters and coffee is considered to be one of the strategic commodities whose importance is second only to rice (VNN 2000 and Tran 2000). As agricultural production increases all policy makers and all members of the food channel face an ever more acute need for marketing skills. The next steps inevitably involve the development of marketing strategies and a specific product that has exceptional potential is coffee.

Coffee was introduced to Vietnam in the mid-nineteenth century. French missionaries brought arabica trees from the island of Bourbon and planted them in various sites in the northern part of present-day Vietnam. Most coffee output was exported to France via Havres Harbor under the brand name “Arabica du Tonkin” (NIAPP 1998). From these beginnings Vietnam has exported 2.24 million bags of robusta coffee and has become the biggest exporter of coffee of this kind in the world, in 1998/99 (VET 1999 b). Vietnam now is ranked number 3 among the top coffee exporters in the world (VET 2000 b). The Doi Moi reforms allocated cooperative land to farm households, legalized private ownership of productive assets, deregulated agricultural marketing and prices, and devalued the exchange rate. These reforms resulted in better farm-level prices for coffee and stimulated private farmers to expand coffee cultivation. At the same time, many of the state coffee farms began allocating plots to workers, converting them from members of a cooperative to tenants or renters who were responsible for the production of a given parcel of land. The results of these policy changes have been dramatic. Over the period 1986–1996, for example, coffee production grew 21 percent, while yields grew almost 6 percent. As a result, coffee production expanded twelve-fold and coffee exports accounted for 6 to 12 percent of the total value of Vietnamese exports (Statistical Yearbook 1996, p. 91).

Vietnamese Players and Markets

The Vietnam National Coffee Corporation (VINACAFE) established in 1995 dominates the domestic market, and is the biggest state-owned corporation specializing in coffee production, processing, export-import in Vietnam and administering general business operations. Domestically the corporation faces major challenges because Vietnam is not, traditionally, a coffee drinking country, so domestic demand for coffee is low and is not driven by sophisticated, discerning coffee-drinking customers. The demand is seasonal with January and February favored due to Tet holiday increases in consumption, gift-giving and the desire for a “hot” drink in cooler weather. Coffee consumption is much higher in the cities due to higher income and inconvenience (most coffee is sold to consumers as roasted beans) that discourages consumption in rural areas.

Coffee is the most successful industrial crop in Vietnam, its fortunes shaped by the reform process. According to International Labor Association (ILO 2000), The price boom of 1983-86 provided further incentive to Vietnam coffee sector. Exports since then have depended on trading on the world market, which at that time was not favorable to the growers. The high prices of the mid-1980s and 1994-95 provided ample incentive for new planting and for intensified cultivation and congruently the low prices after 1989 resulted in tree cutting. The export price of Vietnamese coffee hit bottom in July 1992 at $ 580 per ton. The price decline resulted in a cutting down of trees and a reduction in area sown, from 123 to 101 thousand hectares between 1989 and 1993. However, yields on the remaining area continued to improve, so that total output did rise. At the beginning of 1994 robusta prices recovered and by the middle of the year reached their highest level at $ 3,690 and then stabilized at that level during 1995 (Saigon Economic Times 1996). Coffee trees became a lucrative investment and sown area expanded rapidly. Yields also increased.
Given the aforementioned factors, Vietnamese agribusinesses and policy makers are focused on export markets. Prior to 1990, Vietnamese coffee had been exported only to the former Soviet Union and countries of the former Social bloc in Europe. Now, Vietnam exports coffee to more than 50 countries (VET 1990 a). Multinational companies such as Nestle’s, the Neuman Group, Sucafina and Cargill are also sending Vietnamese coffee to many countries around the world. Every year, over 4 million tons of green (unroasted) coffee is traded (VIR 1999). The US is the world’s largest national market for coffee, followed by the EU (ICO 1992); in the US, nearly three-quarters of the population drink coffee and coffee is the nation’s second most valuable commodity import, behind only oil (Pendergrast 1999). Not surprisingly, Vietnam now exports 22 percent of its coffee to the US (VIR 999).

Channels

The global supply chain for coffee involves a string of producers, middlemen, exporters, importers, roasters and retailers before reaching the consumer. Most small farmers sell their coffee directly to middlemen who are known to take advantage of small farmers, paying them below market price for their harvests and keeping a high percentage benefit for themselves. Large coffee estate owners usually process and export their own harvests that are sold at the market price. Importers purchase green coffee from established exporters and large plantation owners in producing countries. Importers provide a crucial service to roasters who do not have the capital resources to obtain quality green coffee from around the world. Importers bring in large container loads and hold inventory, selling gradually numerous small orders. Roasters buy different coffees from different origins and blend them to arrive at a desired consumer quality. Roasters try to keep components of their blends as flexible as possible in order to have more options when purchasing. Roasters limit themselves to a certain number of origins and shippers with whom they do business, whether directly or through international trade houses. Awareness by consumers of the origins of the coffee they drink does lead to product loyalty and the development of brand image. Therefore, exporters try to gain entry as suppliers of some of a roaster’s range of blend components. Many exporters cannot work directly with roasters because they lack the expertise or the facilities to satisfy the latter’s demands. Coffee exporters in Vietnam face the same situation other exporters in the world face.

In the past, almost all coffee in Vietnam was robusta and most of it was grown on state farms. The harvested cherries were dried and delivered to the state farm processing plants. State farm processing plants generally have capacities of around 3,000 tons, making them appropriate for farms of around 1,000 to 1,500 hectares (NIAPP 1998; Minot 1998). The green bean would then be delivered to the port for export under a government-to-government contract.

Since Doi Moi, the marketing channels have become much more complex. Producers (farmers) associated with a state farm generally sell their output to the state-farm processing plant, though they have the option of selling some outside, provided that they fulfill their financial responsibilities to the state farm. Farmers may sell the dry cherries to a private trader, to an agent of a processing plant, or directly to a processing plant. A common pattern is for the farmer to pay a small coffee processor to hull the dry cherries, retaining ownership of the green beans. These small processors are private-owned local-made hullers with capacities of less than 1000 tons/year (Hoang and Shultz 2000). Many of them are mobile, allowing them to be moved from one production area to another during the harvest season. The resulting green beans are not very clean and need to be reprocessed for export. An advantage of this pattern is the beans can be stored for up to two years, giving the producer the option of holding the coffee in expectation of a high price. These small processors also reduce the weight of coffee by 40-44 percent, reducing the cost of transporting the coffee to a large processing facility (Minot 1998). The green beans are sold to a trader or an agent of a larger processing plant. State-owned enterprises with processing plants, including both state farms and specialized processor-exporters, are allowed to export directly. Before March 1998, private-processing plants did not have the right to export directly (Hoang and Shultz 2000). They used to export through state enterprises, most often the
specialized processor-exporters. From the field research and interviews in Buon Me Thuat City, Dak Lak province, it was explained to us that a private company could not export directly because of two main reasons. First, almost all private companies are small and not large enough to establish and maintain contacts with importers and to achieve the quality needed for direct export. Second, their financing is weak and small for involvement in direct export.

A Preliminary Conceptual Structure

This preliminary examination of the literature and our fieldwork invoke numerous research questions, and similarly to other compelling issues in Vietnam, these questions are of a macromarketing, systemic nature (e.g., Shultz and Pecotich 1997). For example, what are the consumption patterns of Vietnamese coffee among Vietnamese, Americans and other nations? What are future consumption patterns? Consumer perceptions toward quality are important, particularly in context of less industrialized countries, newly developed industries like Vietnam and Vietnam Coffee Industry; so what are the perceptions of quality and purchase intention for Vietnamese coffee? Are there “country of origin effects” that help or hurt Vietnamese coffee in the US and Vietnamese markets? If country of origin effects – positive or negative – do exist for Vietnamese coffee, what are the implications for packaging, particularly the choice of language? That is, will consumers favor, for example, Vietnamese, English or some combination of these languages? Will type(s) of language(s) used in packaging affect perceptions of quality and intentions to buy?

Answers to these questions not only will provide significant information and understanding about consumers and potential consumers of Vietnamese coffee, they also will help decision-making by business managers and government policymakers. However, for any research to be effective it is necessary that it be conceptually sound and organized around a unified theoretical structure. It is our purpose to develop and present a preliminary framework that can serve as a basis for an organized, systematic research program that will not only answer important theoretical issues but will also form a basis for applied strategy development. The consumer is presented as central to our model and three consumer characteristics (culture, ethnocentrism and knowledge) are believed to influence consumer judgment and choice. The judgments and intentions are based on product characteristics whose use by the consumer depends on the characteristics of the consumer. In the purchasing context the product is perceived as an integrated, systemic whole and it is expected that there will be significant interactions between the various characteristics.

The Coffee Product – Independent and Predictor Variables

A product may be seen as an integrated combination of cues having both intrinsic and extrinsic connotations. Cues form the basis for consumer information processing, and lead to judgment and choice. Country of origin along with, for example, brand name is regarded as an extrinsic cues (related to but not part of the physical product) while other cues are termed intrinsic (a part of the physical product) including observed physical product differences and product attributes. Consumer research suggests that, in the assessment of perceived quality for utilitarian products, the use of intrinsic cues by consumers has had a greater influence than extrinsic cues (Wheatley, Ghiu and Goldman 1981). For more image-based products, where actual physical differences are hard to discern, the reverse is true and extrinsic cues become more important (Holbrook and Hirschman 1982; Holbrook, Lehmann and O'Shaughnessy 1986). Our research has suggested that there are seven product dimensions that are relevant to coffee as a specific product: (1) basic coffee type (Arabica or Robusta), (2) processed type (roasted, soluble and decaffeinated), (3) the brand (global, domestic, private), (4) country of coffee origin (domestic foreign), (5) quality, (6) price, (7) language associations. These characteristics will form the independent variables that influence consumer judgments.

To date, we have collected data from variances of the following independent or nested variables: country of origin, language, and nationality of consumer. In addition to our working model, initial
findings will be presented in Williamsburg, as will implications for further research and policy and management implications.

References


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VET (Vietnam Economic Times) (2000 a), Agricultural Still Crucial to Vietnam, January 3

VET (Vietnam Economic Times) (2000 b), Xuat khau Ca phe Tang manh (Coffee Export Has Been Increased Rapidly), September.


The paper examines the potential for marketing within one area of the public sector, namely the US military. It addresses the nature of the exchange between the Army institution and its members, and looks at the extent to which soldiers have any opportunity to exercise choice in selecting products. It draws on focus groups undertaken with soldiers in the field and asks what role marketing rhetoric has within this public sector institution. Furthermore it investigates what, if anything, marketing has to contribute to the quality of life of these ‘servicemen’.

Introduction

‘.. explaining marketing and macromarketing phenomena, solving problems, and improving human conditions are reasons marketers become macromarketers’, (Schultz 1997).

Early calls to extend the marketing domain into the public sector presented a vision of the future in which marketers are seen as experts in all types of transaction both within and between organisations and their stakeholders (Kotler and Levy 1969, Hunt 1976). The marketing concept was projected as a truly global phenomenon that had a universal applicability with something to offer those companies and organisations that wished to get closer to their customer. Attracted by the idea of ‘marketing,’ areas as diverse as education, government, and health care are beginning to adopt a ‘customer’ focus (Chapman and Cowell 1998). Against this background, the present paper looks at one area of the public sector, namely the US military. One might argue that marketing has something to offer an institution striving to attract funding, new recruits and to deliver satisfaction to its customers, improving their quality of life. After all, if students, citizens, and patients can become customers then why not soldiers. It asks what role marketing can have in the army and was inspired by a sabbatical period spent at a US government research institution that develops and tests food, clothing and equipment designed to improve soldiers’ combat performance and quality of life.

Marketing, exchange and the public sector

Marketing is essentially a set of ideas centred on understanding consumers and their consumption in a variety of contexts (Brownlie et al 1999, Brown 1995, Kotler 1972, Kotler and Levy 1969, Hunt 1976). The marketing concept is based on an awareness of customer wants, the integration and co-ordination of all the firm’s activities around the basic customer integration with profit as a measure of success (Brown 1999, McGee and Spiro 1988). As hospitals, charities and schools start to think of patients, donors and students as consumers it looks like the ‘market logic’ has reached the public sector (Chapman and Cowell 1998, Kitchener and Whipp 1997). This paper looks at how the marketing concept can be applied to another area of the public sector, namely the US military, and considers the nature of ‘consumer’ choice and sovereignty in the exchange between the individual (soldier) and the institution (army). It highlights the extent to which choice is regulated by the institution and considers the way in
which broader consumption experiences impact upon the individual soldier. Drawing on empirical data it reports on end user perceptions about the current provision of clothing and personal equipment and asks how marketing can make a contribution to the quality of life of the soldier given the current system of provision. This approach changes the marketing paradigm from considering profit to considering less concrete outcomes such as quality of life.

The marketing concept essentially addresses exchange behaviour (Alderson 1957, Kotler 1972, Bagozzi 1975, Morgan 1992, Pels 1999, Willmot, 1999). This includes one off transaction exchanges between firms and their customers, as well as relationship exchanges, and a hybrid of the two (Pels 1999). Moreover, much of what we define as exchange behaviour occurs within institutions and is dependent on a network of actors that have rules, norms and relationships that regulate the exchange process. (Araujo 1999). So it is essential to look at the underlying institutional rules that sustain markets and the nature of the exchange process.

The trend in the public sector towards decentralization, customer consciousness, improved communication, greater choice and systems of redress suggest that it is not immune to these marketing ideas, and users of public services are increasingly being treated as customers with legitimate rights (see Walsh 1994, Whipp and Kitchener 1997). Yet Graham (1994) argues that this ambitious transposition of marketing to the public sector has not been easy, and questions how appropriate it is for government service - ‘The problem for marketing is that if it substantially modifies its core product to reflect a relationship other than consumer-sovereignty (for example state-citizen), and environment other than competitive (for example monopoly-monopsony), and for non-economic motivation (for example political or social), then it ceases to be marketing’ (Graham 1994: 366). The public sector, for the most part, tends to operate outside of the exchange economy and its products and services are distributed through transfers, subsidies, or payments from general or special revenue resources (Spratlen 1981). It continues to operate under a system of authoritative decision and accepts the legitimacy of the state in redistributing, regulating and establishing frameworks for common commitment and collective good. The relationship between government and citizen is one of mutual commitment. Negotiated choices, a lack of direct pricing, limited property rights, problems distinguishing between costs and value, or charging and redistribution are characteristic of the public sector (Wensley 1990). Moreover public sector 'consumers' have much less freedom to decide on the nature of the exchange transaction than those depicted by Pels (1997). Graham (1994) comments on the failure to distinguish between the terms customer and citizen and highlights the essentially political context of government in contrast to the economic context of business.

Quality of life, sovereignty, and needs.

Quality of life represents one of the main issues on the macro marketing agenda and for the purposes of this paper the term 'indicates a set of wants, which if fulfilled satisfactorily will provide an individual (or group) happiness and satisfaction' (Samli et. al. 1987 -from Withey, 1975). This focus on satisfaction is central to the tenet of marketing and the need for individual and subjective quality of life evaluations 'evident in the literature and anchored in individual standards of adequacy, feasibility, and fairness' (Arndt 1978). The interface between quality of life and marketing arises indirectly through the satisfaction of 'consumer' wants and needs via exchange behaviour. Yet marketers have failed to make these linkages explicit, bound by a limited understanding of quality of life issues, an emphasis on micro rather than macro elements, and the reactive nature of much marketing research (Samli et al. 1987). Conversely, the ability of marketing to contribute to the quality of life of the individual has been poorly addressed in the debate surrounding quality of life (Shaw 1997). There is an assertion in the neoclassical tradition of self-interest as a motivation to consume. Kilbourne et. al. (1997) argue for a balance between the private and public interest, and recognition for the simultaneous existence of the consumer and
citizen, although they do not distinguish between the two. They go on to argue that ‘(t)he traditional economic approach confuses preferences with judgements; what I want with what I think I ought to be’ (Kilbourne et. al. 1997). But what place do individual wants have in a public sector than has focused, for the most part, on collective needs? The issue of individual wants is perhaps most problematic within a hierarchical system such as the military.

There is a question over the extent to which marketing in the public sector creates ‘needs’ generating demand for services and straining the civic purse (Graham 1994). Moreover, should individual needs take priority over public needs? Any argument that marketing might undermine basic democratic rights and values can be countered with the claim that it is true to the primacy of the citizen (O’Fairchelliaigh and Graham 1991), although this should not be seen as a substitute for public debate and political action (Loveday 1991). Even in the private sector there are questions about the sovereignty of the consumer (Dickinson et al 1986, Dixon 1992) and the extent to which consumer needs and wants actually drive product development (Willmott 1999, Dixon and Diehn 1992, Brownlie and Saren 1992). Some have argued that needs may simply be one way of making sense of consumer behaviour - a complex outcome of various relationships across the whole of the supply chain in which producers construct as well as meet needs (Knights et al 1994, Knights and Willmott 1974, Marshall 2001).

**How can marketing improve the soldier’s quality of life?**

The first point to note is that we are dealing with exchanges between an organisation (Army) and an end user (soldier). However, within a public sector institution such as the army, there are multiple ‘consumers’ - the soldier, the unit commander, the general officer, the purchasing organisation, the politicians - each with their own agendas to maximise individual gain (Fisk 1967 in Schultz 1997) but the focus within marketing is usually on the end user who literally ‘consumes’ the product. This is not a simple economic exchange, with money traded for goods as is the case with other parts of this supply chain, but is more of a contractual exchange whereby soldiers agree to comply with the regulations, including their clothing and equipment, in exchange for employment. In essence these are terms and conditions of the job. It also extends over a period of service and can be seen as a relational exchange covering multiple transactions (Pels 1999). One further distinction is that soldiers get the right to use the clothing and equipment, but ownership remains with the Army and (most) operative issue items have to be returned at the end of service. Soldiers also engage in symbolic exchange (Bagozzi 1975) trading individual for collective identity with the uniform signifying membership and marking the transition from civilian to military life. As soldiers they get the right to defend their country, perhaps the ultimate act of the citizen, and access to a programme of education. It also provides ‘linking value’ facilitating social interaction (Cova 1997). However, it should be noted that soldiers identify with other groups as well – with male youth cultures, black or Hispanic culture, California cultures, etc. - and they want to display those symbols.

In this exchange the soldier is highly dependent on the organisation to provide clothing and equipment, and the relationship resembles that of supplier specified/user passive in which users have limited influence on what is made available (Wensley 1990). In many ways this is not dissimilar to other public sector organisations, hospital service, law enforcement, education service, prison service and so on. While issue items are provided free of charge to new recruits, no money is exchanged at this stages. Soldiers are given an annual clothing allowance that they use to replace or renew items of clothing or equipment as required8. They can use their own money to buy items and in this respect do exercise some

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8 The clothing allowance varies by rank, time in the army, but the Army annual cash clothing replacement allowances in 2001 are $273.36 (basic) and $390.36 (std) for enlisted men, and $329.28 (basic) and $470.40 (std) for enlisted women. These payments are included in their monthly paycheck and many soldiers felt that the annual clothing allowance did not cover all of their replacement costs.
choice. But their choice is regulated by the organisation that determines what they can or cannot use or wear in the field and home base situations. This is laid down in regulations and is, for the most part, non-negotiable. Enlisted soldiers essentially give up their right to choose what to wear in exchange for a job and salary; this is the cost of the exchange to the ‘consumer’. In many ways this is not that different from those civilians who have to wear company uniforms of dress in a particular ‘fashion’. However, the military uniform serves not only as an important part of the soldier’s identity but parts of their clothing and equipment are critical to their survival and performance. In this respect functionality and performance of both the equipment and the soldier is of paramount importance.

The military regard it as part of their responsibility to equip the individual soldier with what he or she requires in order to undertake military duties. Consequently, any decision-making responsibility is removed from the individual (some may see this as a positive thing), and devolved to the organisation. As a result, end users are dislocated from this process and individuals have no direct input. The perception among the soldiers is that they have little voice, or input, into these decisions and are not empowered within the exchange process. This was particularly the case for female soldiers who felt that their needs were inadequately considered. This is not strictly true as there are a number of mechanisms to get input from soldiers, including regular surveys on issue food, clothing and equipment, input from General Officers and specialist groups. In addition, products undergo extensive field-testing and soldiers are asked for their evaluations in the process. If anything the soldiers are ‘passive consumers’ asked to evaluate, test and use products that are issued to them as opposed to ‘active consumers’ who are directly involved in the product development process from an early stage. As citizens they can lobby politicians or vote for political candidates and parties, as consumers they can decide what to purchase and from whom, but as soldiers they have relatively little say in what clothing and equipment is issued to them. Moreover, those making the decisions are constrained by political decisions on defence budgets and affected by cost cuts and legislation in terms of whom they can use as suppliers and contractors. In many ways this perceived lack of voice has become as much of a problem as the product quality and performance.

Soldiers are beginning to redefine their own ‘needs’ in the light of their experiences outside the Army. What they ‘want’ is driven by the inadequacies of the current system and developments in the commercial sector. It is this broader consumption experience, and their experiences as consumers outside of the military, that cause many of them to re-evaluate what is being issued. Furthermore we are dealing here with collective needs, of the unit, the battalion, etc. and most importantly the success of the mission. In talking to soldiers it was clear that collective needs had precedence over individual wants. There is little place for ‘desires’, or even ‘wants’ in this environment and limited evidence of any ‘crisis of sign value’ (Goldman and Papson 1996). This really is a life and death situation and a key aim is to ensure the safety and protection of the soldiers. While marketing may advocate customer need/want satisfaction, this sentiment is not widespread in an institution where compliance is expected. One view is that the end consumer does not (arguably) always know best and there is a strong argument against treating soldiers as ‘consumers’. For example, soldiers have been know to remove protective vests because they are too hot, and try to use fashionable accessories when appropriate. The limits to consumer sovereignty - consumer capability, information availability and quality assessment - might be seen as a justification for not involving the end users in the exchange process (Smith 1995). The key objective is to ensure the success of the mission and the development of products and people is orientated towards that end. Clothing and equipment are seen as a means to and end, rather than a means to profit. The quality of life problem arises from the discrepancy between what soldiers are provided with and what they think they ought to have, that is, their perceived needs.

Yet the end user may actually be in a better position to evaluate what is best. For example soldiers’ experiences with commercial rehydration systems in hot climates has shown a number of advantages over the existing canteen system, raising issues about soldier performance, product performance and hygiene. Moreover, the lengthy time for product development, another function of the
organisational bureaucracy, often means that new issue items are superseded by new developments in the commercial market. A macromarketing perspective that recognises the opportunity to improve the quality of life for these soldiers requires some acknowledgment of their role, as end users, in the exchange process and the recognition that they are citizens and consumers as well as soldiers.

Conclusions

Simply repackaging the marketing concept is unlikely to work in the public sector organisation of the Army where ‘consumers’ do not have free choice among multiple suppliers or opportunity to exit. What is required is an approach that is sympathetic to the nature of the institution. Wensley (1990), in discussing the limits of the marketing analogy and its application in the public sector, comments that ‘a real commitment to users as opposed to suppliers involves some notion of democratic participation in service or product provision. It involves legislating for such participation as well as providing the information required to ensure effective participation’ (p58). In this case, the organisation, rather than adopting a consumer orientation, constitutes, and then goes about satisfying those needs. Part of the challenge requires us to start with the end user and work back through the distribution system, looking at the behaviours within the context of institution and the regulations that sanction them (Schultz 1997). Soldiers are frustrated by what they see as a very slow and unresponsive system compared to the commercial market. The link between marketing and quality of life is an interesting one that centres on consumer satisfaction and the pursuit of material goods. Kilbourne et al (1997) comment on the ‘transmogrification of consumption values from consuming to live into living to consume’ (1997: 6) arguing that few micro marketers have questioned the implications of this ‘progress’. It might be argued that in this case soldiers are literally ‘consuming to live’. In terms of their quality of life this paper suggests that the pursuit of material goods is motivated by a very different set of wants and needs from consumers and the regulation of choice is taken in the collective interests, and in the name of public service. Marketing, however, with some reorientation can make a valid contribution to their quality of life by respecting the contribution individual soldiers can make based on their broader consumption experiences. Perhaps it is time to listen to ‘Joe’.

Selected References: (full list of references available from authors)


Abstract

This paper reports on a study of generalized exchange motivations for interest in military service among young adults. The goal of this research is to further develop and illustrate the concept of generalized exchange for social marketing theory while also demonstrating the utility of generalized exchange motivators in military recruitment. Using structural equation modeling, an exploratory factor analysis model is proposed.

Introduction

Many day-to-day activities, including work roles, involve social exchange. Most of us work in exchange for compensation including money and social benefits. Prospective employees and employers negotiate terms of employment. If a prospective employee accepts the terms of employment offered by a prospective employer, then a form of exchange has occurred and an ongoing exchange relationship develops. In this sense personnel recruitment may be viewed as a marketing exchange activity in which there is a quid pro quo agreement between the two social actors. This exchange relationship continues if both parties view the relationship as mutually beneficial. 

Personnel recruitment is necessary for organizations to maintain required human resources. Military organizations are no exception. The United States military recruits some 55,000 Americans per year to join its active duty ranks (Sailor 21, 1998). However, for the past decade some military recruiters have struggled to meet their annual recruitment goals (Ryan, 2001). Researchers have attributed these difficulties to ambiguity about military missions (Bachman & O’Malley, 1999), less job security provided by the military as evidenced by the 1980’s military downsizing (Barley, 1998; Segal, 1986), a lack of patriotism (Faris, 1995), and disingenuous military advertising (Shyles & Hocking, 1990). The present research proposes that an individual's propensity for military service can be explained within an exchange theory paradigm involving "generalized exchange." That is, a prospective military member’s interest in joining the military will be influenced by his or her perceptions of benefits that derive from military service. A "generalized exchange" perspective focuses attention on broad, indirect, social benefits as motivators to engage in exchange.

Background Literature

Marketing theory has recognized three basic types of exchange; restricted exchange, complex exchange and generalized exchange (Bagozzi 1975; Marshall 1998). Restricted exchange involves a direct, reciprocal transfer of values between two parties. This is the typical sales situation in which a person pays a dollar and obtains a loaf of bread. Complex exchange involves a sequence of restricted exchanges such as characterize sales distribution channels involving a manufacturer, a retailer and a final customer. Person A sells a loaf of bread to person B for a dollar, and person B then sells the bread to
person C for two dollars. This chain may be extended to include any number of transfers, but each is a direct, reciprocal transfer characteristic of restricted exchange.

Generalized exchange is fundamentally different from restricted and complex exchange in that the exchange process, as described by Bagozzi in 1975 and Marshall in 1998, involves a system of indirect, univocal exchanges. In generalized exchange an individual contributes a value to a social system without the expectation of an immediate reciprocal return benefit, but with the expectation of an overall improvement in the state of the whole system which will eventually yield an indirect benefit to the contributing individual as a member of the system. Bagozzi illustrated the concept of generalized exchange by applying it theoretically to the payment of taxes into a social welfare system. Marshall further developed the concept and provided empirical evidence of its utility in regard to predicting support for public school tax increases among persons without children in public schools (1998).

A Theoretical Model

The current research applies the generalized exchange concept to the identification of prospects for military service. As such it contributes to a social marketing perspective in which behaviors are sought from members of a social system (Kotler and Andreasen 1991). The Marshall (1998) model involves four factors found to contribute to willingness to engage in generalized exchange: 1) perceptions of broad community benefits, 2) perceptions of the effectiveness of the organization's performance, 3) perceptions of a social responsibility ethic, and 4) perceptions of equity in the sense of equality of tax treatment. Perceptions of community benefits as generalized exchange motivators are stressed in the Marshall model because they represent indirect benefits that the individual desires and believes can result from his or her contribution to improving the state of the community or society - in this case from involvement in military service. Performance perceptions are included because these reflect the expectation that the organization is able to succeed in its mission and therefore that the desired improvement in the state of the society will result. Perception of a social responsibility ethic is included because group norms may exist that encourage or mandate behavior in support of the organization (Takahasi 2000). Perceptions of equity are included because resistance to participation may result if an individual feels that more is demanded of him or her than of others (Takahasi 2000). The model is rooted in marketing, management, sociological and social-psychology exchange theory, job satisfaction theory, and theories of public service motivations (Blau 1964; Bagozzi 1975; Ekeh 1974; Houston and Gassenheimer 1987; Gundlach, et al. 1995; Homans 1974; Raadschelders 1995). Social exchange theory essentially posits that successful exchanges involve transfers of values among two or more parties such that each party feels that he or she has obtained something of equal or greater value than that which was given up, and that the exchange was entered into voluntarily (Houston and Gassenheimer 1987). The values that are transferred may be monetary, objects with utilitarian functions, intangible services, or symbolic values (Bagozzi 1975; Levy 1959) or a combination of these. Willingness to enter into exchange requires that each party see the exchange as beneficial in terms of self-interest. The model is graphically depicted in Figure 1.

Exchange theory can be applied to the recruitment of personnel into organizations by considering the values or rewards the individual seeks in exchange for the "costs" of committing time and effort and foregoing other opportunities. The concept of "generalized exchange" is particularly appropriate for military recruitment in that a society's military organizations presumably exist to benefit the society by providing protection and security. Presumably, the security that results from adequate military protection allows other transactions and activities occurring within the social system to be carried out with greater confidence, thus improving the state of the system and the quality of life of its members. As non-profit, government-based organizations, military services might be best positioned by appealing to "generalized exchange" perceptions and values. These tie the individual's well being to the state of the social system (i.e. the contributions the organization makes to the society). Appeals to restricted exchange motivations
emphasize direct individual self-interest that is not overtly tied to the benefit to the larger society and so may be inconsistent with the broad military mission of service to the larger society.

Methodology

Structural Equation Modeling (SEM, LISREL, Version 8.30) (Joreskog & Sorbom 1993, Hair et al. 1998) will be employed to test the theoretical propositions implicit in the proposed Generalized Exchange Models. SEM is a multivariate technique that defines and estimates dependent and independent relationships between endogenous and exogenous variables simultaneously (Bollen 1989; Hair et al. 1998; Rakov & Marcoulides 2000). It also takes measurement error into consideration, gives parameter estimates based on the maximum likelihood estimation, and provides various indices of the extent to which the proposed covariance structural model fits the data (Rakov & Marcoulides 2000). It is appropriate for the current application in that several constructs are hypothesized to influence directly the underlying construct Generalized Exchange Motivation, and in that these constructs are in turn hypothesized to directly influence Propensity for Military Service. The data with which to test the model and which are the basis of the results presented at the conference were provided by a telephone survey of 300 men and 300 women age 18 to 20, who are not institutionalized, not currently enrolled in a four year college, and without own children living with them.

The general LISREL model is as follows:

\[ \eta = \beta \eta + \Gamma \xi + \zeta \]  
\[ (1) \]

where:

- \( \beta \) = a coefficient matrix of the \( \eta \) variables in the structural relationship
- \( \eta \) = the vector of the latent dependent (endogenous) variables
- \( \Gamma \) = a coefficient matrix of the \( \xi \) variables in the structural relationship
- \( \xi \) = the random vector of latent (exogenous) independent variables
- \( \zeta \) = a vector of errors (disturbances) between \( \eta \) and \( \xi \)

Equation 1 specifies the general structural model and outlines the basic relationship between the vectors and matrices that constitute the structural relations. In this study, we evaluate the following exploratory factor analysis (EFA) structural models:

\[ \eta_1 = \gamma_{11} \xi_1 + \gamma_{12} \xi_2 + \gamma_{13} \xi_3 + \gamma_{14} \xi_4 + \xi_1 \]  
\[ (2) \]

\[ \eta_2 = \gamma_{21} \xi_1 + \gamma_{22} \xi_2 + \beta_{21} \eta_1 + \gamma_{23} \xi_3 + \gamma_{24} \xi_4 + \xi_2 \]  
\[ (3) \]

In Equation 2, Generalized Exchange Motivation (\( \eta_1 \)) is a function of Community Benefits (\( \xi_1 \)), Military Performance (\( \xi_2 \)), Social Responsibility (\( \xi_3 \)), and Social Equity (\( \xi_4 \)), with \( \gamma_{11}, \gamma_{12}, \gamma_{13}, \) and \( \gamma_{14} \) as their respective coefficients. Equation 3 specifies that Propensity for Military Service (\( \eta_2 \)) is a function of Perceived Community Benefits (\( \xi_1 \)), Perceived Military Performance (\( \xi_2 \)), Generalized Exchange Motivation (\( \eta_1 \)), Social Responsibility (\( \xi_3 \)), and Social Equity (\( \xi_4 \)), with \( \gamma_{21}, \gamma_{22}, \beta_{21}, \gamma_{23}, \) and \( \gamma_{24} \) as their respective coefficients. The error terms are \( \xi_1 \) and \( \xi_2 \).
Figure 1. Structural Equation Model of Generalized Exchange Motivations for Military Service
References


**Generalized Exchange Motivators In Marketing Military Service**

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**Abstract**

This paper reports on a study of generalized exchange motivations for interest in military service among young adults. The goal of this research is to further develop and illustrate the concept of generalized exchange for social marketing theory while also demonstrating the utility of generalized exchange motivators in military recruitment. Using structural equation modeling, an exploratory factor analysis model is proposed.

**Introduction**

Many day-to-day activities, including work roles, involve social exchange. Most of us work in exchange for compensation including money and social benefits. Prospective employees and employers negotiate terms of employment. If a prospective employee accepts the terms of employment offered by a prospective employer, then a form of exchange has occurred and an ongoing exchange relationship develops. In this sense personnel recruitment may be viewed as a marketing exchange activity in which there is a quid pro quo agreement between the two social actors. This exchange relationship continues if both parties view the relationship as mutually beneficial.

Personnel recruitment is necessary for organizations to maintain required human resources. Military organizations are no exception. The United States military recruits some 55,000 Americans per year to join its active duty ranks (Sailor 21, 1998). However, for the past decade some military recruiters have struggled to meet their annual recruitment goals (Ryan, 2001). Researchers have attributed these difficulties to ambiguity about military missions (Bachman & O’Malley, 1999), less job security provided by the military as evidenced by the 1980’s military downsizing (Barley, 1998; Segal, 1986), a lack of patriotism (Faris, 1995), and disingenuous military advertising (Shyles & Hocking, 1990). The present research proposes that an individual's propensity for military service can be explained within an exchange theory paradigm involving "generalized exchange." That is, a prospective military member’s interest in joining the military will be influenced by his or her perceptions of benefits that derive from military service. A "generalized exchange" perspective focuses attention on broad, indirect, social benefits as motivators to engage in exchange.

**Background Literature**

Marketing theory has recognized three basic types of exchange; restricted exchange, complex exchange and generalized exchange (Bagozzi 1975; Marshall 1998). Restricted exchange involves a direct, reciprocal transfer of values between two parties. This is the typical sales situation in which a person pays a dollar and obtains a loaf of bread. Complex exchange involves a sequence of restricted exchanges such as characterize sales distribution channels involving a manufacturer, a retailer and a final customer. Person A sells a loaf of bread to person B for a dollar, and person B then sells the bread to

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10 This research was funded by Office of Naval Research award N000140110363, Generalized Exchange Motivators for Military Service.
person C for two dollars. This chain may be extended to include any number of transfers, but each is a direct, reciprocal transfer characteristic of restricted exchange.

Generalized exchange is fundamentally different from restricted and complex exchange in that the exchange process, as described by Bagozzi in 1975 and Marshall in 1998, involves a system of indirect, univocal exchanges. In generalized exchange an individual contributes a value to a social system without the expectation of an immediate reciprocal return benefit, but with the expectation of an overall improvement in the state of the whole system which will eventually yield an indirect benefit to the contributing individual as a member of the system. Bagozzi illustrated the concept of generalized exchange by applying it theoretically to the payment of taxes into a social welfare system. Marshall further developed the concept and provided empirical evidence of its utility in regard to predicting support for public school tax increases among persons without children in public schools (1998).

A Theoretical Model

The current research applies the generalized exchange concept to the identification of prospects for military service. As such it contributes to a social marketing perspective in which behaviors are sought from members of a social system (Kotler and Andreasen 1991). The Marshall (1998) model involves four factors found to contribute to willingness to engage in generalized exchange: 1) perceptions of broad community benefits, 2) perceptions of the effectiveness of the organization's performance, 3) perceptions of a social responsibility ethic, and 4) perceptions of equity in the sense of equality of tax treatment. Perceptions of community benefits as generalized exchange motivators are stressed in the Marshall model because they represent indirect benefits that the individual desires and believes can result from his or her contribution to improving the state of the community or society - in this case from involvement in military service. Performance perceptions are included because these reflect the expectation that the organization is able to succeed in its mission and therefore that the desired improvement in the state of the society will result. Perception of a social responsibility ethic is included because group norms may exist that encourage or mandate behavior in support of the organization (Takahasi 2000). Perceptions of equity are included because resistance to participation may result if an individual feels that more is demanded of him or her than of others (Takahasi 2000). The model is rooted in marketing, management, sociological and social-psychology exchange theory, job satisfaction theory, and theories of public service motivations (Blau 1964; Bagozzi 1975; Ekeh 1974; Houston and Gassenheimer 1987; Gundlach, et al. 1995; Homans 1974; Raadschelders 1995). Social exchange theory essentially posits that successful exchanges involve transfers of values among two or more parties such that each party feels that he or she has obtained something of equal or greater value than that which was given up, and that the exchange was entered into voluntarily (Houston and Gassenheimer 1987). The values that are transferred may be monetary, objects with utilitarian functions, intangible services, or symbolic values (Bagozzi 1975; Levy 1959) or a combination of these. Willingness to enter into exchange requires that each party see the exchange as beneficial in terms of self-interest. The model is graphically depicted in Figure 1.

Exchange theory can be applied to the recruitment of personnel into organizations by considering the values or rewards the individual seeks in exchange for the "costs" of committing time and effort and foregoing other opportunities. The concept of "generalized exchange" is particularly appropriate for military recruitment in that a society's military organizations presumably exist to benefit the society by providing protection and security. Presumably, the security that results from adequate military protection allows other transactions and activities occurring within the social system to be carried out with greater confidence, thus improving the state of the system and the quality of life of its members. As non-profit, government-based organizations, military services might be best positioned by appealing to "generalized exchange" perceptions and values. These tie the individual's well being to the state of the social system (i.e. the contributions the organization makes to the society). Appeals to restricted exchange motivations
emphasize direct individual self-interest that is not overtly tied to the benefit to the larger society and so may be inconsistent with the broad military mission of service to the larger society.

Methodology

Structural Equation Modeling (SEM, LISREL, Version 8.30) (Joreskog & Sorbom 1993, Hair et al. 1998) will be employed to test the theoretical propositions implicit in the proposed Generalized Exchange Models. SEM is a multivariate technique that defines and estimates dependent and independent relationships between endogenous and exogenous variables simultaneously (Bollen 1989; Hair et al. 1998; Rakov & Marcoulides 2000). It also takes measurement error into consideration, gives parameter estimates based on the maximum likelihood estimation, and provides various indices of the extent to which the proposed covariance structural model fits the data (Rakov & Marcoulides 2000). It is appropriate for the current application in that several constructs are hypothesized to influence directly the underlying construct Generalized Exchange Motivation, and in that these constructs are in turn hypothesized to directly influence Propensity for Military Service. The data with which to test the model and which are the basis of the results presented at the conference were provided by a telephone survey of 300 men and 300 women age 18 to 20, who are not institutionalized, not currently enrolled in a four year college, and without own children living with them.

The general LISREL model is as follows:

\[ \eta = \beta \eta + \Gamma \xi + \zeta \]  

(1)

where:
- \( \beta \) = a coefficient matrix of the \( \eta \) variables in the structural relationship
- \( \eta \) = the vector of the latent dependent (endogenous) variables
- \( \Gamma \) = a coefficient matrix of the \( \xi \) variables in the structural relationship
- \( \xi \) = the random vector of latent (exogenous) independent variables
- \( \zeta \) = a vector of errors (disturbances) between \( \eta \) and \( \xi \)

Equation 1 specifies the general structural model and outlines the basic relationship between the vectors and matrices that constitute the structural relations. In this study, we evaluate the following exploratory factor analysis (EFA) structural models:

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\[ \eta_2 = \gamma_{21} \xi_1 + \gamma_{22} \xi_2 + \beta_{21} \eta_1 + \gamma_{23} \xi_3 + \gamma_{24} \xi_4 + \zeta_2 \]  

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In Equation 2, Generalized Exchange Motivation (\( \eta_1 \)) is a function of Community Benefits (\( \xi_1 \)), Military Performance (\( \xi_2 \)), Social Responsibility (\( \xi_3 \)), and Social Equity (\( \xi_4 \)), with \( \gamma_{11}, \gamma_{12}, \gamma_{13}, \) and \( \gamma_{14} \) as their respective coefficients. Equation 3 specifies that Propensity for Military Service (\( \eta_2 \)) is a function of Perceived Community Benefits (\( \xi_1 \)), Perceived Military Performance (\( \xi_2 \)), Generalized Exchange Motivation (\( \eta_1 \)), Social Responsibility (\( \xi_3 \)), and Social Equity (\( \xi_4 \)), with \( \gamma_{21}, \gamma_{22}, \beta_{21}, \gamma_{23}, \) and \( \gamma_{24} \) as their respective coefficients. The error terms are \( \zeta_1 \) and \( \zeta_2 \).
Figure 1. Structural Equation Model of Generalized Exchange Motivations for Military Service

References


What Profiteth It?
Distinguishing Relationship and QOL Marketing

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Abstract
In many respects, relationship marketing and quality of life marketing appear to be indistinguishable. Both focus on optimizing lifetime outcomes, on serving the best interests of customers, and on developing long-term relationships between businesses and consumers. How do they differ? This article suggests that they may be differentiated based on their ultimate value commitments. Relationship marketing is ultimately grounded in the profit motive, QOL marketing in a social vision. But what social vision? If QOL is to be a social science discipline rather than a political agenda, the specific vision must be unspecified.

Introduction
My purpose in this paper is to propose a conceptualization of Quality of Life (QOL) marketing that more clearly identifies what is distinctive about this approach to marketing. I argue that if it is to be differentiated from other approaches, in particular, relationship marketing, QOL marketing must be defined in terms of its practitioners’ willingness to pay a personal financial price to enact a moral vision of a social good. But before turning to the definition of QOL marketing, I will discuss two other approaches to marketing, the pure market exchange (ME) and relationship marketing (RM). I will attempt to describe these approaches in such a way that my description will be perceived to be fair, even sympathetic by the partisans of the approach. I will then discuss QOL in the context of these other approaches and will suggest, in the end, that if QOL is properly conceived, ME and RM become just a special case of QOL marketing.

Market Exchanges
Baggozi (1975) has argued persuasively that all marketing is, in its essence, the management of an exchange process. Thus, different approaches to marketing become different ways of managing exchanges. The most straightforward exchange is the pure market exchange, a free-standing transfer of goods/services/money from one party to another that is motivated entirely by the immediate perceived utility of the objects exchanged (Williamson 1987). Such exchanges create wealth—an exchange benefit—because, by definition, they leave both parties subjectively better off following the transaction than they were before it. People will give up item A for item B only if, at least for the moment, they subjectively value B more than A.

In a ME, the motives of the parties to the exchange are self-seeking. In Adam Smith’s often-cited formulation, “It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages” (Smith 1976). So the defining characteristics of a ME are that each party is self-interested, tries to get as much as they can while giving up as little as they must, and that each party is better off following the exchange than they were before entering into it.
The self-seeking motives of the exchange partners need not, and indeed, in the majority of cases, cannot lead to fraud. Good faith on the part of most market participants is a logical pre-condition for a flourishing ME process. If most of the time when a buyer or seller enters into a ME, they get cheated, receiving less than they give up, the exchange process will grind to a halt because people will see that exchange provides no benefit and just keep what they have. A ME system can only continue to function if at least the majority of exchanges are made in good faith. One’s motives don’t have to be benevolent, but one does have to be mostly honest for the process to continue. So when we talk about and critique ME’s, we should focus on exchanges in which the parties make the exchange knowing (at least in some minimal sense) what they are getting and giving up.

In a ME framework, the marketer’s essential social function is to make markets, to create exchange-benefit wealth by moving objects from persons who value them less to others who value them more or can add more value to them. Information about supply and demand, about the respective subjective valuations of buyers and sellers, is the basic asset marketers must have to carry out their arbitrage function. They profit by keeping for themselves a portion of the exchange benefit wealth they create.

Classical liberals, the traditional partisans of ME, have generally assumed that government has a necessary fraud-policing role to play in facilitating an active ME process. But some libertarians, the most energetic present-day partisans of ME, have suggested that ME can flourish without any state presence (Rothbard 1997). The quintessential e-marketer, E-bay, provides an example of how a marketer may assume the fraud policing role by disseminating information. On E-bay, millions of buyers and sellers in thousands of jurisdictions around the world enter into mutually satisfying exchanges. In this complex, multi-national exchange process, fraud is policed not primarily by the state but by a credence market. Buyers rate their satisfaction with a seller following each transaction. Sellers have a marketplace incentive to build up a record of satisfying their customers because customers seek out reliable sellers and will pay a price premium to deal with them. Sellers new to the market must offer especially good deals and take great care to satisfy their customers if they are to earn credibility in the marketplace and be seriously considered by risk adverse buyers. Thus, E-bay operates what might be called a credibility bureau to help consumer identify reliable businesses. This service is an analog of the credit bureaus that have long helped businesses identify credit worthy consumers.

In making a fair case for ME’s, one should add that an environment dominated by ME’s has socially beneficial side effects. For instance, it tends to eliminate discrimination based on race/gender/etc. The Nobel Prize winning economist Gary Becker pointed this out many years ago in his doctoral dissertation on the economics of discrimination (Becker 1971). If my only goal is the self-seeking one of maximizing profits, I will sell my product to the highest bidder regardless of their race or gender. If I insist on selling only to white people, I will pay a bigotry tax in foregone revenues I could have earned by selling to the highest bidder regardless of race. Thus, free markets tend to undercut discrimination. That is why, in places like the Jim Crow American South and Apartheid South Africa, the state has always had to enforce restrictive laws in both labor and product markets to stop marketers from selling and hiring in a non-discriminatory way. Businesses have tended to oppose and--when they could get away with it--to undercut Jim Crow laws because doing so (i.e., selling to all willing customers and hiring the most qualified worker available at a given price) produces higher profits.

Taking all these considerations together, a case can be made for ME based on consumer and even societal well being. At least in the near term, a properly functioning ME process will enhance the lives of those who participate in the process because it channels the self-seeking efforts of millions into the service of others. An ability to anticipate and meet the needs of others is highly rewarded, for people...
become rich by producing something others want, and the more others want it (i.e., the more it serves their immediate perceived self-interest), the richer the seller/marketer becomes.

**Relationship Marketing**

Let us turn now to relationship marketing (RM). RM should be seen as being identical to ME in its self-seeking profit motive but different in its time horizon and in its potential to produce positive/negative exchange synergies. RM is motivated by two distinct things, both of which are related to increasing long-term profitability. The first motive is a desire to create a barrier to competition by building a relationship with the customer so that the customer will not switch to another supplier who offers a lower price on a particular item. In other words, a seller builds a relationship with a buyer to gain protection from competitors engaged in ME. The seller thus escapes the rigors of a ME environment that approximates pure competition.

Consider the following differentiating example. In a ME, the price charged for a product will be the market-clearing price at the moment when the transaction is concluded. If the product in question is in short supply, the price will be dramatically increased to reflect the shortage. If the product is oversupplied, the price will drop very low. As supply and demand shifts, the relative power of buyers and sellers also shifts, to the benefit of one, discomfort of the other. By contrast, sellers involved in RM will not optimize profits on each transaction because their longer time horizon shifts the focus to lifetime profitability, and short-term optimization may damage the relationship. By charging less than the market-clearing price when there are shortages, the seller hopes to build customer loyalty that will permit higher markups when circumstances favor the buyer. Thus, on this first dimension, RM is differentiated from the ME by a tendency to forego profit maximization on particular transactions so as to facilitate a larger aggregate profit on multiple transactions.

Considered on this dimension alone, RM has two negative effects. First, insofar as it serves merely as a barrier to competition, RM is a zero or even negative sum game that will probably benefit sellers relative to buyers in that buyers will pay a higher average price than they would have in a series of ME’s. (Thus, the higher lifetime profits for the seller.) This effect will tend to lower aggregate well-being by increasing production costs.

Second, when the prices charged by a supplier do not reflect the true demand for a product, they lead to economic waste, to resources being devoted to sub-optimal uses. For example, if a water utility sets prices below equilibrium in times of shortage and recoups lost profits by charging above equilibrium in times of abundance, consumers may water their lawn in the midst of droughts leaving insufficient water for bathing and sanitation, then water their vegetables too little when water is abundant because prices remain high and don’t reflect that abundance. Taken together, these negative factors produce a negative synergy, a loss of aggregate well being when businesses try to insulate themselves from competition by engaging in RM.

There is, however, a second motive for engaging in RM that is positively synergistic—the desire to gain benefits that come to exchange partners who make mutual investments over time and, thereby, lower transaction costs. By integrating their computer systems, suppliers and their customers may develop an ability to spot demand trends and avoid costs associated with excess inventory. A long-term relationship between seller and buyer will often be a pre-condition for this kind of mutual investment and efficiency gain. And the benefits that accrue to the business partners from such an arrangement are likely to be passed on in some measure to final consumers, thus increasing aggregate social well being.
In the end, the relative magnitude of the barrier-to-entry loss of efficiency and mutual-investment gain in efficiency will determine whether RM is socially desirable in a given instance. In their role as buyers, businesses optimize social well being by engaging in ME when the supplies they purchase are commodities produced by many competing suppliers but engaging in RM when transaction specific assets are necessary to make the exchange process optimally efficient. Transaction Cost Analysis (Williamson 1987) lays out very clearly the normative conditions under which ME and RM are socially desirable/undesirable.

**Quality Of Life Marketing**

QOL may be differentiated from ME and RM by its benevolent concern for the well being of third parties or by other non-monetary value commitments. Unlike those engaged in ME and RM who are driven by a self-seeking profit motive, QOL marketers are motivated by a set of values that transcend monetary self-interest. As a consequence, they will be unwilling to facilitate some mutually satisfying exchanges between willing buyers and sellers because the exchanges have side effects the marketer perceives to be negative. To use the terminology of economists, QOL marketers are concerned about economic externalities that do not concern marketers engaged in ME and RM.

In making this point about third parties and externalities, it is important that we be clear about who/what counts as a third party to a transaction. If I am selling tuna fish to grocery shoppers, dolphins would seem to be an uninvolved third party that may be damaged as the shopper and I enter into a mutually beneficial exchange, i.e., the shopper gets the lowest price tuna, I the highest profit if we don’t worry about dolphins. But dolphins are a third party if and only if my customer doesn’t care about them. If the customer does care and won’t buy tuna that lacks the dolphin-safe attribute, then dolphins are not a third party.

The same hold for any other apparent externality. If consumers won’t buy my product if I am known to be a polluter (even though it is the least expensive, highest quality product), then the consumer has made the green attribute a critical part of the exchange. Even if I am interested only in ME, I must incorporate that attribute into my product. A purely self-seeking profit motive will impel me to take that customer concern into account. As one involved in ME or RM, I am not concerned about dolphins or the environment per se, but my desire to have a product in high demand compels me to have a secondary interest in these things.

The critical issue here is how one defines third parties to a transaction. The most rigorous definition of a third party is someone/something neither buyer nor seller cares enough about that its well-being can affect the transaction. If something is part of the buyer’s extended self (Belk 1988), it is not a third party to the transaction and the issue of externalities doesn’t arise. For example, a person’s children are not usually going to be a third party. Most mothers won’t buy a cosmetic that is inexpensive, long-lasting, and safe for adults but toxic to children. Their children are part of themselves. And for many consumers, the environment is part of their extended self, so in transactions involving them, environmental impacts of the product are not an externality even for ME and RM.

To sum up, a marketer engaged in either ME or RM may be compelled by customer concerns to take into account the effects of a transaction on other stakeholders who are part of the customer’s extended self. If, acting purely on a self-seeking profit motive, one treats suppliers, the surrounding community, and the environment well because customers won’t buy from businesses that don’t do those things, then one would not be involved in QOL marketing. One would be involved in ME or RM with socially conscious customers. The locus of social responsibility would be the customer, not the marketer.
Thus, if we want to get at the essence of QOL marketing, we have to focus not just on the behaviors of the marketer but also on the motives which determine their behaviors.

So how would QOL differ from ME and RM? When the marketer is dealing with a socially conscious and well-informed clientele, there may not be any observable behavioral difference. The actions of someone motivated purely by profit may be indistinguishable from those of someone motivated by benevolence and social equity. The only difference would be in the authenticity of the behavior. For those involved in ME or RM, the social responsibility would be a strictly utilitarian response to customer expectations whereas for the QOL marketer, it would be an expression of intrinsic values.

So where would the outward behavior of ME, RM, and QOL differ? In situations where a choice has to be made between profit and other values. These circumstances thus become the best context in which to identify and explore the implications of QOL marketing.

The Cost of QOL Marking

It has been suggested that QOL marketing is distinguished from other kinds of marketing because it enhances certain aspects of consumer well being while preserving the well being of all other publics involved in the production and consumption process (Clewett and Olson 1974; Samli 1992; Sirgy and Lee 1994). This rather utopian view doesn’t adequately account for the fact that the interests of the various parties involved in these processes are generally incompatible, that the parties are locked in a zero sum game when it comes to dividing up the costs and benefits of an exchange. In this game, it isn’t possible to maximize the well being of shareholders, workers, government, neighbors, and customers all at the same time. There is an inevitable conflict between the demands of shareholders for the highest possible ROI, workers for high wages, government for high taxes, neighbors for low pollution, and consumers for low prices.

The fact that a QOL marketer normally must pay a price in foregone ROI can be shown by working through an example. Suppose that a QOL marketer decides to enhance consumer well being by reducing the price of a product below the level at which marginal cost is equal to marginal revenue. This is done to make the product available to consumers who need but cannot afford it at the usual price. A price reduction under these circumstances will inevitably lead to a lower ROI. If the business decides to sell the same number of units of the product as it would have at the higher price, it will earn less on each product, which will translate directly into a lower ROI, and it will create a shortage of product with an accompanying loss of social well being. If it decides to prevent shortages by producing additional units to meet the new higher demand, it will lose money (which must be subtracted from ROI) on each unit produced beyond the point where MR = MC. The point where MR = MC maximizes profit, so there must be a decrease in ROI if a business decides to sell at some other price.

This example is illustrative of a larger point. If it is to be clearly differentiated from ME and RM, QOL marketing must normally involve a benefit transfer that allocates benefits differently than they would have been allocated by the marketplace through ME or RM. Where capital and labor markets are efficient, that reallocation must be a form of personal charity because redirected resources can only come from the pocket of the management team that does the reallocating. The QOL marketers must take the wealth from their own pockets because in efficient markets other players have a veto on any effort to direct resources away from them. If the team transfers wealth from investors to other parties, investors in efficient capital markets will quickly recognize that returns are sub-optimal and move capital to other enterprises or terminate the management team. If the team attempts to transfer wealth from workers to other parties, the workers will quit and take other employment where they are compensated with the full market value of their labor. The only vulnerable parties are those who do not directly participate in the
market process, i.e., neighbors, the environment, and other elements that are subject to externalities. But government regulations usually set a standard that limits the business’s scope of action with respect to these parties. If the management team fails to meet that minimum standard, they face legal action. If they exceed it, the cost of doing so must come from one of the previously mentioned parties—and if the markets are efficient, from the pockets of the managers themselves.

Of course, markets are typically inefficient to one degree or another. Shareholders are inattentive, workers not fully informed about their market value. In some locations—e.g., in Germany and Japan where large businesses have traditionally been owned only indirectly through banks, insurers, and holding companies—the capital structure has been rigged to shield managers from the pressures of the marketplace. Under these circumstances, the management team has had more opportunity to enact its social vision by directing resources away from the party that would receive them in an efficient market to other parties (the workers, the environment, the poor, the government) the managers deem more deserving of the benefit. The group that has usually sustained the loss under these arrangements has been investors who have paid for the enactment of the managers’ and the politicians’ vision with lower capital productivity and lower ROI.

This zero-sum transfer of wealth might be avoided if QOL marketing tended to produce greater profits than ME or RM. Management could enact its moral vision without cost to investors or other parties by expending profits earned in excess of those generated by ME or RM. For example, if a QOL marketer could more than make up the loss sustained by selling below the MR = MC price through goodwill gained and consequent additional sales, it could use the additional revenues to subsidize the MR < MC price for impoverished consumers. But this idea is unsound. A savvy relationship marketer will also lower prices to get goodwill when that action will maximize long-term profits, which are the RM focus. So there is no opportunity for a QOL marketer to earn profits in excess of those earned by RM. And the idea that QOL marketing will consistently earn outsized returns is implausible on its face. One can’t credibly claim to be a QOL marketer who acts on motives of benevolence and social equity if one always does the thing that will maximize long-term profits (i.e., the same thing a savvy RM would do). Benevolence, social equity, and other moral visions become a factor only when one party (the managers, the shareholders) is willing to forego a benefit they could have had but don’t get so another party, say impoverished customers, will be better off. In other words, QOL marketing may be convincingly differentiated from savvy RM only if the QOL marketers display an altruistic willingness to give up some monetary rewards in order to do what they perceive to be the right thing. And willingness to transfer wealth from one party to another is more morally commendable if the party making the sacrifice is the marketer him or herself rather than, say, inattentive investors whom the marketer putatively serves as an agent.

**Normative or Descriptive QOL**

As the discussion in the previous section indicates, QOL marketing is motivated not by the perceived self-interest and market power of various stakeholders in the transaction but by a social, moral or aesthetic vision. This may be the social vision of the owner or shareholders or the vision of the managers and marketers. But whatever its source, the QOL marketer reallocates the mix of benefits distributed in the exchange process according to the moral vision rather than according to individual preferences and market power. The marketer pursues moral or aesthetic ends rather than short or long term profits.

Given this definition, the scope of QOL marketing studies is immense. Thousands of firms and millions of individuals are guided by QOL considerations in their business decision-making. If a business refuses to produce or market its products in a country with a repressive government though operations in
that country would be profitable, it has engaged in QOL marketing. If, in spite of lower markups and profit potential, a retailer decides to carry a line of Christian novels—because she thinks they are morally uplifting—instead of an alternative line of best sellers, she is engaged in QOL marketing. And if a racist pays a bigotry tax in lower worker productivity or lost consumer sales because he refuses to hire qualified workers or sell to people of another race, he, too, is engaged in QOL marketing. He is being true to a moral vision that values racial solidarity more highly than maximum financial returns or other historically positive human values.

This last example, the racist, can be especially useful in clarifying the nature of QOL marketing studies. If we grant that the racist is involved in QOL marketing, we make QOL marketing studies a descriptive and pluralistic discipline that has scientific promise. If we reject the example, QOL marketing becomes the label for a normative political program. In my reading, past work on QOL has been both things, but on the whole, more political than scientific, more concerned with urging marketers to enact a specific moral vision than with defining and exploring the business implications of a variety of social visions. A more faithfully descriptive QOL research tradition would focus on the manifold ways in which various social and ethical visions come to be manifested in business practices. Under what political and economic conditions do social/aesthetic/moral visions have a big effect on how the exchange process is managed within a society? Under what conditions do they play a small role? Would the scope for enacting a moral vision be more tightly circumscribed, as I have earlier suggested, where capital markets are efficient, ownership liquid? Can a price in foregone material product be identified for various social and moral visions? What are the gains/losses in life satisfaction associated with alternative moral and social programs?

If the descriptive, scientific definition of QOL studies is accepted, the relationship between ME, RM, and QOL must be redrawn. Instead of being coequal approaches to marketing, ME and RM must be subsumed within QOL. They become the marketing system manifestation of a particular moral vision—the libertarian vision, in which individual autonomy is the single most important moral and social value. When implemented, as it was for many years in Hong Kong, this particular vision seems to produce a high overall level and a high standard deviation in the level of material wealth. Whether it is capable of optimizing wealth and life satisfaction as advocates of the vision claim is a subject that could be productively explored by a QOL research tradition devoted to the scientific study of the exchange process outcomes of alternative moral/social/aesthetic visions.

This last example demonstrates that a QOL approach to marketing is not necessarily superior in its social outcomes to ME or RM. As previously indicated, a ME orientation is incompatible with racist business operations.

Discrimination, then, is not a product of ME or of economic self-seeking. It is an expression of a set of values, e.g., values that emphasize racial solidarity. And by their racist adherents, these values are seen as being moral imperatives, i.e., they think it is wrong to treat people of another race the same as you treat your own race. (This is an extension of the idea many people subscribe to that you should treat your family better than you treat other people. Racists see their race as a kind of tribe or extended family.)

A QOL orientation is manifested any time a business decision is dictated by moral or aesthetic considerations instead of short or long-term profit potential.

Workers may get more money than the labor market dictates with investors bearing the cost in a lower return on their investment. Neighbors of production facilities may have a cleaner environment than the law dictates with customers bearing the cost in being denied desirable product attributes that would be
available but for the special commitment to protecting the environment. One party gains and another loses as dictated by the QOL marketers’ vision of the how society should be organized and life should be lived.

Most people are QOL businesses people. Anyone not willing to sell something is.

QOL and Values Imperialism

The discussion in the previous section raises an another important point on which ME, RM, and QOL differ is the locus of decision making on what is in the best interests of the various stakeholders in the exchange process. For both ME and RM, the locus of value is the stakeholder him or herself. Stakeholders are expected to define and protect their own interests. Investors seek to maximize financial returns, using managers and marketers as their agents. Workers seek to maximize wages, consumers the utility of purchases. Thus, the value of a product in a ME will generally be defined by the nexus of production costs and the short-term perceived self-interest of consumers. If consumers’ short-term interest in the product is sufficient to impel a purchase at a profitable price, then the product will be brought to market. In RM, marketers take a longer view but still accept the customer’s more reflective definition of his or her own best interest. Marketers refuse to sell products customers want in the short run but will dislike later. They are willing to sell any product that does not damage the trust necessary to maximizing the life-time value of the customer to the firm. The allocation of exchange benefits that emerges in both these processes is a direct function of individually defined goals and of the various party’s respective market power.

References


Market Development in a Post-Castro Cuba

Mark Peterson, University of Texas at Arlington

As the world watches, Cuban leader Fidel Castro moves past 73 years of age with no sign of relinquishing power. State socialism appears to be remaining part of life in Cuba as long as Castro and his brother Raul remain alive and healthy. While some assume the departure of the Castro brothers will unleash a rapid change of political and social structures in Cuba similar to what happened in other post-communist countries of Europe after the Fall of the Berlin Wall (Oppenheimer, 1992), others suggest Cubans’ embrace of social equity will result in gradual change after the departure of the Castro brothers (Falcoff, 2000; Jatar-Hausmann, 1999).

Macromarketing researchers have recently summarized cultural and political barriers that have been characteristic of the development of markets (Klein and Nason, 2000). Among these barriers are awkward attitudes toward profit, lack of a consumption culture, political instability, limited natural and human resources, lack of infrastructure, legal voids related to property rights, and resistance to foreign investment. In addition, macromarketing researchers have called for a broader conceptualization of development in understanding variations in economies converting from a communist orientation. Specifically, marketing mind-sets among the populace, and market-oriented policies must come into existence before significant moves can be made toward the development of a market economy. Without these two ingredients, dislocations (such as unemployment and inflation) and social disorder can impede the development of markets as political conservatives wield their influence to stop market development.

After a review of transition economy research and Cuba’s political history in the twentieth century, the prospects of market development in a post-Castro Cuba are examined. Four scenarios for Cuba are considered – 1) a rapid market-development scenario, 2) a gradual market-development scenario, 3) a no market-development scenario, and 4) a civil war scenario. The potential for the “dark side” of leadership in post-communist countries is highlighted. Implications for macromarketing research conclude this paper.


Agricultural Marketing: The Limits of Collective Action

Michael Beverland, Monash University, Australia.

Abstract

A number of countries rely on compulsory producer boards to market their agricultural products abroad. Critics of these boards argue that their monopoly structure limits the ability of producers to position their products through unique strategies in world markets. As a result many strategies focus on increasing prices, at the long-term cost of brand equity and market based assets. This paper examines the strategies by five New Zealand producer boards and one privately owned agribusiness. Despite positive steps to develop proactive strategies, the ownership structure of each board limits their ability to develop strong brands and sustainable competitive advantages.

Introduction

In the last decade, agribusiness has been viewed as a ‘sunset’ industry. As economies around the world see large increases in the service and manufacturing sectors, business researchers have tended to ignore agricultural markets (Lewin and Johnston 1996). However, agriculture remains an important (and often emotive) issue for many countries. Countries such as New Zealand rely on their agricultural industries for a large part of their export earnings. Agribusiness markets are unusually complex. They involve many stakeholders including, farmers, processing companies, government departments, rural communities, distributors, the media, educators, retailers, and consumers. The ability to develop brands in this market is often hindered by seasonal variation, industry politics, trade barriers, strong distributors, and government regulation. While agribusiness is usually characterised by its commodity status, many producers have sought to remove themselves from commodity markets. This is being driven by fundamental changes in world markets, an understanding of which is central to the field of macromarketing (Falkenberg 2001).

Traditionally agricultural producers have produced and operated with little regard for the needs of other channel members and end consumers (Crocombe, Porter and Enright 1991). In New Zealand, as in many countries, the marketing of agricultural products is often left up to collective producer boards. These boards have been empowered by the legislature to conduct collective marketing on behalf of all agricultural producers within their industry and often have single desk selling provisions that give them the sole right to market and sell agricultural produce. Wilkinson, Young, Welch and Welch (1998) stated that export-grouping schemes set up by governments try to obtain benefits from coordinated action between members. Benefits included the sharing of information for mutual advantage, and pooling resources to gain economies of scale and scope. These authors argued that these groups would not emerge ‘spontaneously’ in the market, but needed government backing and encouragement due to a lack of awareness amongst potential participants. These groups focus on the creation of collaborative advantage in order to achieve a competitive advantage with relationships playing a vital role in ensuring the long-term success of these schemes. For example, Hobbs, Kerr, and Klein (1998) argued that the Danish Pork industry’s success was achieved through a coordinated approach to production, processing and marketing, built on an understanding of the requirements of different markets, dedication to quality to provide reliable and consistent supply, tailored to the needs of individual markets. The umbrella
organization Danske Slagterier was partly responsible for this strategy and encouraged close cooperation among all stages of pork production and marketing chain. Wilkinson et al (1998) stated that a clear export goal was needed in order to gain export success for these groups, but the interests of members must be balanced with that of the group with gains likely to be unequal amongst group members.

Despite some successes, these representational structures have come under increasing criticism (Crocombe et al 1991). New Zealand agricultural producers (indeed the majority of agricultural producers) have been slow to adopt a market orientation that involves the development of strong brands for their products to differentiate them from one another in the marketplace. Traditionally many producers of fresh produce have seen their responsibility for the product end when their produce leaves the farm / orchard gate (Crocombe, et al 1991). Despite qualitative differences between the produce of one country and another, competition is generally on the basis of price, with consumers being provided with few cues as to why the produce from one country may be better than that of the next. White stated: “Emphasis has been placed on large volume, throughput to a large number of independent buyers who purchased unbranded, undifferentiated produce on an ad hoc, transactional basis from the supplier who offered the best price and quality at the time.” (2000, p. 7-8). Recent efforts have focused on increasing product quality as a means of market differentiation. However, Lichtenthal and Long (1998) stated that it was no longer sufficient for firms to produce a technically superior product. Miles, White and Munilla (1997) stated that future success would require the adoption of strategic planning models by agribusiness. This will involve the development of augmented products that include strong brands, close relationships throughout the supply chain, a market orientation, and a unique selling proposition (Levitt 1983).

As a result of these criticisms, a number of these bodies have sought to develop new strategies. Despite some successes, a number of problems remain. Economists are often critical of their monopoly power, and the fact that board ownership structures do not allow members to capture brand value (Hunt 2000). Others have argued that their compulsory nature ties all members of an industry into one set of strategies, which will not provide an environment for innovation (Crocombe et al 1991). Economic schools such as the Austrian and transaction cost economics hold that ownership structure will impact on the ability of firms to position themselves in the market, and capture value from their activities (Hunt 2000). Agricultural producer boards are in theory ‘owned’ by the industry or farmers they represent. However, in practice these boards lack the commercial structure to capture the value of their marketing activities. The political nature of each board often leads to a short term focus as farmers demand increased prices or returns, which can often come at the expense of long term value and strong supply chain relationships (Gifford, Hall and Ryan 1998).

Agriculture has been the slowest in recognising that its primary customers are often other businesses (business-to-business), rather than end-consumers (business-to-consumer). Typically marketing approaches (when they are done at all) are aimed at creating category or brand awareness among end consumers. These programs may increase the awareness of the product (e.g., all kiwifruit), but often do not provide any benefits to individual producers of the product (e.g., New Zealand kiwifruit). Little work has been done to develop strong trade brands, and develop coordinated programs to ensure a more efficient use of limited marketing resources. Little research has been carried out on the development of competitive advantages through developing business-to-business relationships in agriculture. For example, in a review of 11 years of publications in the Journal of Business and Industrial Marketing, there was not one study dealing with agricultural marketing (Lewin and Johnston 1996). While there are case studies of these producer boards (Hobbs, Kerr, and Klein 1998), there have been no multi industry cross-comparative studies of these boards (Lindgreen 2000). This paper examines the strategies of a number of different boards all of who have different organisational structures and roles. This paper examines five case studies of New Zealand agricultural organizations that have attempted to
create sustained competitive advantages, through some form of collective action and contrasts their approaches with that of a private agricultural firm.

**Methodology**

Data for this paper was collected using in-depth case studies. A qualitative research design was chosen because it is not possible to distinguish the phenomenon of contemporary board marketing practices from the context in which they are being studied (Lewin and Johnston 1997; Anderson 1995; Weitz and Jap 1995; Yin 1994; Eisenhardt 1989). This meant that a holistic perspective on contemporary marketing practices should be taken so that all of the potentially rich and meaningful characteristics of a marketing programme could be kept intact (Yin 1994). There was also strong epistemological justification for using the case study method since the aim was to gain an understanding of a contemporary phenomenon that is both complex and dynamic (Lewin and Johnston 1997).

As the author was seeking cases of agricultural producers that had attempted to move out of the commodity markets, the sampling procedure was purposive. A range of producers were contacted, with six key industries being selected. We sought to compare the effectiveness of producer boards with different structures (see Table 2). For example, the New Zealand Wine Institute (WINZ) has no single desk selling provision, and as such mainly focuses on creating a general level of awareness of New Zealand wine. The New Zealand Game Industry Board (NZGIB) is representative of the whole industry, not just deer farmers. Therefore one of its key roles is to ensure that all members of the industry work together. Like the WINZ, they have no single desk selling provision, but do have to create awareness for all deer related products (e.g., Velvet, leather, co-products, lower grade meat). Merino NZ do have a single desk selling provision, and also have to create awareness for all Merino products, but generally take a facilitative role, aiming to bring all members of a complicated supply chain together. Like the WINZ, Merino NZ is a niche player in world markets, whereas the NZGIB is the largest deer producer in the world, although they have a number of niche programs. Both the New Zealand Dairy Board (NZDB) and Zespri International (Zespri) have single desk selling provisions, and both have developed brand-marketing programs. However, the NZDB focuses on global brands, rather than region of origin (and therefore source globally), and they work very closely with all members of the supply chain. Zespri (and WINZ, NZGIB, Merino NZ) use region of origin as a basis for branding, but aim to develop a global brand. Unlike the NZDB they focus on consumer awareness programs to the exclusion of trade-related programs and they do not source globally, relying sole on New Zealand produced kiwifruit to meet demand.

Finally, Sealord Fisheries is a privately owned company aiming to develop global brands. This case was used for several reasons. Firstly, like the other cases it is subject to government intervention. The New Zealand government regulates New Zealand fish stocks, and Sealord actively support this process. Secondly, unlike the other cases, Sealord is a private company, not subject to industry politics, and do not tie their brand strategy to region of origin. They can also capture the value of their brands on their balance sheet, and their focus is on return on investment within the context of sustainable fishing practices. Sealord have adopted many of the strategies of the other cases, but their structure does not limit their ability to execute them fully. As such, they provide an interesting foil for the other cases. An overview of the cases and data sources is presented in Table 1.

The research design followed the multiple case study approach recommended by Eisenhardt (1989). Each organization was contacted and interviews were set up with key people. As the wine industry consists of many players, we used an embedded case design (Yin 1994), collecting data from a number of wineries as well as members of the WINZ. In all, 45 interviews were conducted (30 in the
wine industry, six with the Game Industry Board, five with ZESPRI International, two with Merino NZ, and one each with the Dairy Board and Sealords). Weitz and Jap (1985) have recommended the use of multiple informants. The number of interviews depended on the complexity of each case, the number of people involved with each strategy, the availability of secondary information, and the size of each organization.
<table>
<thead>
<tr>
<th>Organization</th>
<th>Number of interviews</th>
<th>Interviewees</th>
<th>Secondary information</th>
</tr>
</thead>
<tbody>
<tr>
<td>WINZ</td>
<td>30</td>
<td>4 members WINZ. 26 winery owners</td>
<td>Beverland (1999) Web site information Newspaper periodicals and reports Company documents</td>
</tr>
<tr>
<td>NZGIB (Venison)</td>
<td>6</td>
<td>Concept designer Venison company owner and Cervena Franchisee Current Chairman Marketing Manager 2 former Chairman</td>
<td>Company documents Historical Case Studies of deer industry (Crocombe et al 1991) Web site information Newspaper and business periodical reports</td>
</tr>
<tr>
<td>Zespri (Kiwi)</td>
<td>5</td>
<td>Manager Turners and Growers (wholesaler of fresh produce) Marketing manager Australasia Market Analyst Business Brand manager Development Manager</td>
<td>Business periodicals Company reports and marketing material The author also conducted a consumer survey on brand awareness among consumers Focus group of consumers of fruit Historical Case Studies of the kiwifruit industry (Crocombe et al 1991) Clark, Pavlovich and Simpson (2000)</td>
</tr>
<tr>
<td>Sealord (Seafood)</td>
<td>1</td>
<td>International Marketing Manager</td>
<td>Television documentary on Sealords Company information Newspapers articles Business press articles</td>
</tr>
</tbody>
</table>
Following the interviews, secondary data was sought from each organization. This consisted of a range of company reports, performance information, marketing material, and market research studies. For the Merino NZ and NZDB cases, McKinsey and Company (2000a; 2000b) had provided a review of their activities and future structure. As part of the Zespri case, the author was invited to conduct an initial brand awareness and consumer behaviour study to assist with the introduction of new kiwifruit brands into the New Zealand market. Each industry had also formed part of a project conducted by Crocombe, et al (1991). An independent search was also conducted through the popular business and general press, and television for further information on each case. All cases have a high profile in New Zealand, and this search resulted in significant new information that confirmed, and in some cases challenged the views of the participants. This information was reviewed and integrated into a full industry case summary.

In order to enhance validity and reliability, a standard set of questions were used for each interview (Johnston, Leach and Liu 1999; Yin 1994). The topics for discussion centred around seven key categories: history and development of the strategy, market environment, market entry, performance, supply chain management issues, future aims and challenges, and the content of the strategy. This interview protocol only formed a guide for each interview, as new issues emerged in each case that required further investigation. A draft of the case was sent back to each interviewee for comment. In each case, the interviewees gave extensive feedback, although much of it consisted of correcting dates, answering questions posed by the author, or commenting on interpretations. In each case, the participants would answer some of the challenges posed by the secondary information, and all expressed that they were pleased with the depth of each case. A release was gained from each organization for the use of the case, as the author wanted to identify each case by name. Following this, each case was analysed using the dual process of within-case analysis and across-case analysis recommended by Eisenhardt (1989). To do this, the author firstly coded each case, and then discussed the codes with two experienced qualitative researchers. Following this a series of themes were identified and explored across all cases. These formed the basis of the findings and discussion.

Findings

A general overview of the findings is presented in Tables 2 to 6. Table 2 highlights the structure and role of each board / company. With the exception of Sealord, all the cases were established by government legislation, and all (including Sealord) are subject to varying forms of government intervention. In the case of WINZ, the main regulation involves excise tax and food regulations. In all others, there are more involved forms of regulations, such as resource management issues, and food and drug regulations. Sealord is the only industry that faces regulations on the amount of stock it can source in any one year, although they argue that this form of sustainable fishing provides them with the basis for long-term survival and competitive advantage. With the exception of Sealord, all the boards are funded by compulsory levies on their members, which are often a source of contention.

While membership of all boards is effectively compulsory, not all boards possess single desk selling provisions, nor do all utilise them fully. The three newest boards, WINZ, NZGIB, and Merino NZ did not want single desk selling provisions, with the first two stating that they couldn’t have gained industry support for their set-up if they had lobbied for these provisions. Merino NZ does not have a single desk arrangement, but has convinced their members of the advantages of selling all their produce under one brand, as this is a more efficient use of resources (this industry is very small, and focuses on very narrow market niches). Only Zespri enforce their single desk selling provision fully; refusing to allow growers to export under their own name. The NZDB allows small niche companies to export under their own brand (e.g., Kapiti cheese, and other sheep and goat milk companies), but refuse such licenses if they believe the companies’ activities will create confusion in the marketplace. Of all the boards, only the
NZGIB represents the entire deer industry (farmers, transporters, agents, processor, and exporters), while the NZDB is ‘owned’ by vertically integrated companies, and WINZ is considering merging with the grapegrowers council. All the boards were established to manage the growth and development of their respective industries, which can range from increasing returns to growers (Zespri), protecting New Zealand brands (NZGIB, Merino NZ), achieving economic returns for shareholders (Sealord, NZDB), and developing an awareness of New Zealand produce (all accept NZDB and Sealord).
Table 2: Structure and Role of Each Case

<table>
<thead>
<tr>
<th>Case</th>
<th>WINZ</th>
<th>NZGIB</th>
<th>NZDB</th>
<th>Merino NZ</th>
<th>Zespri</th>
<th>Sealord</th>
</tr>
</thead>
<tbody>
<tr>
<td>Established by legislation</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Single desk</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>N/A</td>
</tr>
<tr>
<td>Funding</td>
<td>Levy</td>
<td>Levy</td>
<td>Levy</td>
<td>Levy</td>
<td>Levy</td>
<td>Private</td>
</tr>
<tr>
<td>Membership compulsory</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>N/A</td>
</tr>
<tr>
<td>Represent</td>
<td>Wine-makers</td>
<td>Whole industry – production through to exporters</td>
<td>Dairy companies and farmers</td>
<td>Merino wool growers</td>
<td>Kiwifruit growers</td>
<td>Shareholders (private company and Maori tribes – whose shareholding was purchased by the government)</td>
</tr>
<tr>
<td>Role</td>
<td>To develop and represent the NZ wine industry</td>
<td>To develop and grow the NZ Deer industry</td>
<td>To manage and represent NZ Dairy industry in export markets and maintain 15% ROA</td>
<td>To develop a unique brand identity for NZ Merino wool growers in export markets</td>
<td>To increase returns to growers</td>
<td>To increase returns to shareholders</td>
</tr>
</tbody>
</table>

Table 3 highlights the overall strategic approach of each case. Each organization aimed to increase the return or profitability of their products in world markets by developing strong brands. This was part of an overall re-positioning strategy, and was often driven out of a concern that although each producer had become very efficient at producing very high quality products, over time, they were seeing returns decrease. All the producers felt that they produced higher quality products than their competitors, and that they did so through better quality systems and unique natural advantages. Re-positioning would involve focusing on end-consumers, influence markets, and distributors. For example, one factor that concerned consumers of venison in the United States was that it was tough to eat. The NZGIB overcame this by developing quality systems for the transportation of deer and the age of premium deer, as these factors were the key issues affecting the toughness and flavour of the meat. This had the effect of developing synergy amongst all their other quality control programs, and enabled them to better position their product as healthy, all-year-round meat, rather than seasonal old-fashioned meat. Another factor in making the meat tough to eat was the length of cooking time. The NZGIB developed a chef education program, that involved employing their own full time chef, offering free education courses to other chefs and developing modern recipes. As a result, the brand gained significant awareness and preference among their target market in a short space of time (see Table 4), with relatively small amounts of marketing resources.
### Table 3: Programs of each case

<table>
<thead>
<tr>
<th>Case</th>
<th>WINZ</th>
<th>NZGIB</th>
<th>NZDB</th>
<th>Merino NZ</th>
<th>Zespri</th>
<th>Sealord</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brand programs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appellation Push and pull.</td>
<td>Appellation Push and pull.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Programs</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

Interestingly, most of the firms studied attempted to tie their brand message to the region of origin. This is reflected in the development of appellation strategies. A number of industry boards were formed after their respective industries had been established, and therefore didn’t want to force current producers to drop their own brand names. By developing an appellation brand such as ‘Cervena’, or ‘Merino NZ’, the producer board could add value to each individual brand, and undertake generic promotion (the WINZ had a similar strategy). Producer boards often promoted their product around New Zealand’s clean environment, arguing that this provided a sustainable advantage. However, focusing too heavily on the region often led to problems of supply in poor seasons. For example, the multiple uses of deer mean that it is difficult to predict supply of high quality venison. It may be that to develop global brands in produce, firms have to look beyond the traditional producing region to source products (see Table 6). For example, both Sealord and the NZDB were able to source globally to smooth out supply, and therefore tied their brand to images of quality control (environmentally clean, well developed quality systems, and the history of the brand), which could be applied to produce regardless of origin. On the other hand, Zespri tied its imagery to New Zealand. Unlike Sealord and NZDB they focused very much on improving short term returns to growers in New Zealand and building brands. This can lead to problems. For example,
research by the author indicated that the Zespri strategy had simply raised the profile of the kiwifruit category, rather than the brand ‘Zespri’. Secondly, although the board had developed unique new products through a joint venture with HortResearch (a former government research agency), HortResearch’s need for funding through licensing meant that they have licensed Northern Hemisphere growers to produce these fruit. The inability to protect this property under a ‘Zespri’ brand, and capture the value from enhanced supply through equity shares, means that Zespri could lose a major means of differentiation. Finally, interviews with retailers highlighted the need for all year round supply at stable prices, and unique retailer products.

To position their products, each producer developed ‘push’ (business-to-business) and ‘pull’ (business-to-consumer) marketing strategies, with the exception of Zespri. Interestingly it was only this brand that had failed to gain a consumer franchise. Observation carried out by the author in supermarkets found that Zespri was poorly positioned and presented, and had little by way of in-store advertising or support. While the trade buyers knew that the brand stood for high quality and originality, failure to market directly to distributors, and provide them with product support meant that Zespri was unable to capitalise on their consumer marketing programs. As part of a business-to-business marketing strategy, firms undertook a range of channel management activities. These took generic names such as ‘pasture to plate,’ ‘ocean to trade’ and so on. The idea here was that to be successful, each producer needed to take ownership of the product at each stage in the supply chain. They also needed to see each channel member as a partner rather than as an adversary. For example, Merino NZ was faced with a complicated 11-member supply chain. They realised that focusing on increasing returns to farmers in the short-term by limiting supply, would have a negative impact on the long term viability of their industry because most channel members could not pass on price increase to other members in the chain. To change farmer attitudes, Merino NZ organised a conference whereby each member sat down and talked to each other about their business environment and context. This had the effect of bringing the parties together for the first time, and breaking down many preconceived misperceptions. As a means of ensuring customer preference, Merino NZ encouraged and assisted farmers in signing long-term (five years) contracts with their trade customers. This was unusual in the fibre industry, which is typically based upon spot market prices. The approach of Merino NZ meant that suppliers were guaranteed a fixed long-term income, and buyers knew their long-term costs.

Table 4 highlights the success achieved by each case. Each case has different means of measuring their success, and has different requirements (related back to their role). Each case had achieved almost immediate success with their programs, although further research indicated that the sustainability of each strategy is questionable (see Tables 5 and 6). The WINZ had been successful in establishing a ‘New Zealand category’ in the key UK market (meaning that New Zealand wines had a separate category within stores). They had also raised the profile of the industry in other key markets. Questions were raised in the UK about their ‘Benefits and riches of a clean green land,’ campaign slogan, suggesting that it was a little tired, and didn’t highlight the true complexity of the New Zealand wine industry. However, the lack of any commercial role means that other regions can promote themselves (Martinborough Wines), or producers of certain varieties can form associations (the recent Pinot Noir 2001 conference being an example). Individual wineries also develop their own brands. This means that the complexity of the market is shown through three tiers of brands, although it does suggest that general country based promotion is best used for market entry and establishment.

Several cases were constrained by supply-related issues, and the need to have a multiple strategic focus (see Table 6). Although Zespri had raised prices for growers, the research indicated that wholesalers and buyers do not like uncertain prices. Zespri focuses on selling its fruit on spot markets. The other cases indicated that reliance on spot markets can harm your positioning and increasingly buyers are
demanding long-term contracts with fixed supply and pricing levels. This was seen as useful for building brand equity, although as Table 6 it is difficult to capture this equity without the share-ownership structure enjoyed by private firms such as Sealord.
Table 4: Success achieved by each case

<table>
<thead>
<tr>
<th>Case</th>
<th>WINZ</th>
<th>NZGIB</th>
<th>NZDB</th>
<th>Merino NZ</th>
<th>Zespri</th>
<th>Sealord</th>
</tr>
</thead>
<tbody>
<tr>
<td>Success</td>
<td>High degree of industry satisfaction with institute.</td>
<td>Have increased volume and value of exports.</td>
<td>Maintains 15% ROA. Has a number of leading FMCG and commodity brands.</td>
<td>Increased value and quality of wool clip.</td>
<td>Increased returns to growers</td>
<td>Established brands at consumer and retail level.</td>
</tr>
<tr>
<td></td>
<td>Highest per litre return for wine in the world.</td>
<td>Have developed strong trade and consumer brands and established new export markets.</td>
<td>Established market player, and invested abroad successfully. Success has lead to increased demands for category management from retailers.</td>
<td>Leading ingredient brand with high-end European fashion houses.</td>
<td>Have been increased but brand equity among consumers remains low.</td>
<td>Manages fish stocks in a sustainable way.</td>
</tr>
<tr>
<td></td>
<td>Established ‘New Zealand’ category in the UK and moving to do it in USA and Australia.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>ROI above market average. Price has risen as volume has increased.</td>
</tr>
</tbody>
</table>

Table 5 presents the challenges and pressures faced by each member of the supply chain. It needs to be recognised that there may be a number of ‘players’ involved under each heading in Table 5 (for example, Merino NZ dealt with 11, NZGIB, Zespri and NZDB 5, Sealord, 4, and the wine industry can deal with up to 5), however these all face the same market pressures. One problem that occurred for the producer boards was the issue of managing supply. This resulted from a number of intrinsic product factors. For example, deer can be processed into a number of products – velvet (the antlers), trophy antlers, co-products (used in traditional Asian medicines), venison, and leather. If the market for velvet grows, farmers will not kill deer, reducing the supply of meat available for sale, and thereby increasing its price. This has a negative effect on restaurant sales, as restaurants typically operate on very small margins. To overcome this, the NZGIB has called for greater use of stock management systems to manage herd numbers. Another problem arises due to the seasonal nature of agricultural supply. For example, kiwifruit can only be supplied for about eight months of the year due to climatic growing conditions. As Zespri has tied their strategy to the region of origin, they cannot guarantee all-year round production. However, trade buyers demand all year round supply. Unlike products such as wine, there is no product difference due to region of origin. The development of a global brand and all year round supply could be improved if producers dropped their region of origin strategy, and license the production of their products to producers in the Northern Hemisphere (something the NZDB has already done). Finally, if they are successful in balancing supply and demand, producers are often being asked by retailers to manage an entire product category. This means that the NZDB now manages the ‘yellow fats’ category in a number of countries, which means that they make decisions affecting the future of many of their competitor’s products.
Table 5 Supply Chain Members and Stress Points in Agriculture

<table>
<thead>
<tr>
<th>Player</th>
<th>Role</th>
<th>Motivation</th>
<th>Challenge / problem</th>
<th>Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board</td>
<td>Assure growth in value of industry</td>
<td>Represent best interests of whole industry, undertakes generic marketing</td>
<td>Manage diverse interests of industry and ensures that short-term profit is not put ahead of long-term gain. Lack of funding</td>
<td>Get all parties to sit down with one another and form relationships. Develop generic brands.</td>
</tr>
<tr>
<td>Farmers</td>
<td>Grow products</td>
<td>Motivated to gain highest price for product. Prices determined by world supply and demand.</td>
<td>Used to commodity price cycle. Often product has two or more uses that effect decision to process or not. Lack of trust with processors.</td>
<td>Sign long-term price / volume agreements.</td>
</tr>
<tr>
<td>Processors</td>
<td>Add value</td>
<td>Gain a consistent reasonable return.</td>
<td>Work with farmer to ensure consistency of supply and prices. Cannot necessarily pass on extra costs to producers. Low margins.</td>
<td>Get farmer and processor together to understand each other’s problems. Sign long term fixed price agreements. Develop an appellation brand strategy so that a generic brand enhances producers own brand Sign long term contracts with processors.</td>
</tr>
<tr>
<td>Exporters</td>
<td>Package and promote product</td>
<td>Wants consistency of supply and a stable price schedule. Wants strong trade / consumer brands and good quality.</td>
<td>To ensure that they can develop stable lines of supply, create their own brand identity and maintain prices. May not be allowed to differentiate product with a brand.</td>
<td>Provide educational programs to ensure top quality delivery. Retain ownership of brand name.</td>
</tr>
<tr>
<td>Wholesaler</td>
<td>Distributes products</td>
<td>Wants consistency of supply and a stable price schedule. Wants strong trade / consumer brands and good quality.</td>
<td>Stable lines of supply and.</td>
<td>Provide educational programs to ensure top quality delivery. Retain ownership of brand name.</td>
</tr>
<tr>
<td>Retailer</td>
<td>Sells products</td>
<td>Wants consistency of supply and stable costs. Extra services, category management, consumer marketing</td>
<td>To have certainty of supply and cost. To have a brand that consumers want. Can determine quality of end product to consumer. Price and time conscious.</td>
<td>Provide educational programs to ensure top quality delivery. Retain ownership of brand name. Create consumer demand.</td>
</tr>
<tr>
<td>Consumer</td>
<td>Uses products</td>
<td>Wants a strong brand, but also demands value. Do notice different levels of quality in produce brands if brands are strong.</td>
<td>Consumers may not be brand loyal with agricultural products or may have negative perceptions of certain products. Retailer may impact on product quality.</td>
<td>Target key influence markets to create demand. Tap into key consumer values.</td>
</tr>
</tbody>
</table>

Table 6 highlights the challenges facing each board. All the boards, with the exception of WINZ, face the problem of being unable to capture the value of their activities because of their structure. In the case of the WINZ this was not a critical problem as their only program involved advertising “New Zealand wines” which was a piece of intellectual property that everyone in the wine industry could claim
a right to use, and therefore there was no need to capture the value of it for individual members, beyond protecting the name at law. This situation was enhanced by the fact that the WINZ had no single desk selling provision, which meant they had no need to develop separate brand programs for separate product lines. As such, while they could put all their resources into raising the general awareness of New Zealand as a high quality wine producing nation and leave the promotion of individual regions, varietals, and brand names up to each individual producer or voluntary networks.

Table 6: Challenges for each case

<table>
<thead>
<tr>
<th>Case</th>
<th>WINZ</th>
<th>NZGIB</th>
<th>NZDB</th>
<th>Merino NZ</th>
<th>Zespri</th>
<th>Sealord</th>
</tr>
</thead>
<tbody>
<tr>
<td>Challenges</td>
<td>Highly taxed.</td>
<td>Increased competition.</td>
<td>Refusal of government to enforce integrity programs. EU regulations to market entry. Need to build on original strategy. Less funding relative to competitors.</td>
<td>Intra industry politics. Decreased funding. Failure to develop programs for all products. Has increased demand, but cannot control supply. Increased competition. Inability to source globally. Strong distributors in key venison market. No way for industry to capture value of brands.</td>
<td>Must take all milk available. Political uncertainty.</td>
<td>Must find market for all grades of fruit. Reduced funding. Need to take all Merino wool regardless of quality. Competition with man made fires. Managing conflicting desires of farmers and supply chain members. Retaining positioning. Farmers cannot capture value of brand.</td>
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On the other hand, the NZGIB, Merino NZ, and NZDB could not gain capture the value of their brand marketing programs on their balance sheet. At best they could register the names for copyright protection. Nor could these boards focus as narrowly as the WINZ. The single desk selling provisions of Zespri and the NZDB, and the need to develop programs for all deer and Merino products by the NZGIB and Merino NZ respectively, acts as two-edged sword. While they were the sole representatives of their respective produce globally, they also had to take responsibility for marketing all of the products produced by their respective communities, regardless of quality. For example, the NZDB has to take all the milk produced in New Zealand. However, milk quality can vary depending on the quality programs.
of the producer, climate, location, and season. There are also a number of different types of milk, all of
which face different levels of consumer demand and need to be made into very different products using
different processes. While the licensing arrangement gets around this (whereby non-cow milk is allowed
to export under its own brand), the need to find a market for all milk was noted by the board ‘to be a
major problem.’ Likewise, Merino NZ has established itself as a quality producer of very fine Merino
wool, however as it represents the industry as a whole, it needs to find markets for all wool produced.
Like milk (and wine), wool quality is partly determined by the weather and the location of the farm.
Unfortunately for Merino NZ, their small budget and the limited market opportunities for coarser wools
(McKinsey 2000a), makes it difficult to keep all their members satisfied.

Discussion

As with a number of industries, the traditional supplier-buyer relationship within agriculture has
been adversarial. As a result of falling prices, and a realisation that increased product quality and
production efficiency was no longer leading to a sustainable competitive advantage, all the boards
adopted programs (to varying degrees) that could be broadly classified as relationship marketing (Day
relationship marketing as “all marketing activities directed toward establishing, developing, and
maintaining successful relational exchanges.” (1994, p. 22) This involved the development of
relationships throughout the value chain, networks, and strategic alliances (Gummesson 1987) as part of
an overall repositioning strategy. These strategies are characteristics of many agricultural producers in
the current market environment. A recent Australian report on agriculture stated:

It is increasingly recognised worldwide, that export success depends on the cooperative strength of
the whole supply chain, from producer to consumer. (Gifford, Hall and Ryan 1998, p. 5)

A movement toward a new relationship based upon mutual trust and respect will require a
significant change in attitudes on behalf of both parties (Wilson 1995). The key issue to address will be
to get farmers to make trade-offs between short term gains received from high commodity prices or
reduced supply, to one that considers the needs of the entire value chain, and will result in longer term
gains and competitive advantage. Successful relationship marketing strategies involved the consideration
of the entire value chain, and, in particular, getting each player to understand each other’s business
challenges and context (Webster 2000). Agricultural producers needed to develop strong brands that
involved high quality products, added on services, promotion, relationships with influential groups such
as the food press and culinary institutes, and strong relationships with each member of the chain.

Despite the successes in improving returns and brand awareness, the cases all face significant
challenges. These challenges often result from the structure of each industry and their board. While
many of the cases had gone to great extents to implement value based strategies based on strong supply
chain relationships and consumer brands, the structure of each board limited their ability to carry it out
fully and questions must therefore be asked about the sustainability of each strategy. The limitation of
each structure does have policy implications. This does not necessarily involve abolishing collective
marketing entities altogether. Clearly from the cases, and independent analysis (McKinsey 2000a;
2000b), the producer boards have been successful in improving product quality, developing market
position, and increasing value and volume sales. What is critical is that these assets be protected.
McKinsey Corporation (2000a; 2000b) has already recommended that these structures are privatised and
farmers are issued with tradeable shares. This author broadly supports this view, and the view that single
desk selling arrangements should be ended so that the marketing of produce is opened up to competition.
However, the author departs from McKinsey’s view that compulsory levies should still be collected from
farmers to fund generic research. We believe that this is all part and parcel of being a commercial organization, and therefore these privatised structures need to put some of their funds into further research.

The strategy of several cases to tie their branding to region of origin needs to be considered carefully. In some industries there is a clear relationship between the products’ quality, taste, and region of origin (for example wine, wool, and to some extent cheese, are affected by climate, soil, and location). However, even in these cases, there are very few examples of unique climatic conditions (Romanee Conti in Burgundy being one such notable exception). New World wine producers are already seeking out conditions in their home countries similar to those of well known wine regions in France (Beverland 1999). While region of origin appears useful as a market entry tool in the case of an unknown producer, ultimately producers of anything other than very narrow niche based products need to move away from this as a means of differentiation. Producers need to question to what extent their product quality is derived from the region, or from the quality programs, and market based relationships that they have. In some cases producers are struggling to meet the demand for the product on an all year round basis, which works against building a global brand in large-scale markets. These producers tie their strategy directly to region of origin. Producers such as Sealord and NZDB are not constrained in this way, and seek to develop global brands through all year round supply. To do this they source globally from accredited suppliers when stocks of New Zealand made products run low. Policy makers need to be aware that the successful management of an industry may require the need for global sourcing (and this would best be done within a privatised structure).

The single desk selling provision, originally aimed to combat the market power of retailers in export markets, acts as a hindrance to the development of well-focused strategies. For example, the requirement that Merino NZ find markets for all Merino wool requires it to focus resources away from its highly successful ultra fine wool program. Coarser wools operate in different markets, and usually deal with large buyers. New Zealand produces a tiny amount of Merino wool, and will struggle to develop market niches in this area ( McKinsey 2000a). Similarly, the requirement that the NZDB take all milk produced regardless of quality, requires it to focus on developing markets for lower quality products, at a time when its resources could be better focused on higher end markets (cheese, yoghurts, and other processed dairy products). The Sealord case demonstrates the advantages of being able to select your suppliers and which markets to focus on. Privatisation of these boards will require producers of products to form voluntary associations to promote their products (which are very common in the wine and olive industries) or withdraw from the industry where they are operating in an unsustainable fashion.

Despite the success of most cases, members are still unable to capture the value of the programs in the long term. This can lead to a number of problems, as growers’ demand short-term returns, often at the expense of long-term survival and brand equity. By privatising the assets of each board, growers and members could be issued with shares, and focus their efforts on building up the value of the boards assets, which would require them to develop long term strategies, rather than increase short term returns.

Conclusion

The cases studied all examine the benefits and limits of collective action (in this case defined as compulsory membership of producer boards). As such they identify several conditions under which collective action can be used successfully, and conditions under which the action of individual firms (or networked firms) needs to take over. Collective action can raise the profile of a generic category, be it kiwifruit, or New Zealand wine. The actions of Zespri appear to have done little to build a separate brand profile for ‘New Zealand kiwifruit,’ rather, they may have raised the image of the whole category. On the
other hand the well-focused marketing of New Zealand wine has created brand awareness of the category in key export markets. This has been backed up with a whole raft of high quality brands. The interaction between the regional category and the individual brand increases the effectiveness of the brand, and it is debatable that in the wine market, one could succeed with out the other. The same is seen in the NZGIB case. The board creates a general level of awareness of New Zealand venison, but then relies on the producers to develop their own brands. This indicates that collective action needs to be targeted at raising the status of a regional category. To have payoffs for the category, individual producers need the ability to market their produce under their own brand as well as the regional one. Therefore regions need to protect their image, and establish some rules for its use. A collective body would be the most effective way to do this (and minimal compulsory funding will be needed).

Likewise, the Merino NZ, WINZ, and NZGIB cases illustrate the positive role that these boards can have in bringing all members of the value chain together. By doing this, longer term contracts can be negotiated between like-minded parties that more effectively develop a brand franchise (as opposed to uncertain supply and prices from auction markets). However, this is a commercial issue, and therefore should be funded privately.

Finally, single desk selling arrangements limit the ability of producers to develop a strategic focus, and to source globally, and should therefore be removed. This would also remove a lot of the politics from the industry and enable (indeed require) producers to take responsibility for the positioning of their own products. It would also open up the industry to much needed creativity when it comes to marketing and strategy. On a personal note, it is hoped that these cases highlight that agribusiness is far from a sunset industry. All of the cases studied made returns comparable with any number of manufacturing and service industries, but were constrained in their ability to develop the brand strength enjoyed by other industries. It is hoped that further research and debate will help change this situation.

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Marketing and Market Oriented Prudential Regulation: Customer-Oriented Reforms for Banking and Credit Organisations in Vietnam

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Clifford J. Shultz, II, Arizona State University
Anthony Pecotich, University of New South Wales

Abstract:
With the rapid development of the financial system in Southeast Asia’s Transition Economies (SEATE’s) to accommodate the needs of domestic and international business generated in the region, the state-owned banking systems have needed to grapple with creating a coherent philosophy and regulatory framework under which to implement necessary financial sector reforms. SEATE’s include such economies as Vietnam, Laos, Cambodia, and Myanmar, wherein government officials are seeking a possible way out for capital markets reform between the extremes of socialist banking and the needs of free markets (Shultz, 1994; Shultz, Belk, & Ger, 1994a; Shultz & Le, 1994; Shultz, Pecotich, & Le, 1994b). In Vietnam specifically, the growth of private sector business activity, which has arisen following implementation of doi moi economic reforms, underscored the importance of market forces in a range of sectors, especially in the increasingly competitive market for capital (Sapin & Nachuk, 1997; Sasakawa, 1997; Shultz & Pecotich, 1997; Sikor & O'Rourke, 1996). In the wake of the Asian Financial Crisis, the country of Vietnam faced a stark choice between a return to strict, state-dominated regulation of banking activity, or a more market-oriented philosophy in keeping with international BIS and Basle Committee standards of prudent financial institution behaviour (Aghevi, 1990; Bain, 1992; Hubbard, 1997; Shipley, Hooley, Cox, & Fonfara, 1998; UNDP, 1999).

Concurrent to this investigation, the State Bank of Vietnam initiated drafting of guidelines, decrees and decisions, based on the laws of Vietnam11, to establish limits for the operation of financial institutions in order to ensure the stability and soundness of the banking system (Chalmers, 1996; UNDP, 1993; UNDP, 1996; UNDP, 1999). In 1999, the World Bank released funds for a number of banking related aid projects to address specific banking sector issues, such as the problem of “frozen debts,” or the growth of unpaid loans to state banks by other government owned companies, along with potential remedies to the prudential regulatory framework which governs the classification of loans, prudential ratios and lending limitations. The government of Vietnam recognised that an appropriate regulatory framework can reduce the number and severity of losses by credit institutions, promote the stability of the system, and champion sound and profitable operations by banks (Press, 1997; Quynh, 1996; Vietnam, 1998). A gradual recognition that regulation must be accompanied by improvements in profitability, technology, training, risk management, and—especially—customer service and financial services marketing has been illustrated in the bank marketing literature (Lovelock, Petterson, & Walker, 1998; McGarry, 1951; McGoldrick & Greenland, 1994; McGrath, 1986; O'Brien, 1982; Ogaki, Ostry, & Reinhart, 1996; Udry, 1995; Ungar, 1997). Because banks in SEATE’s offer both social and economic benefits to these nations, the tools necessary for injecting a market orientation, and understanding of the corporate, institutional and consumer customers who make banks profitable, can be derived from both the financial services marketing and social marketing literature (Akaah, Riordan, & Dadzie, 1988; Bhatt, 1998).

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Too often in developing countries, banks have failed to ‘segment their markets’ and thus failed to diversify their risks through excessive dependence on state-owned, rather than dynamic private sector, customer relationships (Cao, 1995; Wade & Veneroso, 1998; Whitley, 1991). In Vietnam, it has been easier for state banking bureaucrats to simply lend to other state industries, which are called “General Corporations,” and such entities are typically comprised of a government entity or army unit which “got into business” and may own a number of factories, construction companies, and export organizations. Unfortunately, it is common in developing countries for state banks to lend more than 15% of their capital to single institutions, in contravention of standard marketing and risk management practices utilised in the financial sector.

In this study, results of a World Bank funded research initiative into the contribution of marketing and marketing orientation are presented. Specifically, country experience has demonstrated that state-owned banks suffer from marketing myopia induced by over-dependence on the business of other state-owned industries. Research undertaken for this study indicated that regulators in developing countries face a three-fold challenge of improving investor and public confidence, encouraging prudent behaviour by banking officials, and protecting the central government from the red ink created by poor banking practices (Udry, 1995; VanRaaij & Gianotten, 1990; Vietnam, 1998; Walcoff, 1998). A two-staged research methodology for collecting data in Vietnam was followed, based on the literature (Davidson, 1989; Vu & Speece, 1996). The methodology for this study involved a step of library immersion, followed by semi-structured interviews with foreign and Vietnamese banking experts, and was organised into two phases, namely (Reddy & Reddy, 1997; Sasakawa, 1997; Schmidthebbel, 1996; Takahashi & Hatano, 1994; Timilsina, 1992):

1) STEP 1: Background research, library immersion and interviews regarding “best practices” for marketing and regulation at 15 international banks in the UK, Australia, USA and Vietnam (eg., Chase, Citibank, State Bank of Vietnam). This included a literature review regarding the impact of prudential regulatory frameworks on the stability and performance of banking systems, and the importance of the capital adequacy of banks (GATS, 1998; Gray, 1997; Gupta, 1987). The literature on developing financial systems continually stresses the importance of public trust and confidence, brought about by uniform capital requirements for banks because capital plays an important role in absorbing losses, acting as protection against bad debts, and strengthening the structure of a bank (Demelo & Tybout, 1986; Hoan, 1998). This research was also conducted in Vietnam, and included an analysis of the legislative and central government administrative rulemaking around the monitoring and controlling of the regulation and marketing of banking (Sacay, 1995; Sjaastad, 1997; Solicitors, 1998a; Solicitors, 1998b).

2) STEP 2: Based on the library immersion above, completion of 48 semi-structured interviews with key industry stakeholders, ranging from regulators at the State Bank of Vietnam, to foreign bankers, to General Corporation customers, to small private banks and private borrowers. The interviews were guided along five dimensions, namely Capital Adequacy and Capital Definition, Liquidity, Risk Management, Enforcement, and Marketing Orientation (Reddy & Reddy, 1997). Briefing notes were developed, circulated, and agreed upon after virtually all meetings, save those with General
Corporations wherein anonymity was requested to protect informants (Moorman, Deshpande, & Zaltman, 1993). Because banks and General Corporations are arms of the state in SEATE’s, criticism of these official organizations can offer unfavourable consequences for informants and researchers (Templer, 1999).

Results of the research will be presented along the five dimensions above. First of all, capital adequacy is problematic for developing countries as Basle standards have been developed by Western nations, based on the assumptions of shareholder capital and supplementary capital, often termed Tier 1 and Tier 2 capital. Vietnamese banks have special problems centred around Tier 2 supplementary capital, such as loan loss reserves, asset revaluations, and collections of overdue loans which are a problem in the wake of the Asian financial crisis. Secondly, liquidity policy seeks to ensure that banks have enough cash on hand to meet the demands of customers, and this is facilitated by improving savings mobilisation in developing countries. Savings mobilisation is problematic in Vietnam. Thirdly, risk management is problematic due to uncertain management practices, and the uncertain legal framework in Vietnam with respect to security over assets for foreign and domestic corporations. Next, enforcement “in accordance with Vietnamese Law” represents difficulties, as many ministries and regulators issue Laws (legislatively originated), Decrees (ministerial) and Decisions (administrative) which often contradict each other. The issue of mortgage lending and security over land assets is an often-referenced issue, as unclear enforcement makes marketing of these products difficult, especially for the agricultural banks who have effectively marketed loans collateralised by farmland to many rural consumers.

Finally, implementation of a marketing orientation is also problematic due to the legacy of the “DRV” or socialist banking model in Vietnam and other transition economies in both Eastern Europe and SEATE’s (Fforde & Devylder, 1988; Fforde & Devylder, 1996). Excessive bureaucratic control, an equating of “marketing” with “advertising” and “Western” promotion of consumer culture, and lack of marketing procedures related directly to banking in a complex cultural environment create challenges for bank managers (Benapudi & Berry, 1997; Burton, 1994; Burton, 1996; Ennew & McKechnie, 1998; Ennew, Wright, & Kimag, 1996; Verbrugge, 1999; Verbrugge, Whidbee, & Friedmann, 1995). Many of these challenges exist throughout Asia (Krugman, 1998; Kutler, 1996; Quibria, 1995).

References:


Executives’ Ethical Decision Making in the United States and Spain: A Path Assessment Stressing Ethical Judgments, Teleological Evaluations, and Ethical Intentions

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Abstract

Business ethics is a relatively young field of study, and international dimensions of business ethics have scarcely been raised, much less adequately addressed. Consequently, it is important for more rigorous inquiries into global ethical issues to be undertaken. As Donaldson (1989) points out, "the more far-reaching issue of how one should come to understand global events from the standpoint of human rights and responsibilities, especially from the standpoint of global business, has been almost entirely neglected" (p. 8). Unless the field of ethics is expanded to explicitly address issues arising from globalization, many unanticipated, possibly undesirable consequences may result.

To gain a better understanding of global decision making, an ethical investigation was undertaken using executives of Spain and the United States. Additional business ethics research in Spain is warranted because of the country’s unique culture and historical characteristics and its recent economic development (Argandoña, 1999). Previous research also suggests that the cultural and social tendencies found in the U.S. and Spain may cause executives of these two countries to react differently to morally questionable situations. This study therefore examined empirically how nationality influences executives’ ethical judgments, teleological evaluations, and ethical intentions.

Perceptions of the ethicality of company actions were compared among business executives in Spain and the U.S. The sample consisted of 153 U.S. executives and 77 Spanish executives from a variety of industries. After removing those who were not born in the U.S. or Spain, respectively, and those who did not complete the demographic items, 150 U.S. managers and 72 Spanish managers were retained in the sample.

Ten ethical scenarios were developed in order to assess the focal variables of this study, and these vignettes depicted several noteworthy international ethical dilemmas. The use of scenarios is common in ethics research since vignettes create realistic decision-making situations for respondents. Ethical judgments were assessed using the 8-item Multidimensional Ethics Scale (MES) developed by Reidenbach and Robin (1990), which is rated on a 7-point semantic differential scale. The first four questions of the MES assess a broad-based moral equity dimension that specifies beliefs about right and wrong human conduct. The following two questions measure a relativistic dimension that specifies the degree to which a morally questionable act is both culturally and traditionally acceptable. The last two items capture a contractualism dimension highlighting the degree to which social contracts are honored. Three items were developed to assess teleological evaluations, and respondents answered these statements, which were rated on a 7-point semantic differential scale, based on the content in the scenarios. These items were “Produces the Greatest Utility __:__:__:__:__:__:__:__:__:__:__ Produces the Least
Utility”, “Maximizes Benefits While Minimizes Harm” Minimizes Benefits While Maximizes Harm”, and “Leads to the Greatest Good for the Greatest Number” Leads to the Least Good for the Greatest Number”. Ethical intentions were assessed with one item that indicated the degree of high or low probability that respondents act in the same manner as described in the scenarios.

Figure 1 provides a summary of the path analysis. Overall, being a Spanish executive was negatively related to teleological evaluations, ethical judgments, and ethical intentions, which suggested that U.S. executives tend to be less ethical than are Spanish executives. Also, judgments that the morally questionable actions in the scenarios were unethical and teleological evaluations were both positively related to ethical intentions. The macromarketing implications of these results, the limitations of the research, and the recommendations for future research will be discussed.

Figure 1. Results of Path Analysis Using Executives from U.S. and Spain

Model fit statistics

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<tr>
<td>Chi-square</td>
<td>149.21</td>
<td>NFI</td>
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<tr>
<td>Degrees of freedom</td>
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<td>.96</td>
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<td>Probability level</td>
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<td>CFI</td>
<td>.96</td>
<td></td>
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*** Significant at the 0.001 level
References


Partnerships, Alliances and the New Economy: Towards a Typology of Web-Based Relationships

Edward J. Romar, Mary Lou Roberts, University of Massachusetts, Boston

Abstract

The nature of markets and competition has changed dramatically. The Internet has enabled virtual corporations and virtual value chains that alter the rules of business. The theoretical framework for understanding these changes is traced to Nobel laureate R. H. Coase who provides an essential analysis of transaction costs. The literature stream continues through Porter’s theory of competitive advantage and recent contributions to strategy by a number of authors. This paper reviews the relevant streams of research and the implications in terms of strategic drivers of the New Economy. It incorporates them into a model of partnership outcomes and identifies additional research needed to understand this critical aspect of marketing success in the New Economy.

Introduction

In their 1996 Harvard Business Review article “When Is Virtual Virtuous,” Chesbrough and Teece suggest that defining the boundary and activities of a firm is an important issue facing management and an issue upon which the very survival of the organization may turn.

Champions of virtual corporations are urging managers to subcontract anything and everything. All over the world, companies are jumping on the bandwagon, decentralizing, downsizing, and forging alliances to pursue innovation…. Those rushing to form alliances instead of nurturing and guarding their own capabilities may be risking their future.” (Chesbrough and Teece, 1996 p. 65).

This suggests several critical questions, whose answers will determine an organization’s long-term future success. These questions include:

- What tasks and processes must remain within the organization?
- When is it good marketing strategy to develop relationships with external organizations?
- How does an organization make those choices and with what types of organizations does management choose to ally?
- What are the critical success factors that cause some alliances to prosper and others to disintegrate?

These have always been critical questions. Recently, their importance has increased because many of the early “dot.com” companies have failed as a result of the absence of sustainable competitive advantage within these firms and the herd mentality associated with all things high-tech and Internet. In this paper we will analyze the importance of the “New Economy” for marketers and the extent to which it will redefine marketing relationships.

Although there is considerable focus on the demise of the “dot.coms”, the internet will not only remain
but will continue to shape the way we organize ourselves economically, socially, and how we view the world around us. While there is much that is new in the “New Economy,” it is based upon much that has gone before. We cannot understand the “New Economy” without recognizing the contributions provided by concepts such as the nature of the firm, strategy, core competencies, reengineering, technological development and how these set the stage for the Internet and the “New Economy.”

Objectives Of The Paper

In the long run, our objective is to build a model of the complex interacting forces that bring alliances into being at one point in time and force them apart at another. A model that fully spells out these issues is a long-term undertaking, far beyond the scope of a single paper. Our objective in this paper is to construct the underpinnings for that effort by laying out the macroeconomic issues that are changing the way we view markets and the entities that function in them. To that end we will examine important streams of theory and research from economics and strategy. This will lead us to suggest a revised view of marketplaces and competitiveness. We will present a preliminary model of the macroeconomic forces that are most relevant in shaping this new view and recommend additional research that is needed in order to fully understand this important marketing phenomenon.

Relevant Literature.

Coase’s Theory of Markets. It is appropriate to begin this discussion with Nobel Laureate R.H. Coase, who made significant contributions to our understanding of the nature of the firm, and the role of markets and public policy in the creation of wealth. Over 60 years ago, Coase first offered a parsimonious definition of the firm, which has had a profound impact on our understanding of the relationship between firms and markets. According to Coase, markets are organized through the pricing mechanism. In markets, resources are allocated according to the willingness of customers to want and to pay for these resources. In conditions where transaction costs are absent, that is where there are no costs to participate in the market, market pricing is all that is necessary to coordinate and allocate resources most efficiently and “…(i)n the absence of transaction costs, there is no economic basis for the existence of the firm” (Coase, 1990, p 14).

In the absence of the ideal market without transaction costs, firms become necessary. Firms, unlike markets, allocate resources through a controlling authority (management) and not through market mechanisms (Coase, 1990). Their existence and only economic role is to allocate resources where markets are less efficient due to transaction costs. In these conditions of market failure, the firm can allocate resources more efficiently than markets. Management’s role is to identify those areas where the costs of allocating resources are less than the transaction costs of using markets. The defining function of the firm, for Coase, is not core competencies, competitive advantage, or any other strategic element. It is merely the arena where it can allocate resources more efficiently and contribute to a better functioning economy. The moment firms cease to allocate resources at least as efficiently as markets they become economically illegitimate. This insight is key to understanding what is going on in markets in the new Internet economy.

Porter’s Competitive Advantage. The Coaseian world of a market without transaction costs is ideal. In the real world firms exist. Their management acquires and organizes resources to compete and survive. Fundamentally, management determines the boundary of the firm, the scope of the firm’s activities, and develops the strategies required to compete successfully in their chosen markets. In Michael Porter’s theory, strategy is the “route to competitive advantage that will determine (a firm’s) performance” (Porter
Critical to achieving competitive advantage is determining the firm’s competitive scope and its relationship to the value chain. According to Porter:

There are four dimensions of scope that affect the value chain:
- **Segment Scope.** The product varieties produced and the buyers served.
- **Vertical Scope.** The extent to which activities are performed in-house instead of by independent firms.
- **Geographic Scope.** The range of regions, countries or groups of countries in which a firm competes with coordinated strategy.
- **Industry Scope.** The range of related industries in which the firm competes with a coordinated strategy. (Porter 1985, p.53-54; italics in the original).

A firm, therefore, has a choice between a broad or narrow scope, between integrating a wide variety of activities within the organization or relying on external partners for a significant number of activities. For Porter, competitiveness is defined as the sustained competitive advantage of a firm, which is manifested in high profitability. The attractiveness of an industry is determined by the configuration of the five forces, which drive industry competition. The five forces are: the rivalry among existing firms in the industry; the threat of new firms entering the industry; the threat of substitute products; the bargaining power of suppliers; and the bargaining power of buyers. The particular configuration of these forces depends upon the industry but, in general, where the forces are intense, spectacular earnings are unlikely. Where they are mild, good returns are quite possible. Success is possible in any industry, and success depends upon how a firm develops its strategy and manages its behavior vis-à-vis the five forces.

Two of Porter’s five forces are integral to this argument. He describes as the bargaining power of suppliers and the bargaining power of customers we now choose to describe as the relationships between a firm and its suppliers and its customers. These relationships constitute the value chain. To create competitive advantage, a firm must manage its value chain successfully. Instead of looking at a business as a group of functions and transactions, the value chain concept views a firm as a collection of activities which are performed by the business to create value for the buyer. A company, therefore, must search for the most economical location to contribute different value activities to its value chain. Profit would be significantly affected by how efficiently value is created in the chain. The congruence of the five forces, along with firm value chain management, creates clusters of competitive industries, which "are geographic concentrations of interconnected companies and institutions in a particular field." (Porter 1998, p. 78.) When the clusters are configured properly, they can act as a virtuous circle capable of continuous upgrade, enabling firms and industries to remain competitive. The successful cluster enables firms to innovate, stay close to markets and increase productivity, allowing society to benefit from high wage occupations.

It is important to note that digital technology may fundamentally alter Porter’s definition of clusters as geographic locations of related organizations. Technology permits the exchange of information with speed across great distances. As a result, there may be less reason for clusters to be defined geographically. It may be more appropriate to call them networks, which can operate on a global scale.

**Hamel and Prahalad’s Strategic Foresight.** Thinking about the future may summarize best Hamel and Prahalad's approach to strategy. They argue that successful strategy prepares for the future. Today’s core competencies are important but tomorrow’s are more so. Consequently, good strategists must think about the future where successful strategy develops “strategic foresight.” According to Hamel and Prahalad:
Senior management teams compete to develop a prescient, well-founded, and creative view of tomorrows opportunities that will spur preemptive competence-building, provide focus to those efforts, ensure consistency in investment programs, and serve as a guide to decisions about strategic alliances and acquisitions and a brake on indiscriminate and tangential opportunism. Any top team that has not made a substantial investment in creating industry foresight will find itself at the mercy of more farsighted competitors.

To create the future, an entire company, not just a few boffins or ‘research fellows,’ must possess industry foresight. Top management cannot abdicate its responsibility for developing, articulating, and sharing a point of view about the future. What is needed are not just skunk works and intrapreneurs, but senior managers who can escape the orthodoxies of the corporations current ‘concept of the self.’ (1996, pp. 83, 87).

One prepares for the future by thinking about both the probabilities and possibilities. Strategic foresight helps develop a dynamic and forward-looking strategic intent plus a strategic organizational architecture, which is a “high-level blueprint for the deployment of new functionalities, the acquisition of new competencies or the migrating of existing competencies, and the reconfiguration of the interface with customers” (p. 118). Success means shaping the future for the success of the organization. It is about acquiring, shaping and reshaping core competencies built around customer value, competitor differentiation, and extendibility, all of which contributes to the development of a new array of products and services.

Hammer and Champy’s Concept of Reengineering. The critical issue, therefore, is the ability to free an organization’s critical core competencies and/or develop new ones to meet future challenges. This theoretical gap is addressed in the reengineering literature represented by the work of Michael Hammer and James Champy. The managerial crisis they identified in the early 1990’s centered around

“(t)he three Cs – customers, competition and change – (that) have created a new world for business, and it is becoming increasingly apparent that organizations designed to operate in one environment cannot be fixed to work well in another. Companies created to thrive on mass production, stability, and growth can’t be fixed to succeed in a world where customers, competition, and change demand flexibility and quick response.” (Hammer and Champy, 1994, p.25).

No longer, as Porter suggested, do firms exclusively compete with one another. Whether they are competitive or cooperative, the appropriate unit of competitive analysis is the business process. The corporation must review and evaluate their business processes where a process is defined as “a set of activities that, taken together, produce a result of value to a customer” (Hammer and Champy, 1994, p. 3). This should be done with an expansive view of the customer and the contribution information technology can have on business processes. Hammer and Champy understand the customer to be the consumer of a processes output. For the customer to accept this output it must provide value to the customer. The customer, however, is defined very broadly to include both the organization’s traditional external customers as well as those members of the organization that receive products and services from other internal groups. In addition, organizations should focus on the role information technology can play in providing valuable goods and services.
Routine work can be eliminated, automated, or performed by customers. The heart of adding value comes from applying knowledge and creativity to novel situations. The process-centered organizations embodies the notion that one manages a business not by managing budgets, or people but by managing processes. Virtually every process needs a supporting computer system that mechanizes the performance of some of its tasks, serves as a source and a conduit for the information flow among process performers, and measures process performance... A common information system is an important guarantee of business flexibility... (Hammer, 1996, pp. 55, 80 and 186.)

Significantly, what Champy and especially Hammer have tried to do is bring market discipline into the organization instead of viewing it solely as an arbiter of relationships between the organization and its customers. All business processes must provide value. Those that do so within the confines of the organization may remain. Those that do not will either be ended or outsourced. In essence they have attempted to return management thinking to a Coaseian definition of the firm. Where little or no value is provided internally, the activity must be ended or performed externally by the market. Where value results, the firm may choose to perform it internally or externally. In short, reengineering, with its emphasis on process, value and information technology enables the deconstruction of organizations and the reintegration of more focused, profitable and competitive firms. What Gary Hamel, calls in his most recent book Leading The Revolution, “innovation... in the sense of new business models” (2000, p. XI).

Evans and Wurster: Deconstructing the Traditional Business Model. Evans and Wurster see reengineering extending beyond firms to include value and supply chains and customer relationships.

Deconstruction is the dismantling and reformulation of traditional business structures. It results from two forces: the separation of the economics of information from the economics of things, and the blowup (within the economics of information) of the tradeoff between richness and reach. Traditional business structures include value chains, supply chains, organizations, and consumer franchises. When the trade-off between richness and reach is blown up, there is no longer a need for the components of these business structures to be integrated. The new economics of information blows all of these structures to bits. The pieces will then recombine into new business structures, based upon the separate economics of information and things.” (Evans and Wurster, 2000, p.35)

Richness is the amount and quality of information provided to individuals and reach is the number of individuals receiving the information. Information technology has the capacity to reach many with a high volume of useful information. Contrary to Porter, marketing and operations are included in strategy. The essential strategic and operational choices are:

- What a company chooses to do or outsource.
- How it decides to perform critical processes.
- Which organizations it partners with to acquire critical skills, components and customers.

The focus on core competencies and critical business processes in the context of robust information technology allows the firm to be defined very narrowly and the value chain to be redefined and reorganized.

Tapscott, Ticoll, and Lowy’s B-Webs. These authors refer to the redesigned value chain as “b-webs.”
In b-webs, internetworked, fluid—the sometimes highly structured, sometimes amorphous—sets of contributors come together to create value for customers and wealth for shareholders. In the most elegant of b-webs, each participant focuses on a limited set of core competencies, the things that it does best.” (Tapscott, et al., 2000, p. 17).

This fundamental alteration of firms, strategies and relationships has significant consequences for marketers. The “4Ps” no longer fit.

Every business school graduate and marketing manager has learned the four P’s of marketing—product, price, place and promotion. The paradigm was one of control, simple and unidirectional. Firms market to customers. We create product and define their features and benefits; set prices; select places to sell products and services; and promote aggressively through advertising, public relations, direct mail, and other in-you-face programs. We control the message. B-webs transform all these activities.” (Tapscott, et al., 2000, p. 190).

Technology enables a complete transformation of marketing into two-way, synchronous, personal relationships on a grand scale. Instead of the 4 Ps there are the 3 Cs of marketing: content strategies, community strategies and commerce strategies. (Raisch, 2001, pp. 4-5).

**Power and Trust in the New Marketspace.**

Narrow focus and limited scope require firms to seek capabilities, resources and skills from outside the organization. What was accomplished previously by “the central authority” through “command and control” now must be done through negotiation and coordination. This radically alters relationships both within and among organizations. What emerges is a complex dynamic composed of power, trust and dependency. As Geoffrey Moore reminds us, power is an important partnership issue and the locus changes throughout the product life cycle. His call for the development “of a public model of how partner power is appropriately distributed within a market.” (Moore, 1995, p. 157) suggests an important new research area. It is critical that firm management understand relationship dynamics so appropriate strategies may be crafted to navigate through this evolutionary process.

Relationships are created to fulfill a need. It may be to supply a critical component to a product or a process or something better acquired than produced. While power relationships are rarely one sided, there is often a dominant member which fills an important coordination role (eBay, Wal-Mart). This is true especially in supply chain relationships, where the member who has the end user customer relationship often maintains the premier position. While this may be generally the case, business relationships often become dependency relationships. When one firm needs the skills and resources of another to complete critical processes, it is a dependency relationship. The more a firm depends upon others for critical specialized components and services, the more power is distributed to component members. In short, B-webs become communities of interdependent organizations with decentralized power relationships.

In these relationships trust becomes an important “resource, a ‘collaborative capital’ that can be used to a great advantage.” (Shaw, 1997, p. 3). Whatever the genesis of the collaborative effort the reason must be clearly articulated so all parties understand the circumstances that initiated the relationship, what the relationship is expected to contribute to mutual success, and the conditions that might alter or terminate it. Clarity can contribute to success by building trust. In a recent study of strategic alliances, Hutt et al. found that “trust plays an important (often dominant) role in successful alliances,” and communication
and information processing are instrumental to building trust between partners.” (Hutt, Stafford, Walker, and Reinigen 2000, p. 52). Alliances and relationships are created to meet common organizational objectives needed for all members to be successful. Hutt et al. conclude that:

(m)any alliances that appear to have the right strategic ingredients fail because they lack the social ingredients that define collaborative success. (The study) demonstrates that cultivating strong interpersonal ties unites managers in partnering organizations, and continuing boundary-spanning activities at multiple managerial levels helps the relationship develop. A web of interpersonal connections provides the information-flow circuits, enhanced learning and formation of strategies. (Hutt, Stafford, Walker, and Reinigen p. 61).

As Brown and Duguid in their study of the social aspects of the information revolution remind us, information has a social component, and “(t)he ends of information, after all, are human ends.” (Brown and Duguid, 2000, p.18).

These various streams of research and scholarly thought from economics, marketing, and strategy all suggest that the nature of markets and of the competition in them is changing. Markets are becoming more open and transparent, due in part to the decrease in transaction costs. Competition no longer completely defines the nature of association between organizations in those markets. Relationships, often operationalized as complex networks of connected enterprises, are at least as important to an understanding of the nature of this New Economy. Business processes become a focal point of activity in the new market space in which processes must be integrated from supplier through enterprise through customer use of products and services. This can occur without changes in ownership structure of the enterprises through the implementation of strategic alliances and partnerships. It cannot, however, occur in the absence of robust information flows from one end of the virtual enterprise to the other.

That suggests that in some ways the New Internet Economy is fundamentally different from what has gone before. Before presenting our model, it will be helpful to look briefly at the characteristics that define the Internet Economy.

The Strategic Drivers of the Internet Economy.

There are many versions of the strategic drivers and many books and articles devoted to a single aspect of the New Economy. The following list of ten strategic drivers incorporates a variety of perspectives into a comprehensive set of strategic dimensions (Roberts, forthcoming, 2002).

1. Information provides the greatest value added, either as added value for existing products or services or in the form of information products.
   The focus of economic activity has switched from the production of physical goods to the manipulation of information that increases customer value. Many pure-play Internet businesses have been built on using information to provide greater customer satisfaction.

2. Distance no longer matters.
   The old economy model is one in which products and information both move through hierarchies that can benefit from economies of scale. In the new economy, buyers and sellers can connect directly with one another and economies of knowledge replace scale economies. The result is marketplaces made up of interconnected networks of buyers and sellers.
With the arrival of the Internet, we are on the threshold of an era where transaction and coordination costs are rapidly approaching zero, where markets matter more than hierarchies, and information matters more than asset ownership.

3. **Speed is of the essence in doing business on the Internet.**
The reduced cycle time and resultant ability to move products into the marketplace quickly is only one outcome of the new system. It produces customized products for customers and offers the opportunity to make the business of retailers more efficient. That makes another important point when it comes to the drivers of change. They are not mutually exclusive. A process that takes advantage of one information-based opportunity will often produce fortuitous outcomes in other aspects of the business.

4. **People are the key assets of Internet businesses.**
Managers of knowledge workers have long recognized that skilled employees are the only asset that walks out the door each evening—and may not return in the morning. They also know that in order “To do effective knowledge work, people must be motivated, have trust in their fellow workers and company, and have a real sense of commitment, not just compliance, to achieving team goals.” (Tapscott 2000, p. 222) Managing knowledge workers in a way that makes them a genuine asset to the enterprise is an important and challenging subject.

5. **Growth rates are accelerated by the networked nature of the new economy.**
The network itself is growing rapidly, fuelled by decreasing costs and increasing productivity. Initially networks were merely computers and printers connected to one another. But today, many items have simple silicon chips that transmit streams of information. Your cell phone is recognizable as such an instrument. The time is coming closer when many of these items will be connected together, perhaps through the Internet, providing communications opportunities that were previously unthinkable. When the chips are connected, important benefits will be obtained.

6. **Value in a network rises exponentially with market share.**
The old economy was one was one of scarce resources which became more valuable as their supply decreased. Business 2.0 says that, “In the cyberworld the “Network Effect” takes over and the converse becomes true: the larger and more vibrant the network, the greater the value because you’re more likely to find the person, information, or resources you are seeking.” (Business 2.0, 2000, p. 240)

7. **Market power is determined by skill in managing information.**
The importance of managing information—about buyers, about sellers, and about transactions between them—has given rise to a new class of intermediaries. One type has been dubbed the “infomediary.” According to Hagel and Rayport, an “Infomediary [is] a business whose sole or main source of revenue derives from capturing consumer information and developing detailed profiles of individual customers for use by selected third-party vendors.”(Hagel and Rayport 1997, p. 56)

Many channels of distribution are becoming shorter and that this trend may continue for some time as firms continue to reap the benefits of electronic commerce. But it is equally clear that we cannot assume that all intermediaries will disappear or even that there will be fewer of them. The intermediaries of the new economy are, however, more likely to be focused on adding value for either the business or the customer through the provision and manipulation of information.
8. Marketplace power has undergone a dramatic shift in the direction of customers.
The Internet customer is increasingly demanding with high expectations for easy and convenient shopping, good prices and meticulous fulfillment. Beginning to end, the shopping and purchasing experience must be satisfying and pleasant. High expectations are conditioned by the customer’s knowledge that, if this site does not satisfy, there is a competitive site only a mouse-click away. And while there is some degree of loyalty among Internet customers, those feelings are easily overcome when the experience turns sour. Customers leave, and many never return.

9. The Internet marketplace makes it possible to deal with customers on a one-to-one basis.
As the first truly interactive medium, the Internet allows even the largest companies to deal directly with each customer as an individual person or business. As just noted, customers are coming to expect interactions that satisfy their individual consumer or business needs. However, just because the technology exists to allow companies to deal effectively with individuals does not mean that most companies do it well. A select few like FedEx, though, do it brilliantly.

10. The era of instant gratification is upon us.
The Internet has compressed time and space and unleashed an era of endlessly rising customer expectations. The gaps between customer problem recognition, evaluation of alternative solutions, and purchase activities have narrowed to virtually nothing. Choices seem almost infinite. Consistent pressure to reduce costs presents challenges to suppliers but additional benefits to customers. New competition arises from unexpected quarters. Existing businesses have to develop new strategies on the fly, because Internet time stands still for no man, woman, or organization.

Each of these strategic drivers has an impact on the nature of competition and relationships in the new marketspace. Information becomes the most important asset, one that becomes more valuable as it is shared with others. Information sharing among partners in the value chain is therefore encouraged. Information sharing is not inhibited by physical distance and it enables enterprises that are located at a distance from one another to work closely together and even to integrate the value chain. This ability to share information is also being used inside enterprises to increase the productivity of the scarcest resource of all, the knowledge worker. Managing knowledge workers for productivity and retention is a critical managerial skill in the New Economy.

Moving quickly is important and this can be more easily accomplished in a network of peers than in a supply chain composed of independent business entities, especially if they are not privy to information held by other members of the chain. The network and the ability it provides to connect people and enterprises globally is a key feature of the New Economy. The connectivity it provides accelerates growth and adds value to products and services that integrate the network into their processes.

Throughout the value chain, the importance of the customer is being felt. The widespread availability of information and the resulting transparency of prices and processes puts power squarely in the hands of the customer. The network makes it possible to deal with customers on a one-to-one basis although not necessarily to craft totally individualized strategies. The customer has high and growing expectations, one of which is instant gratification of wants and needs.

Managing information becomes the key to managerial success while using the information with skill and insight is key to marketing effectiveness.
All of these strategic drivers combine to emphasize the importance of relationships in meeting the demands of the New Economy. The contributions to our understanding of markets and competition that were derived from the economics and strategy literature help us understand what will make relationships successful in the Internet era. That leads us to propose a model of the key determinants of relationship success from a macroeconomic point of view.

Understanding The Determinants of Successful Relationships

Figure 1 presents a model that suggests key concepts for understanding what makes a relationship successful. Outcomes are stated in terms of the probability of achieving relationship success.

We began this paper with the concept of virtual organizations in which organizational boundaries have become permeable and products, services, and information flow between network members with little obstruction. That indicates that the corporation, in many instances, is no longer the relevant unit of strategic analysis. The focus must shift to business processes as the primary unit of analysis. The reason is that it must be the process that is optimized from one end of the value chain to the other.

Business processes are composed of discrete activities linked together into an instrumental system. Some enterprises are better at carrying out activities than others. In strategy we know those as their core competencies. Taken as a whole, the strategic drivers of the Internet economy identify two reasons why enterprises are encouraged to concentrate on their core competencies and find others with superior expertise to perform other activities. The first is the speed with which the networked economy moves. Each activity needs to be performed by the link in the value chain that executes the particular activity best. Second, the drivers emphasize the value of the network in promoting the free flow of information between entities, regardless of legal ownership. If speed creates the necessity for strategic partnerships, information provides the enabler. Within this kind of virtual system, activities can be assigned to the entity that performs them best without regard to the friction that has historically existed in markets and which Coase posits as the rationale for the existence of the firm.
These macro factors affect all enterprises. However, not all relationships between pairs of enterprises will be successful. We hypothesize two sets of filters that will help understand the likelihood of success of any given relationship. The first set of filters is clearly macroeconomic in nature. Transaction costs are an artifact of channels of distribution. High transaction costs point the way to vertically integrated organizations and when transaction costs decrease, relationships become economically viable in the exchange process.

The second macro factor is the ability to add value. Based on current knowledge, that appears to be synonymous with core competencies. Further study may uncover additional or more detailed explanations of how and why a firm is particularly successful in adding value.

The second set of filters may be more operative at the firm level. The degree to which two organizations have similar cultures and values is accepted as an important determinant of success in mergers and acquisitions. It is expected to be equally important in relationships. Likewise, the variable of trust has long been recognized as important in disciplines like personal selling. The importance of trust as a
variable seems to have been enhanced by the Internet because some of the cues that are present in face-to-face interaction are missing in the virtual environment. It seems likely that it will be an important factor in partnerships in that environment.

This model suggests that some variables that have been useful in understanding other aspects of marketing and strategy will have explanatory power in terms of understanding strategic alliances and partnerships in the Internet Economy. Research, however, is needed to clarify the nature of their impact on relationship effectiveness and to identify other variables with predictive power.

**Research Directions: Towards a Typology of Web-Based Relationships**

The trajectory and velocity of information technology has altered irretrievably the fundamentals of the business world. To succeed managers and marketers must adapt and succeed in this new environment of rapidly changing markets and shifting business and consumer relationships. Marketers must understand how the new dynamics of relationships, partnerships and alliances might play out in Electronic Commerce. To do so marketers must understand several important areas that can enable them to succeed in their chosen marketspace and manage the dynamics relationships within them.

New research must uncover how electronic commerce is changing business relationships and behavior. Our preliminary work suggests relationships will vary along at least five dimensions: Marketspace, strategy, importance of the product or service, location in the value chain, and the importance of power and trust. Research hypotheses must take into consideration that business relationships are multi-dimensional. Whether a firm is in B2B or B2C and where in either marketspace it chooses to be will determine its market location. Marketspace determines how the key success factors will influence firm behavior, strategic choices, competitive advantage, and customer value proposition. New research must probe how these variables apply to a specific web marketspace. B2B marketspaces may differ from B2C; the real question is how and to what extent? Within these broad categories, sub-categories will vary also. Again, the questions are how and to what extent?

Surely, strategy development must change and recognize the competitive nature of business processes. The development of information technology changes fundamentally the rules of engagement and the relationship of a firm to its environment and its internal components. Strategy requires the firm to focus on the appropriate mix of content, community and commerce and what must be accomplished internally and what is acquired externally. Core competencies will differ depending upon whether an organization is in a B2B or B2C market, their chosen market segment, what critical skills they provide, those they need to acquire externally and when their availability is required. The influence of the key success factors will vary depending upon the marketspace and the firm’s strategy, competencies and position in the food chain. Research is need to understand how to craft successfully strategic responses to the new business paradigm. In short, what went before may be useful; what follows will be different.

We hypothesize that relationships will vary depending upon how fluid or structured, how transient or long-term, what is provided, who possesses the valuable knowledge, skills and information, and which firm has the end user customer relationship. Many relationships are temporary. A seller within an auction site will have a brief relationship. An industrial supplier may have a long-term relationship. The relationships of a supplier of sophisticated components may be highly structured around specifications, joint development projects and sequenced delivery dates, upon which a final product depends. A firm may have all three types of relationships at any given moment, with the same partner, where all relationships are managed electronically.
In these relationships the importance of power and the level of trust vary also. The variations need to be explored and understood. While power and trust are present in all relationships to some extent, we hypothesize that their importance will depend upon the nature of the relationship. Whether a product is a commodity or high value, where it is in the life cycle, how many world-class competitors are in the marketspace, whether this is a transient or structured affiliation; all will influence relationship dynamics and the role of trust and power. New research is critically needed here also.

It is also important to understand what constitutes relationship success. There may be a number of metrics beyond sales and profitability that will be useful in measuring the outcomes of relationships in both the short and long term. Hypotheses are needed and research will be required to confirm them.

Summary and Conclusion

There are a number of theories and concepts that trace the evolution of markets and competition in ways that are relevant to understanding the Internet economy. R. H. Coase makes an important contribution when he attributes the existence of the contemporary firm to the presence of transaction costs in channels of distribution. Transaction costs make it economically desirable to house as many business functions as possible under a single corporate structure. Michael Porter developed constructs dealing with competitive advantage and with the five forces that make a market attractive. Other scholars in the field of strategy, particularly Hamel and Prahalad and Hammer and Champy, added concepts that illustrate the importance of business processes and of envisioning future directions. In addition, there are strategic drivers that can be attributed to the development of the Internet as a commercial medium and to the networks of communication that are associated with it. These strategic drivers describe the parameters of the new competitive landscape. One impact of these strategic drivers is the formation of virtual corporations and value chains that increase the significance of partnerships and alliances in practice and as a topic of scholarly investigation.

The advent and future direction of the web-based relationships are part of the business landscape. Currently, however, there are more questions than answers about their dynamics and impact on business relationships. New research is necessary to uncover and understand electronic commerce relationship dynamics as well as new categories of web-based relationships.
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International Television versus National Cultures: Imperialism and Contextualization

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Abstract

The media and marketing continue to be attributed with being key causes of adverse social change in developing countries while perpetuating the latter's inequity with developed economies. Through a survey of the multidisciplinary literature on globalization in the latter decades of the last century, this paper suggests rather that the interaction between television, advertising and culture might indeed be more complex. Thus globalization need not be taken to spell cultural imperialism, for one common outcome seems to be hybrid cultural identities in nascent postmodern societies that are targets of international television and advertising.

Proponents of new communications technologies and free-markets claim that these work in tandem to provide access to information and choice, which foster democratization within societies and economic equity between nations. But their critics point out that in reality such technologies, hard and soft, perpetuate inequity and dependency by the developing countries on the developed. Global communications, including television and advertising, has certainly been transformed in recent decades by geostationary satellites, digital transmission, optical fiber, satellite television, mobile telephony, computer networks and electronic mail are among the many forms of communications technology. Yet development and control of such state-of-the-art technologies lie with developed countries and their multinational corporations, and their products and services are distributed selectively to developing, usually newly industrializing nations. Even within those countries, control and access to sophisticated media and communications are often largely in the hands of the local elite with international cultural and economic links. Thus this review of literature over the last few decades will examine critically the dynamics of the widely perceived and much vaunted globalization of media and marketing, and its implications for culture and society.

Cultural hegemony

As propounded by the Frankfurt School, a central thesis of critical theory was that commercialized mass culture was the means by which the capitalist system of mass production and consumption sustained itself. The mass media is purported to induce passivity and addiction in audiences, thus making them amenable to domination by the political and economic elite in society whom often controlled the media. In its view, with industrialization mass culture became a product for a mass market or audience, produced by a cultural industry. In their seminal essay, Adorno and Horkheimer (1972) criticized the cultural industry, for mass-producing cultural products in the service of capitalist economies. They saw the media both as the means to subjugate the masses as well as the undoing of civilization as they idealized it in their elitist views rather belatedly in the industrial age. Government leaders and the social-political elite of developing countries today tend to share the Critical Theorists’ disdain of mass culture particularly of foreign origin or of a hybrid foreign/local nature.
Yet paradoxically they are keen to harness the tools of mass media to control the masses through promoting a subservient national culture. This is related to the concept of cultural hegemony, which can be traced to Gramsci (1978) who saw the capitalist class convincing the working class to accept being ruled. But the process of a dominant social group winning the marginal groups' consent without overt coercion has an inherent instability about it because cultural power has always to be negotiated and so is conflict-prone. By this Marxist viewpoint, a working class-led revolution would have first to free itself from the hegemony of the capitalist class and then to legitimize itself by dominating all institutions of society with its ideology and moral authority. According to this influential school of thought, which grew into Critical Theory, 'culture' is to be seen not as something one absorbs unconsciously but as just an arena for the struggle against hegemony. A similar situation of cultural hegemony existed also between colonists and their overseas subjects, and might be said to exist between neo-colonial developed countries and economically dependent developing countries today.

Development media

Modernization theorists have long advocated precipitating dissatisfaction with traditional life as a means of stimulating aspirations for the material benefits of modern society. Lerner (1958) advocated the mass media as a key accelerator of the take-off into modernization along with urbanization, literacy and political participation. The mass media was said to democratize access to and choice in cultural products, and facilitate gradual cultural change without threatening the social system. In fact modernization was seen as a process by which empathy with the idea of social mobility was fostered through the mass media. While working for UNESCO, Schramm (1964) prescribed specific media policies for developing countries as a means of achieving modernization and its benefits. He asserted that the mass media aided in widening horizons, focusing attention on development, raising expectations, and changing attitudes and values, among other positive effects. However in investigating diffusion of innovations, Rogers (1962) found that the mass media were important to the earliest stage of awareness of innovations but it was interpersonal communication that was critical to the final stage of their adoption. Similarly, Inkeles and Smith (1974) found that while schools were more influential upon personal modernity, than the workplace and media, the latter were powerful nonetheless.

Generally, development communications as propounded by theorists such as Lerner, McClelland, Pool and Schramm did not take into consideration the context of US hegemony of the world market, media industries, and international relations in the Cold War era (Sussman and Lent, 1991). A risk of using the media to promote social change is that they may also cause rising expectations and intolerable frustration within a society, with the possible dysfunctional outcome of a populist revolution, as alleged in some developing countries. On the other hand, some might argue that such 'Western' media content has value as a form of escapist distraction or sedation for the masses, and is therefore functional in reducing social tension and political dissent in developing countries (Tunstall, 1977). Still many governments in the developing world introduced television as a means of promoting modernization, either directly through development programming or indirectly through Westernized entertainment programming. But it is the introduction of media and communications over which governments exercise little control which has heightened fears that the steady development of their countries and their political power might be undermined. This is because programming which promotes consumerist lifestyles and advertising of products is often made available to their citizens well before other correlates of economic development, and is invariably at odds with national cultural policies.
Multinational dominance

Coming from a Marxist perspective, Mattelart (1983) contended that transnational firms dominate national culture citing data on news and programming distribution networks and transnational advertising agencies. Further evidence was the Nordenstreng and Varis (1974) research on dominant program flows especially from the US. Though UNESCO-sponsored research a decade later on the international television program flows in 50 countries by Varis (1988) found that the global average of imported programs was still approximately one-third of total program time. However the latter study reported that there was wider variation between nations as to their imports and that much of the imported programming was predominantly from nations in the same politico-economic or geo-linguistic regions rather than from the US.

Given his long-held views on cultural imperialism, Schiller (1991) highlights the shift of control from the nation to the transnational corporation which is evident in television programming, sports, politics, language and other elements of culture even in countries that maintained a strong national culture. He sees the so-called indigenization of television as no more than a copy of US television genre, replete with all the values and behavior norms necessary for persuading consumption of the goods produced by MNCs. Denigrating 'active audience', cultural studies and postmodern viewpoints, Schiller alleges that these MNCs, largely Western media conglomerates, are responsible not just for media imperialism via television because they are able to offer a total cultural package via film, printed publications, theme parks, shopping malls and more. By the same token, international television would be just one element of wider cultural imperialism, and be set to dominate the media and cultural landscape of developing countries.

Global governance

The call for a New World Information and Communication Order (NWICO) in a number of international forums in the 1970s stemmed from a realization of the role of the media in the social, cultural, political and economic spheres of developing countries in Asia, Africa and Latin America. Disenchanted over the media imperialism they were being subjected to mainly from the US, the desire of these countries was to harness their cultural industries in the pursuit of socio-economic development and to redress imbalances in the worldwide flows of news and television programming. Perceiving this to be a threat to its own economic interests, the US initiated a counter-campaign alleging that the proponents of NWICO by were against freedom of the press and were for repressive control of the media by the state, while being blinkered to its own controls (Roach, 1987). A defiant UNESCO, on the instructions of its 1976 general conference of member countries, established an International Commission for the Study of Communication Problems chaired by Sean McBride after whom the commission and its report is popularly named. The Commission enlarged on its brief and addressed a whole range of global communications issues including government controls on media, information flows, freedom and responsibility of the press, protection of journalists, commercialization of the mass media, media ownership, the revolution in communications technology, and cultural policies (Kleinwachter, 1993).

The MacBride report (1980) attacked imbalances in news and programming flows and distortion of their content, caused both through censorship by governments and the commercial imperatives of media conglomerates, problems which have intensified with the advent of transnational television via commercial satellites. Among the Commission's recommendations was one that developing countries develop their own broadcast systems, including training and production facilities, adding that national production of broadcast materials was crucial to reducing dependency on external sources. The report called also for a study on the utilization of satellites in international communications, to coordinate the equitable sharing of the geostationary orbit and to offer discounted rates on the use of satellite systems by
developing countries. That same year the UNESCO conference adopted the MacBride Report and established the International Program for the Development of Communication (IPDC), both actions ratified by the UN general assembly. This led to the US and UK withdrawal of membership from UNESCO in late 1984 alleging plans to restrict press freedoms and human rights (MacBride and Roach, 1993). The resultant loss of significant financial support meant that the NWICO ideal was never achieved, despite further roundtables, conferences, and resolutions. Over a decade later UNESCO convened another commission, which called for recognition of diversity and encouragement of competition in national broadcasting through public, commercial and community sources. On the level of international broadcasting it recommends the imposition of a form of cultural tax on satellite radio and television services for using the ‘global commons’ of airwaves and outer space, the revenue from which could be utilized to alternative international and regional public broadcasting (Pérez de Cuéllar, 1995). These commendable ideas have yet to be acted upon by the international community.

**Media imperialism**

When the cultures of developed or core countries are dominant in developing or peripheral countries, cultural imperialism is said to occur and this is considered symptomatic of politico-economic dependency or a similar exploitative relationship. Said (1994) traces the history of imperialism in 'Western' culture, from 19th century colonial literature right down to the mass media of today, seeing it illustrated by European colonization of Asia and Africa in the past, or more recently by US actions during the Gulf War. As evidence of cultural imperialism in the media, Golding (1977) had observed that models of broadcast systems in many independent Third World nations were usually similar to that of their former colonists. There can be no value-free technology, he concluded, when the training provided in television production replicates what was done in the First World and what is produced locally is often a clone of foreign programs with a veneer of pseudo-indigenization to satisfy regulatory requirements. Socialist thinkers would argue that the principle of national sovereignty gives governments a legitimate right to decide the cultural policies and to harness the media in promoting national development. Hamelink (1983) appeals for cultural autonomy and dissociation from the developed world, citing the positive experiences of a number of developing, often socialist countries in resisting cultural synchronization with the 'West' in the 1950-70s. On the other hand Ayish (1992) argues that developing nations may have to rethink their authoritarian orientation if they wish to be integrated into the information-based global economy. He proposes that they think of international communication primarily as information vital to politico-economic planning, rather than as cultural imperialism via the mass media. Both thinkers accept the reality of media imperialism as a correlate of development, and suggest ways of contextualizing it.

Discourses on cultural imperialism are based primarily on economic perspectives and the term seems preferred by those with a Marxist bent to imply wholesale domination of which the media is a mere symptom. But on the issue of the media, Lee (1980) thinks socialist control may be no less acceptable than capitalist domination to Third World countries. The issue of media imperialism was central to the NWICO debate at UNESCO in the 1980s and was part of a larger concern with cultural imperialism in a post-colonial or neo-colonial world. Schiller (1989) remained convinced that the reality in television broadcasting is one of increased domination of culture by largely US corporate interests. He saw the US withdrawal from support of UNESCO in the 1980s on the pretext of defending press freedom, as a conspiracy to undermine the prime regulatory body of its cultural industries. The US campaign for global deregulation of markets was done through stipulating that World Bank/IMF requires the privatization of broadcasting in developing countries before their loans were underwritten. Since public broadcasting proves expensive for developing countries and is often not able to gain the popular support, commercial broadcasters who are able to attract advertising revenue will be tend to be encouraged instead. Hence the
capitalist argument maintains that freedom of information flows across borders is enshrined in the UN declaration and that development journalism is a euphemism for the control of the press by governments under the pretext of mobilizing economic growth (Kelly, 1976). Others of the market school would go further and question the assumption that financial and economic control of the media is tantamount to its political control (Vasquez, 1983).

National identity

The communication of ideas via print in universal vernacular languages rather than esoteric sacred languages or local dialects is said to have helped form nation-states out of more traditional and much smaller socio-political communities. In a much-cited work Anderson (1983) detailed how, through a phenomenon he called 'print-capitalism', people who participated in a socio-linguistic market for print media such as books and newspapers began to feel connected with all others who did, leading to the formation of nation-states on the basis of common language. Similarly postcolonial nations of the Third World were defined either by an inherited colonial language, or a perhaps revived 'national' language. Citizenship is an artificial construct, in as much as the nation-state is, which detaches people from other more real identities and forms a new pseudo-community of strangers. As Hobsbawm (1990) indicates, ideas of primordial ethnic identity have dubious roots in xenophobia because and nationalistic self-determination seeks to recover irrecoverable history. Thus national culture was quite an unproblematic concept and taken for granted in the 1960s-70s, but it became increasingly questioned and problematized as a socio-cultural construct over the 1980s-90s.

Morley and Robins (1995) speak of the difficulty of defining cultural identity in an era of postmodern geography where spaces are defined increasingly by electronic connectedness rather than physical proximity. Pertinent to this thesis is the evidence they point to of young people being the heaviest users of transnational television in Europe. Other social thinkers seem palpably less interested in analyzing the obvious economic and political factors contributing to cultural globalization such as imperialism and capitalism, than in mapping the cultural consequences on individuals, society, nation-states, even humanity as a whole. Spybey (1996), for one, is concerned particularly with how the globalization of political, economic and cultural institutions affects participants in every social system in a process he terms 'reflexive modernity'. He thinks that the individuals exposed to information through these globalizing processes have greater expectations of lifestyle choices and personal fulfillment, including consumerism as well as alternative lifestyles and social causes. But Ferguson (1993) cautions cultural thinkers and industry practitioners alike to differentiate between 'surface' identities which may reflect global consumerist trends and 'deep' identities which reflect the persistence, even renaissance, of ethnicity, religion, gender and the like. She deems the dominant myth in cultural industries of global cultural homogenization to be as simplistic as the concept of national cultural purity.

Postmodern eclecticism

Like globalization, postmodernity is a phenomenon over which there is little consensus of definition in part because it is discussed in art, architecture, history, literature and sociology among other disciplines. Lyotard (1984) characterizes postmodernism as a new era marked by skepticism towards meta-narratives or those ideological systems, which give bearing, purpose and meaning to life in the past. Thus all aspects of life can have no objective reality or meta-code by which to be judged, only the 'hypereality' of meanings relative to each other. On the other hand Jameson (1984) portrays postmodern society primarily as a consumer society characterized by pastiche and schizophrenia, eroding distinctions between reality and imagination. In his view postmodernism is in continuity with modernism and simply the cultural logic of late capitalism, a mere shift from imperialistic and market capitalism towards social
heterogeneity without a collective project and lacking any norms. Similarly Harvey (1989) considers postmodernism to be characterized by fragmentation and chaos, making it impossible to attempt a comprehensive worldview. He notes a collapsing of time-horizons and a propensity to spectacle in postmodern culture, as demonstrated by trends in popular culture from fashion and architecture to advertising and television. Culture is seen as a random series of freely intersecting texts, the total meaning of which is relative to each participant. Notably for this paper, Harvey attributes a shaping role to television, a medium quintessentially postmodern in its collation of images past and present, from far and near into an endless, uniform stream of spectacle which is piped into homes.

In postmodern societies, as globalized cultures, time and space are reordered such that events that are far away and at a different time intrude on the experience of people and seem more significant than their local situation, often through the 'mediation' of the mass media. One of the leading thinkers on globalization, Giddens (1991: 18-21) understands the concept as the 'interlacing of social events and social relations "at a distance" with local contextualities'. Another major theorist on globalization, Robertson (1992) claims that societies are converging in economic and technological aspects but diverging especially in social relational aspects, while staying the same in other aspects. Wilson and Dissanayake (1996) seem to be commending the same paradoxical experience of becoming more globalized and more localized concurrently, or of pluralization within a world-system. Yet they seem antagonistic to postmodernism, postcolonialism and multiculturalism as being too accommodating to global capital, and promote instead the idea of tracking the global/local nexus across geopolitical sites. Finally, Braman and Sreberny-Mohammadi (1996) offer the concept of 'interpenetrated globalization' by which they claim that there is plainly no local phenomenon not infected by the global, nor vice-versa. As a signpost of our postmodern condition they introduce the notion of tertiary locality, or the increasing participation in virtual communities via the Internet.

Televised societies

In McLuhan's (1964) view, oral and instant communication which characterized the new electronic media was re-tribalizing human society, emphasizing touch and sound over vision. Being a technological determinist, he would rebut the cultivation effects school of media with his classic statement that 'the medium was the message'. Through television the world had become, in his estimation, an electronic global village where there was extreme awareness and curiosity about other cultures. But it is unclear whether McLuhan was implying that television was globalizing culture since, among other things, greater social harmony and tolerance have not accompanied the process. While not targeting McLuhan directly, Ellul (1985) contends that personal communications for human relationships cannot be achieved through the mass media, thus implying that the world can never become a global village. In Ellul's view, television images are inimical to interpersonal discourse, intellectual reflection and social action. Taking a different tack, Esslin (1982) expresses the concern that accepting the dictum that the medium is the message leads to neglect of the other messages carried by television. Yet in the intuitive appeal of his ideas to the wider public, policy-makers and media practitioners, even if not to social scientists and media theorists, lay the root of McLuhan's success. To this day purveyors of satellite communications are fond of citing his 'global village' and 'medium is the message' metaphors in promoting the benefits of their technology while ignoring the more negative connotations he implied.

Rejecting both optimistic and pessimistic views of media impact, Baudrillard (1988) expounds the view that the mass media do not simply distort reality but are a new social reality. Television images which distort time and space, he believes, have caused our culture to consist primarily of simulations. As a post-structuralist/ postmodernist, Baudrillard defines simulation as not only presenting the imaginary as real, but also defines objects and discourses as having neither origin, referent or standard. Consumer
lifestyles provide people with their identity in society rather than their role in the economic production system and thus people are incorporated into the 'simulacra' they surround themselves with. In a technology-determinist style, Baudrillard proclaims that the media, especially television, overwhelms with information and renders impossible any true feedback from its audience even by polls, and thus are a form of pseudo-communication. The only way that the masses can avoid the influence of the media, according to him, will be to avoid watching it themselves or to be shielded from it by authorities. The former is an unlikely scenario since the masses worldwide seem to find the media an irresistible form of entertainment and information, while the latter is what some governments have endeavored to do with transnational television with dubious success.

Contemporary marketing

In tandem with the media, the practice of marketing is a major influence in the development of postmodernity. Marketing could be responsible for commodifying even subcultures, news, education and politics, thus superseding their usual function as social processes. In a critique of the process of standardization, Ritzer (1996: 143-147) warns it has spread far beyond fast-foods to education, healthcare, and the workplace. The reasons for what he terms the 'McDonaldization of society' are the economic benefits to producer and consumer, a deliberate campaign to identify itself with positive social experiences and local culture, and its fit with changes in lifestyles and other consumer products. Tharp and Scott (1990) underline the need to research the full cultural meaning of products and ideas introduced into any society and the infinite social consequences thereof, not just their utility and price. Likewise, the contributors to Costa and Bargossy (1995) explore the multiple relationships between marketing and cultural identity, in a globalized world where the resurgence of ethnic groups often across national borders is aided by business practices and vice-versa.

Drawing on Marxist analysis, Jhally (1987) illustrates the addictive-compulsive nature of television watching which colonizes peoples’ free-time and theorizes that by virtue of watching advertising audiences are working for marketers to pay for their free entertainment. In analysing the television network MTV as a postmodern phenomenon, Kaplan (1987) argues that it is a continuous marketing medium promoting consumption on a variety of levels from the sponsors’ products and the program itself to an entire youth subculture. By adopting an almost schizophrenic stance towards the world, MTV lets itself be co-opted by the commercial establishment even while it adopts a critical position towards the dominant culture. Baudrillard (1988) would argue that this illustrates how the media are paradoxically both instruments of power for mystifying the masses as well as the means used by the masses for the denial of reality. In a more recent controversial forum Applbaum et al (1998) critique the unconscious notion among marketers that consumer products are a means of salvation from relentless needs and attainment of paradise on earth. However Habermas (1989) would counter this postmodern relativism with the view that reciprocal meanings arise from the dialogue between speaker and hearer, medium and viewer/listener, and out of that may come new consensus and social norms. As such both programming as well as advertising on international television must surely involve some collation of cultural fragments from around the world in order to communicate with and appeal to their quite heterogeneous consumer markets across the developing world.

Advertising ideology

Advertising, in particular, has been seen as benefiting postmodernization through encouraging competition, production efficiency, product innovations/variety and lower prices, as well as subsidizing the mass media. Though this assumes the dominance nationally of a commercial broadcasting system similar to the US which gives viewers the right of choice, and programming that is produced domestically to reflect values of the social system. In the context of the US, McAllister (1996) underscores the media
agenda-setting propensity of advertisers in their push for programming which delivers large audiences, with desirable demographics and made pliant to the commercial message. Hebdige (1989: 90-91) expounds on the 'power of the new transnational media systems. to move people not just to buy products of the culture industries but to buy into networks that offer forms of community and alliance which can transcend the confines of class, race, gender, regional and national culture'. He also decries market research classifications such as yuppies, empty-nesters, 'dinkies', Generation X, which are based not on traditional social class/sexual polarities of sociological analysis, but on transcultural 'psychographics' for the convenience of global marketers. Furthermore, Firat and Venkatesh (1993) observe that advertising characteristically renegizes words and signs, decontextualizes products from their physical function, and juxtaposes conflicting images thus contributing to the hypereality, spectacle and fragmentation in postmodern society. Utilizing semiotic analysis, Domzal and Kernan (1993) demonstrate that this postmodern propensity allows for cross-cultural standardization of advertising, particularly in the food and fashion categories, and renders it understandable by global audiences.

While in reality advertising is as much a product of a country's cultural identity as a contributor to it, in Cunningham's (1992) view, advertising has been a long-neglected arena for cultural analysis because of its commercial nature. Ellis (1990) considers television commercials to be the epitome of the medium's propensity to provide a stream of segments independent of each other in meaning, and to play a significant role in cultural change. Yet the limited critical studies of advertising seem to have a left-wing bias that assumes audience passivity to marketer strategies, while there is much investment in uncritical market research of short-term advertising effects for corporate interests. change. Drawing a parallel with socialist art, Schudson (1984) similarly stresses that advertising does not invent social values so much as it usurps and exploits prevailing ones in the service of products in the capitalist marketplace. Goldman (1992) explains the role of advertising in the production of commodity signs as the process by which its viewers provide the labor to interpret the advertisements and thus create surplus value. Thus he considers concern with whether advertisements are deceptive and subliminal is misplaced when their true impact is the cultural hegemony of commodity relations in capitalist economies. Such innovative approaches to culture naturally call for quite different methodologies such as textual analysis and participant observation not traditionally used in marketing and advertising research. On the other hand Wernick (1991) expresses concern over the pervasive commercialization of all contemporary culture and makes a plea for the return to substantial public sponsorship of the media.

Glocal hybridity

The concept of 'glocalization', or the localization of global issues as well as the globalization of local issues, may be first attributed to Robertson (1992). Disbelieving that global-local issues, be they concerning politics, ecology, human rights or the media, should be thought of as a macro-micro dichotomy, he keeps company with a growing number of contemporary thinkers who see the global embedded in the local and vice-versa. Featherstone (1990), for one, questions the conventional idea of a global culture as 'national culture writ large', and stresses instead the need to move away from the bi-polar dichotomies such as homogeneity/ heterogeneity in regard to culture. Therefore he sees globalization not as cultural imperialism but as symptomatic of the openness of postmodern societies to cultural eclecticism. More recently he has described globalization as a process of showcasing of discordant world cultures within the home (Featherstone, 1995). Presumably this is achieved via the productivity of media industries and business franchises in the postmodern world. Rather than think of globalization as a late form of modernization or 'westernization', Pieterse (1994) similarly prefers to describe it as postmodern hybridity. Hybrid social structures encompass both supranational and subnational regionalism within an understanding of a 'world society', in his view, while cultural hybridity can take a range of forms from mimicry, syncretism and creolization to global mélangé and counter-hegemony.
Appadurai (1990) has been responsible for delineating the cultural flows which accompany globalization. Among the concepts he introduces are 'ethnoscapes' of business travelers, expatriates, immigrants, and refugees, 'technoscapes' of machinery, technology and software, 'financescapes' of capital and securities, 'mediascapes' of images and information via print, television and film, and 'ideoscapes' of democracy, human rights and other Western ideologies. Though globalization is not simply socio-cultural homogenization, he thinks it uses various homogenizing agents, advertising being a key one, which then incorporate the global into local culture and politics. The electronic distribution of images worldwide or what Appadurai terms 'mediascapes' could well be agents for the spread of 'ideoscapes' or ideologies of Western nation-states, political movements or corporations. Lash and Urry (1994) attempt to analyze such flows within the context of postmodern economies and societies, advising that pessimism over the future is caused unnecessarily by overly structuralist conceptualizations. They argue that all these 'scapes' are de-territorialized, with 'mediascapes' becoming increasingly global in character, dominant over 'ideoscapes' and undermining notions of citizenship in favor of both global consumer identity and local re-constructed ethnicity (1994: 305-313). This phenomenon of cultural globalization and hybridization has certainly been accelerated through new electronic communications, including television broadcasting.

**Communications innovation**

The 1990s saw worldwide growth of satellite and cable television, convergence of electronic technologies, regulatory changes that accompanied shifts in political ideologies towards media privatization, lowered costs and decentralization of production, the rise of global media conglomerates, and the integration of national economies into the capitalist world system. A prime means of global communications, satellites render distances on earth immaterial since the distance of one city from the satellite is practically the same as it is from another (Frederick, 1993). Satellites in geostationary berths above the equator orbit the earth at the same speed as the earth rotates and thus stay above the same location. Beams broadcast from their transponders can cover up to a third of the world's surface at a time that constitutes their footprints, while the increased use of fibre-optic cabling on land and under the sea allows virtually instantaneous re-transmission. Therefore telephone, television or data signals can travel from New York to Toronto for the same time and cost to travel from New York to Paris. For television, this technology has meant that costs of broadcasting have become independent of audience distance, while costs of downlinking and redistribution of signals are low.

While many developing countries have launched satellites for domestic telecommunications purposes, they continue to be dependent on developed countries for technology manufacture and maintenance, and are relatively minor players on the global stage of software production. Hamelink (1983) argues that technologies such as satellite television remain concentrated in the hands of developed or core countries and their services are disseminated to developing or periphery countries, to borrow the terminology of 'world-systems' theory. Though he neglects to point out that even within developing countries control over these communications technologies tends to be concentrated in the hands of technocrats in urban centers from which information flows unidirectionally to the rural hinterlands. Furthermore developing countries are more often in the footprint of broadcast satellites owned by developed countries and their multinational corporations (MNCs) than vice-versa. Although Herman and McChesney (1997) recognize some passing national and regional resistance around the world, they consider the US model as archetypal of media globalization. But this view would be challenged as myopic by researchers from Europe, Latin America and Asia in particular.
Peripheral perspectives

With the availability of these new transnational media technologies, decisions concerning programming software and target audiences are naturally being made increasingly on a global basis by commercial entities in the developed world not on a national basis by governments in the developing. Yet the experience of satellite television in Western Europe, as Collins (1991) reveals, has been that despite exploiting weak national government regulation undermined further by the European Union directives and being backed by major media conglomerates, the channels have not been very successful. He argues that it ultimately depends rather on their ability to attract subscribers, which in turn is dependent on cost-benefit analysis by consumers of satellite channel offerings versus terrestrial television and video. Even in the 1980s, Collins et al. (1988) suggest that neither the US nor UK had a monopoly of programming exports when Japan and Mexico have carved out successful niches globally, and ridicule alarm over imported values ones as conservative. Some Third World programming, notably soap operas have gone on to enjoy almost universal appeal. The Japanese creation Oshin, for instance, has been broadcast in over 30 countries ranging from Belgium to Indonesia because it had achieved iconic status, not to mention precipitated social change (Svenkerud et al., 1995). Program genre appear a significant factor in determining country-of-origin of the more popular programs. For example, research in the Dominican Republic points to local news and variety shows tend to be from the republic itself, telenovelas from the Latin American region, feature films, action series, foreign news, children's and scientific programs from US and Europe (Straubhaar and Viscasillas, 1991). Programs of local and other Latin American origin enjoy considerable popularity among locals there, particularly among the lower-middle to lower classes and have displaced US imports over the years.

The prevalence of foreign programming may have to do with the country's differing histories with television. Kottak (1991) found 4 stages in the impact of the medium among rural communities in Brazil. The first stage was of novelty and mesmerization by the medium, a second of selective acceptance and reworking of the message, a third of community saturation and lack of differentiation among viewers, and finally the stage of having a national television culture. Ardent cultural imperialism theorists like Mattelart (1983) may remain skeptical of this so-called Third World media development, arguing that it is confined to a minority of unique nations, still represents technological dependence, promotes consumption by extensive advertising and recreates colonial structures of communication. This view may have had some basis in Africa where the heavy use of imported television programming is attributed to financial constraints on production, television penetration being largely confined to the urban areas, the difficulty of catering to the diversity of languages, and the lack of broadcasting planning (Ndumbu, 1991). However Sinclair (1992) offers evidence of the domination of local television broadcasters Televisa in Mexico and Globo in Brazil, and their successful forays into Hispanic markets in the rest of Latin America, Europe and even North America. Likewise, contributors across Asia in French and Richards (2000) highlight the complexity of global, regional and national television production, broadcast and reception across the subregions of Asia. Hence a convincing case may be made that the concept of cultural imperialism is in need of re-definition at the turn of the century.

Seeing global television as a symptom of wider processes of globalization and postmodernity, Barker (1997) makes the point that globalization is not to be read as uni-directional from the West but is indeed multi-directional, even multi-dimensional. In their edited anthology, Sinclair, Jacka and Cunningham (1996) propound a concept of geo-linguistic audience markets and subsidiary centers of television production. The contributors resident in India, the Middle East, Greater China, Canada and Australia document the growth not only of alternative English programming exporters in Canada and Australia, but also of new television production centers for the Hispanic, English, Arab, Chinese and Indian language-markets which are regional, diasporic and geo-linguistic. Lent (1995) documents the
phenomenon of cultural hybridity in Asia across the arenas of television, music, theatre, sport, food, movies and a range of popular culture, but singles out television for blame or credit for introducing the westernization element. Thus hybridity might indeed be a useful key for understanding the development of television-based cultures in the developing world. Another manifestation of globalization is the extensive practice of cloning of television program formats successful in one national market in another, which Moran (1998) has documented in dramas, quizzes and variety shows. All of these have contributed to the establishment of a far more complex international television market than was in place when the earlier studies of US programming dominance were made.

Conclusion

The globalization of the media and marketing, particularly television and including advertising, has been spurred by greater broadcast deregulation worldwide and the fact that new media technologies such as satellite and cable television render national media sovereignty quite an unrealistic goal. The consequent rise of global media corporations and advertising agencies has been predicated on the commercialization of the television medium. Doubtless the growth of media and marketing are concomitants of and contributors to rapid socio-economic change. Still, the globalization process need not necessarily be seen as deliberate cultural imperialism imposed by developed countries on developing countries. It may simply be a correlate of modernization which developed countries themselves have experienced and incorporated into their cultures. Developing countries are not coerced into this process, but actively seek incorporation into the capitalist world-economy. While globalization leads to some measure of homogenization of cultures, there is often a concurrent counter-movement towards heterogeneity through the rediscovery and reassertion of the local. For if the print medium has contributed to the development of the modern nation-state, the international television may be taking this process further towards the formation of globalized postmodern societies. Electronic media make possible, even heighten transnational networks of individuals and groups that then become dependent on them. Yet despite being significant as a cause and/or effect of globalization, television and advertising remain neglected fields for critical research, though they have been researched for utilitarian purposes by business academics and marketing practitioners.
References:


Looking at American Cultural Imperialism Using A Ritual Framework

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Abstract

This paper adds a new approach or way of thinking about the American cultural imperialism debate. We suggest that the resistance, adaptation, or change of American product introductions into international markets should be examined using a ritual framework. Rituals are part of a country’s culture. The success or failure of an American product introduction should consider whether the product is part of a ritual. We suggest four initial outcomes by products into foreign cultures that are presented in the Ritual-Product Resistance Matrix for New Product Entry. The quadrants include dynamic product evolution, chameleon type product, ritual conformity, and stalemate.

Introduction

Past scholars and government officials have argued that American cultural products are replacing regional cultures with a standardized American version of culture. This process is called American Cultural Imperialism (ACI) or Americanization (Van Elteren 1996b). Americanization provokes leaders of some countries to place restrictions upon American products, especially pop cultural products such as music, film, and fast foods. Current discussions on cultural imperialism appear to revolve around the foreign intrusion into local cultures and traditions and the governmental efforts to protect the national culture by imposing restrictions (Gastony 1996; Weber 1998). The purpose of this paper is to examine some underlying issues as to why American culture is resisted by foreign countries and to examine the effects of American products on culture and ritual, as well as the effects of ritual on American products. By using the ritual framework, resistance can be looked at in a different light.

By connecting resistance of American culture to ritual, other meanings related to cultural imperialism that have not been explored may emerge thus helping practitioners and researchers alike to gain further understanding of worldwide resistance to ACI (Rothenbuhler 1998; Rothkopf 1997). We are not suggesting that using rituals as a unit of analysis is a panacea to studying cultural imperialism. Rather, we contribute to cultural imperialism and ritual literature by introducing a new approach to existing phenomena in order to facilitate understanding and increase explanatory power. Before we examine how rituals are changed in target countries, a comparison of culture and ritual is necessary. Culture refers to the complete pattern of human behavior that is embedded in speech, action, and artifacts and also relates to the human capacity for learning and transmitting knowledge to future generations (Rothkopf 1997). Ritual is just one part of culture, and is partially defined as “the voluntary performance of appropriately patterned behavior to symbolically effect or participate in the serious life” (Rothenbuhler 1998, p. 27).
This paper will first examine the past literature that has been used in the cultural imperialism debate, and review some of the theories used to explain cultural imperialism. Next, we will examine rituals as a distinct and necessary part of culture. We will then explore the use of rituals by people living in foreign countries as they participate in the consumption process of American products. Finally, we propose that an examination of ritual theory aids in the ongoing debate of cultural imperialism. By shedding a new perspective on ACI, we show the interaction between American products and ritual activities in foreign countries. This understanding can help elucidate the reasons behind the resistance, modification, and adoption of American products by markets in foreign countries.

**The Cultural Imperialism Debate**

In this section we explore three aspects to the cultural imperialism debate. These include the dependency theory, media effects, and resistance to media. We begin with dependency theory.

**Dependency Theory**

Dependency theory deals with economic aspects and media influences, as an economically stronger nation tends to dominate over an economically weaker nation (Ahmad 1995). The dominant nation is referred to as the center nation, and the weaker nation is referred to as the peripheral nation. At a national level, Ahmad (1995) explains a similar difference by defining the center as the small percentage of people within a nation that receive the larger distribution of income, whereas the periphery is that part of the population that receives the smaller portion of the total income. As shown in figure 1, a center nation has a larger center than a periphery nation.

**Figure 1. Illustration of Dependency Between Center Nations and Periphery Nations**

It has been argued that this difference in income leads to cultural imperialism, in that the center nation has the means not only to transfer goods to a periphery nation, but to transfer ideas through media as well. The transfer of ideas through media is considered the force behind cultural imperialism (Salwen 1991). Dependency theory assumes that a periphery nation automatically adopts the culture of a center nation due to media influences. Examples of a center nation imposing cultural imperialism on periphery nations are the global spread of McDonald’s and Disney. Recent media coverage on the “People’s Republic of China (PRC) is that it is becoming Americanized—not just Westernized, but Americanized.
The media continually measure the economic and cultural distance the Chinese have come in recent years in specifically American terms—the number of [McDonald’s] franchises per city, for example” (Wasserstrom 1998, p. 22). The spread of McDonald’s is more than just the growth of a particular fast-food restaurant, but a growth of a way of life. This is a process that is not attributed only to McDonald’s, but to the fast-food industry in general. The fast-food industry supports ideas of scientific management, efficiency, and standardization (Bryman 1999) all parts of a widened globalization phenomenon (Chronis and Hampton 2001). These ideas are considered American ways of life, and so the introduction of fast food is more than an introduction of a product, but that of culture as well.

A similar concept, Disneyization, refers to the extension of the theme park concept to other areas of society (Bryman 1999). Like McDonaldization, Disneyization assumes that United States-based concepts of conducting business are taking over ways of conducting business in other cultures. Disneyization, however, takes on a more postmodern flavor in dealing with the proliferation of signs, depthlessness, cultivated nostalgia, and difficulty in discerning authenticity and reality (Bryman 1999).

**Media Effects**

One reason cultural imperialism has become an issue can be explained through media effects theory. Media effects theory suggests that one culture dominates another culture through media (Salwen 1991). Benson’s (1996) review of the media effects literature showed that cultural imperialistic ideas of capitalism and individualism are transferred into the target country’s culture through U.S. television exports, films, and popular press. There seems to be two assumptions at play with this approach. The first assumption is that the United States is purposely transferring its ideas to other nations. The second assumption is that this transfer of ideas is actually catching on in a manner as intended by producers located in the United States. However, the media effects perspective does not satisfactorily investigate the final effects of media on the target culture (Salwen 1991). If a certain type of media message is accepted by a culture, how does it affect that culture? Does it change the culture of a periphery nation to match that of the center nation, or does the periphery nation change the message to match its own culture?

**Resistance to Media**

Resistance to media theory argues that individuals of different groups can and do construct their own meanings from media messages and cultural products. Thus, it refutes the central idea of media effects, which is the domination of periphery cultures through Western or center culture by use of the media (Roach 1997). One example of this adaptation is that of Brazilian soap operas. Brazil used to import soap operas from the United States, but after building their own structure for television shows, Brazil began showing their own soap operas, complete with Brazilian issues and problems. These Brazilian soap operas quickly gained popularity over the North American variety, and eventually replaced the North American soap operas. Although the genre is North American, the interpretation of it is Brazilian (Oliveira 1993).

**Ritual Theory**

The topics previously mentioned, media effects, media resistance, dependency theory, McDonaldization, and Disneyization all refer to some aspect or argument of cultural imperialism. These concepts help explain the effect of American products and services on foreign cultures, but they may not tell a complete story of resistance, adaptation, and change. Ritual theory may broaden our understanding of cultural imperialism by uncovering a social language that defines the right way to do things. Ritual symbolism abounds in culture, which can be used to establish social cohesion and an effective means for
regulating social conflict. Rituals bind people of an existing nation with a common set of symbolic practices (Otnes and Scott 1996; Rook 1985).

In order to show these social transformations, we present the ritualistic aspects of American business and industry operating abroad. Looking at ritualistic behavior within the context of American pop cultural products such as McDonald’s and Disneyland can help shed light on the issues surrounding the cultural imperialism debate. Ritual is embedded in Rothkopf’s (1997) definition of culture and helps explain how culture provides social order and barriers to imperialism. In his definition, Rothkopf indicates that culture is used by organizers of society to impose and ensure order, and the difficulty in eliminating cultural fault lines is often connected to the mystical roots of culture whether they are spiritual or historical. As a consequence, Rothkopf (1997) says that a threat to one’s culture often is interpreted as a threat to one’s god or one’s ancestors or to one’s core identity. Although not explicitly stated by Rothkopf, the underlying issue of cultural fault lines appears to be explained by ritual theory, which offers a precise framework for analyzing the meanings behind the barriers of resistance.

Rook (1985) mentioned that some definitions of ritual are unsatisfactory because they restrict ritual experience to religious or mystical contexts. Some authors have extended the definition of ritual to include everyday behaviors that are ritualistic in nature (Rook 1985, Rothenbuhler 1998). For example, if a man takes a woman out to dinner at a restaurant and presents her with a diamond ring, it can be inferred that the couple is involved with a type of ritual that is included in courtship. The restaurant and the ring become a part of this ritual, and thus can be considered ritual artifacts. Besides ritual artifact, Rook (1985) mentioned three other elements that are included in ritual. The second is a ritual script, which guides the use of the various artifactual materials, such as food, drink, and ceremonial garments. Those who are not familiar with the script can be embarrassed or alienated. For example, when participating in a ritual festival where food is involved, eating with the wrong utensil may result in embarrassment. The third element, ritual performance, refers to a performance by individuals for an audience. The script, mentioned earlier, usually involves specific instructions on how people conduct certain roles, in other words, dictates their performance. The fourth element is a ritual audience. For a ritual to take place, the performance must be for another person. Sometimes the audience can be real or imagined. For example, in order for a person to engage in a marriage ritual, a couple must be present to perform the ritual. This performance may not only be for the couple and the immediate audience members, but also for society at large.

One aspect of ritual that is important for this paper is that rituals are expressions of social relations (Rothenbuhler 1998). Ritual involves the use of modes of behavior, which are expressive of social relationships. The forms of ritual actions constitute symbols that often have among their reference, the social relations, orders, and institutions of a society in which the ritual is performed. For example, young couples use the McDonald’s in Japan as a place to meet and court. In this case, McDonald’s provides a place in which people can form and maintain important social relationships.

Another constitutive part of ritual is its sacredness when it is defined by reference to human activity. Sacredness in this context does not necessarily refer to reverence to an ultimate power, but it expresses the seriousness of the human experience. For Rothenbuhler (1998), serious life is the “enduring and ubiquitous recognition that some things are more important than others and that some ideas, symbols, and activities are so important that they deserve to be set aside and protected” (p. 24). This definition helps explain cases of national protests and restrictions on American efforts to establish businesses that may interfere with established rituals.

The structures of many rituals contain a liminal space. A liminal space is defined as a threshold between time or space (Rothenbuhler 1998). This liminal space is often space that people take from
ordinary experiences or from social roles. In this aspect liminality may refer to the temporary dismissal of social status, positions, and roles that can result in a sense of communitas (Turner 1969), which can often be established among complete strangers (Arnould and Price 1993). Communitas has been described as an extreme, yet fleeting sense of community that is felt by the participants. Communitas helps people create a shared sense of humanity, a phase in which each participant’s central humanity is not only recognized but also shared. Treise, Wolburg, and Otne (1999) use the social gift work of Driver to explain the transformational nature of rituals. In this sense, liminal is explained through escape, whereby participants are able to leave the tension caused by work and social pressures. For example, the Disney experience is rooted in hyper modern rituals, where even normal problems such as illness and death are erased from everyday life (Deegan 1998).

**Using Rituals to Analyze Cultural Imperialism**

Ritual aspects of consumption have been looked at through advertising and packaging (Otnes and Scott 1996), consumption experiences (Wallendorf and Arnould 1991), and group consumption behaviors (Arnould and Price 1993; Gainer 1995). Another way to look at rituals is by exploring ways that products and rituals interact together. One way to look at this interaction is by looking at ritual changes that people make to accommodate to American products, and how marketers attempt to adapt products in order to match existing rituals. Focusing on this interaction can help marketers match their products or services with specific cultures (Penaloza and Gilly 1999). By looking at changes in ritual, which is a specific dimension of culture, a whole new array of social meanings may emerge. Figure 2 looks at these social meanings and the interaction between the products and rituals in the form of a matrix. By looking at the interaction between ritual and American product usage, hidden themes can emerge that are capable of enriching the cultural imperialism discussion.

In essence, we investigate four possible interactions between the introduced American products and the target country’s existing rituals. These are dynamic product evolution, chameleon-type product, ritual conformity, and stalemate. Each of these quadrants is discussed in the next section under the “Ritual-Product Resistance” (RPR) Matrix for New Product Entry.

**Figure 2. The Ritual-Product-Resistance Matrix**

<table>
<thead>
<tr>
<th>Rituals</th>
<th>No Ritual Change</th>
<th>Ritual Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adapt</td>
<td>Dynamic Product Evolution</td>
<td>Chameleon-Type Product</td>
</tr>
<tr>
<td>Not Adapt</td>
<td>Ritual Conformity</td>
<td>Stalemate</td>
</tr>
</tbody>
</table>

**Dynamic Product Evolution**
Under this category there is a dynamic interplay between rituals and products where the product and the ritual evolve to take on different characteristics and meanings. This category describes products that are adapted to meet the needs and wants of the market as well as how the market adapts to use the product. This interaction between market and product can be described as dynamic product evolution.

In the same way, by looking at the market in terms of rituals we can distinguish the dual process whereby both the product and the market rituals change resulting in continuous evolution of the rituals that make use of the product. This interaction between rituals and the product advance to the point where a new meaning is created for both the ritual and product that was not previously anticipated. In this case, the American exported product is accepted but must slowly adapt in order to meet the ritual needs of the target culture. For example, it was reported on Islas Mujeres, a small island off the coast of Mexico, that female figures were painted on the walls of children as part of a ritual to celebrate the child’s first birthday. The feminine figures represented protection to the children. Although that ritual is still performed today, those feminine figures have been replaced with Disney’s Ariel. But it is not the same Ariel that American children are used to. She has darker hair and appeals more to the Mexican idea of beauty than that of the American idea of beauty (Weinbaum 1997). Both ritual and product (ritual artifact) have changed enough to be accepted within a certain culture.

Sometimes this change is so extreme that the locals see the product as one of their own, and if they see that product in a different country, even in a country where that product was originally developed, they are pleased to see a “piece of home.” For example, Japanese boy scouts visiting the United States were pleasantly surprised to see a McDonald’s in Chicago because it reminded them of fast-food rituals recognized from home (Ohnuki-Tierney 1997). McDonald’s is unique in this aspect because it symbolizes more than fast-food; it represents different things to different people in different points in their lives. In other words, the ritual of eating at McDonald’s with one’s colleagues, friends, or significant other extends beyond just eating to consuming an experience. The ritual artifacts offered by McDonald’s become so engrained to the ritual experience, that the ritual script, ritual performance, and ritual audience become so closely intertwined with the product that it becomes difficult to distinguish one from the other (Rook 1985).

**Chameleon-Type Product**

The chameleon-type product is described as the situation in which an attempt is made to change the product to match a ritual within society, but the people do not change the essence of the ritual to match the product. “Even those international brands that are known for their aggressive international marketing like Coca-Cola, Marlboro and McDonald’s take the salient cultural features of their target markets into account” (Van Elteren 1996a). One important aspect to remember about this category is that if a ritual accepts a new product that product becomes a ritual artifact, but the meaning of the ritual remains the same.

For example, the Korean wedding ritual has adopted western goods and practices over the years, but has maintained important aspects of the wedding. Korean wedding rituals involve several steps that include, “a marriage interview, ham-dli, engagement ceremony, wedding ceremony, pye-baek, wedding reception, and honeymoon” (Park 1997, p. 193). An example of western goods being adopted for Korean weddings is seen in the wedding reception. Park (1997) describes the wedding reception in the following passage:

> “After the wedding and pye-baek, the two families hold a reception for their relatives and guests who attended the ceremony. The traditional wedding menu consists of noodles, rice, cakes, pan-fried flat cakes, rice
wine, and other delicacies. Recently, Western menu items such as steaks and beer, served buffet-style, have become extremely popular” (p. 195).

This passage shows that although the reception aspect of the wedding ritual is still practiced in Korea, along with “traditional” food items, western food items such as steaks and beer have been introduced. As mentioned earlier, when a new product is introduced into a ritual, it may change the artifacts of the ritual, but the meaning remains the same.

**Ritual Conformity**

Ritual conformity is described as a situation in which there is no change made to a product in order to adapt to rituals of a target country, but the rituals within that country change because of the product. In other words, the product facilitates ritual transformations. For example, when McDonald’s first moved into Beijing, it was met with unusual success in the context of Chinese culinary culture because hosts of dinner parties saw McDonald’s as an equalizer. Banquets, which may be used in ritual settings, are highly competitive in China. In essence, banquets can be viewed as ritual performances whereby the hosts of such events attempt to save face by serving a better meal than other hosts at neighboring tables. Unknown to McDonald’s at this time was how such standardized food practices would actually play to the benefit of the hosts. These hosts did not need to save face while entertaining guests at McDonald’s because the product offerings were identical (Yan 1997).

**Stalemate**

There are some situations in which a company does not change its products to match rituals within a culture, and the people within that culture are not willing to change their rituals in order to accommodate the product. For example, when Disney went into Europe, there were some problems from the beginning. Several scripts of the French rituals were violated when Euro Disney first opened. One example is when Disney did not allow alcohol in its parks even though a glass of wine at lunch is a given in France. In addition, Disney officials expected the American ritual of taking the weekend off to be observed in France as well, which for theme parks in the United States is the busiest time of the week. But in reality, their busiest day was Monday, the beginning of the week. Another problem is that Disney expected Europeans to stay at the park for extended periods of time, but Europeans saw Disney, and other entertainment parks as day trips (Hill 1998). A stalemate would have occurred between Disney and France had the Disney executives not changed some product aspects after product introduction. But Euro Disney did not stay within this quadrant; they eventually changed some of their policies in order to modify the product offering to appeal to the different ritual scripts. As a result, they achieved success, but at an extremely high cost; a cost that other American companies may not have been able to afford. In Figure 2, we present a classificatory scheme to be considered for marketers who want to enter a new foreign country. The four quadrants represent distinct cases that might be encountered during the product introduction.

**The “Fit” Between Introduced Products and Rituals as a Criterion for Product Success**

In Figure 2, we present a classificatory scheme to be considered when entering a new foreign country. The four quadrants represent distinct cases that might be encountered during the product introduction. Based on the classification scheme we present using ritual theory, we developed suggestions concerning the potential success or failure of the adopted strategy. In our RPR Matrix, we have used local ritual and the introduced product as the two dimensions of the matrix. By considering the
possible ways that these two dimensions interact, we can conclude important theoretical assumptions. In
general terms, we propose the following:

Proposition: The better the fit between the new imported product and the local ritual
involved in its consumption, the more likely that the product will succeed.

The above proposition provides an alternative explanation to replace the existing simplified notion that an
exported American product should always be adapted to meet the local culture. Our proposition has two
advantages. First, instead of the abstract and difficult to empirically capture notion of culture, we use the
more specific construct of rituals. Second, a product does not necessarily have to change in order to
better fit the local culture. Success might be possible because the existing product does not conflict with
any existing part of the culture, or in our case, of any ritual involved.

Implications

The matrix presented in this paper offers theoretical as well as practical implications. For managers
entering markets with products used in rituals, as in ritual artifacts, understanding how the product
is used by the target culture, what scripts are involved, and what changes might need to be made to
conform to the ritual can mean the difference between acceptance and no acceptance. As the unit of
analysis, rituals can help managers understand the cultural phenomena embedded in certain cultural
situations and settings. Based on our proposition, any U.S. company exporting its products can
determine the degree to which its products will be accepted by the local culture. In other words,
this proposition asserts that companies can measure potential product success by assessing a
product-ritual fit. In the case of the Dynamic Product Evolution examined above, a marketing
manager willingly makes an effort to adapt to the local rituals. At the same time, there is a ritual
transformation to meet the consumption of the new product. Thus, the task of the manager is dual.
On the one hand, s/he should skillfully design and position the new product for the local customs.
On the other hand, s/he should pay attention and facilitate, if possible, the appropriate ritual
adaptation in order to meet the introduced product. Both of these actions are responsible for a good
fit between the new product and the existing rituals. The task of the marketing manager is then
reduced to the planning and positioning of the product. In the case of Chameleon-type products,
where the local ritual remains unchanged, the manager’s only concern is how to better design and
position the product so that it will fit with the effected local ritual. In the case of Ritual
Conformity, the introduced product is not adapted to the local culture. The marketing manager in
this case should pay close attention for a smooth and appropriate transformation of the local ritual
so that it will not evoke complaints for cultural imperialism. This smooth transformation implies
that there will be no sudden and disruptive conflict between the product and the local culture. In
the quadrant of Stalemate products, neither the introduced product nor the local rituals change to
adapt to a new market situation. We can distinguish between two cases. If the new product
involves local rituals, then the chances of success are minimized and notions of cultural imperialism
come to the surface. If local rituals are not involved, then a close examination is needed to find out
if new rituals are introduced together with the new product. If this is the case, then marketing
communications should be carefully designed to diffuse the new rituals.

But how would a manager know in advance if a ritual were involved? As we have already
defined rituals, we refer to “the voluntary performance of appropriately patterned behavior to
symbolically effect or participate in the serious life” (Rothenbuhler 1998, p. 27). Thus, a potential local
ritual can be identified based on the following characteristics. First, it refers to an appropriate patterned
behavior; it is not an idea or any other non-behavioral phenomenon. Second, it involves a (public)
performance; a ritual should occur for a specific audience. It is a social phenomenon. Third, it is voluntary; a ritual cannot involve a behavior imposed on a person by somebody else. Fourth, the effect or the purpose of the ritualistic performance has a symbolic meaning. A ritual is not performed for a professional, functional, or any other utilitarian reason. Fifth, the ritualistic behavior involves the serious life. In other words, it has an importance that deserves to be set aside and protected.

When a researcher understands the current use of rituals embedded in a local culture, the researcher can better understand the existing social order in that culture, which can be used as tools to maintain the status quo or change the existing social order. As forms of behavior, rituals are very slow to change. In this case, rituals function to maintain the status quo. However, rituals, like all other forms of communication or cultural expressions, are open to interpretation because of the gaps or fault lines between cultures. In such cases, managers are prone to misinterpret foreign cultures and therefore may provide inappropriate or unsuccessful products. To the extent that rituals are conceived as symbolic expressions of social order and provided that we give the right interpretation, they constitute an effective tool to manage social change. An example that shows both social change and maintenance of status quo is provided by McDonald’s in Japan and its impact on the two major taboos found in the ritual of eating. One aspect of this ritual is to avoid touching the food with their hands. This aspect of the ritual script was not affected or altered by the introduction of McDonald’s hand-held foods because participants ate burgers in the paper wrapping or used toothpicks to eat sliced portions. However, McDonald’s did directly influence another ritual script. This script prescribed the way people should position themselves while eating. The former eating script indicated that people should sit on their feet. After the introduction of McDonald’s, Japanese can now be seen eating while standing (tachigui), despite the fact that such ritual scripts were seen by Japanese to be more appropriate for animals than humans.

Limitations

In this paper we have considered only the rituals embedded in the local culture. However, a ritual can also be incorporated in the exported product itself. Therefore, one limitation to this study is not including exported products that are, by themselves, rituals. As an example, Deegan (1998) contends that Disneyland Paris (Euro Disney) was actually an export of a ritual. She further says that the appeal of American rituals is due to their fun nature, which are embedded with core codes of American ideals, such as sexism and capitalism, which may provide an alienating experience for those involved. These core codes provide an alienating experience for the consumers because the codes represent the interests of the corporate elite and not the interests of the consumer. With this in mind, our matrix could have been extended to include the interaction of American rituals with rituals from a target country.

Another limitation is the difficulty of actually identifying rituals. Rituals are defined by the audience, and not necessarily subject to interpretation by researchers. In other words, what a researcher may define as a ritual in a certain culture may actually not have much meaning to those involved, and, thus in reality, is only a habit, custom or some other form of repeated behavior. It is for this reason we suggest that an empirical investigation be completed in order to give a clearer picture of both the exact rituals and their interactions with the imported products. In other words, we can first identify the types of rituals and then the cultural implications. This is a call for more research on cultural imperialism within the field of marketing using several different methods, such as ethnography and survey, to investigate the rituals involved with countries and how products interact with these rituals.

In sum, the use of a ritual framework is only one way to shed light on product acceptance into local cultures. Other items should also be considered, including cultural and economic factors. A ritual
framework is only suggested for product entry into cultures where a distinct and observable ritual is at play.

Conclusion

This paper has attempted to show that one of the underlying reasons for resistance of American products is due not only to culture but the rituals embedded in culture. We formed a matrix using ritual as a unit of analysis that helped us categorize various forms of interaction between ritual and product, which helped shed light on the reaction towards products introduced by the United States. This matrix showed why some people might show resistance and resentment towards American products, especially in cases where the product does not adapt to meet the rituals, and why people refuse to change their own rituals to match the product.

This matrix should not be interpreted as a static phenomenon. On the contrary, the relationship between product offerings and rituals are quite dynamic, as negotiations between the company, country officials, and consumers are ongoing processes. In other words, a company found in one quadrant of the matrix at one point in time may later find itself in another quadrant due to changes in product, ritual, or both. Although this relationship is dynamic, the ritual/product matrix was introduced as a static model with the hope that this issue would be taken beyond this paper. One area that may be of interest is when citizens of a country do not initially accept an American company, but later in the future, people of that country accept the product offered by that company. This episode occurred in the case with Euro Disney.

What kind of empirical study would marketers have to undertake to decide whether or not ritual is involved in the marketing or consumption of products? The identification of local rituals is not an easy task for somebody situated outside that culture. Research has indicated that one useful method for studying rituals is utilizing a set of ethnographic tools (Tetreault and Kleine 1990). Of course several different tools, such as observation and in-depth interviews, as opposed to only using one tool, is recommended so as to cover a larger array of evidence (Hall and Rist 1999). In addition, some researchers have used both quantitative and qualitative methods, and by doing so, have had better success in shedding additional light on research questions (Price and Arnould 1999).

References


Global Media Representations of Women in Sport

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Introduction

Organized sports are one of the fastest growing cultural practices in the world (Sage 1990). Evidence lies in the increasing focus on developing elite athletes for international sports competitions such as the Olympic Games, Pan-American Games, the British Commonwealth Games, the Asian Games, the African Games, and the Third World Games. Sports are used on the international level as a means to assert national prestige and gain respect in the world community. In every society the dominant groups (i.e., business, commerce, government, education, mass media), intervene and influence cultural values, beliefs, and practices to represent their own interests.

Of particular interest is the ways in which these dominant groups perpetuate existing gender ideology through sports, an ideology that celebrates male domination and female submission. In support of the notion that gender is socially constructed (Deaux, Kite and Lewis 1985, Lorber 1994, Spence 1993), the focus of this study is on print media and the representation of sports as a means for socially constructing values and ideologies in society. The authors examine the representations of first-, second-, and third-world female athletes in print media. In addition, this study explores the complex relationship between gender ideology and women’s participation in sports.

Gender and Sports

Throughout history, gender has played an important role in shaping and orchestrating individual activities as well as group experiences. Although the idea that gender affects attitudes, perceptions, and behaviors has received some attention in the marketing literature, the focus has been primarily limited to sex differences (e.g., Bartos 1977; Caballero and Pride 1984; Gilly 1988; Schul and Wren 1992). Few marketing scholars treat gender as a complex social-psychological construct (e.g., Fisher and Arnold 1990, 1994; Stern 1988).

Gender is one of the most potent social categories and principles by which people organize and understand the complex world in which they exist. Gender describes the traits and behaviors regarded by a culture as appropriate for women and men. Gender is a social label and not solely a description of biology (Unger 1979). Biology is not destiny and biology is one factor in a multifactor equation (Lorber 1994; Unger 1979; Valian 1998). What are recognized as valuable contributions to society; how a society’s resources are distributed; and the judgments as to what attitudes and behaviors should be rewarded or punished, are in part, a function of psychological and social gender.

Competitive sports have traditionally been sanctioned as a masculine domain and are considered one of the most important arenas for the production and expression of gender (Theberge 1997). As one author stated, “women should … be prohibited from sport: they are the true defenders of the humanist values that emanate from the household, the values of tenderness, nurture and compassion, and this most important role must not be confused by the military and political values inherent in sport. Likewise sport
should not be muzzled by humanist values: it is the living arena for the great virtue of manliness (Carroll 1986 p. 98).

Sports can be viewed, or defined, then, as a gendered product. Gendered products are associated with a predominantly masculine or feminine image. This association is the result of gender socialization rather than a natural innate affiliation between one’s sex and the consumption of the product (Costa 1994; Deaux and Major 1987; Fisher and Arnold 1990, 1994; Spence 1993; Therberge 1985). Evidence for this perception can be seen as early as the 1890’s. Pierre de Coubertin, founder of the modern Olympic games stated,

“The Olympic Games must be reserved for men … we must continue to try to achieve the following definition: the solemn and periodic exaltation of male athleticism, with internationalism as a base, loyalty as a means, art for its setting, and female applause as its reward.” (Canadian Association for the Advancement of Women and Sport and Physical Activity, http://www.caaws.ca/milestones)

An important outcome of the gendered nature of sports is the effect on individuals’ overall experiences with sports. Participation is constrained by perceived sex appropriateness of the sport, the sex of the individual, and the existing gender ideology (Koivula 1995; Matteo 1986, 1988). For example, weight training, a masculine sport, is effective in reversing and/or preventing some of the damaging effects of osteoporosis, a disease that affects millions of women world-wide. Yet, many women will not participate in weight-lifting exercises due to the fear of building too much muscle, a condition perceived as unfeminine or masculine (McCabe, Joyce and Lambert 1997).

In addition to the gendered nature of sports, the degree of masculinity of a culture can have a significant influence on its society. Hofstede (1980 cf. ch. 6) states that masculinity stands for a preference in society for achievement, heroism, assertiveness, and material success and its opposite, femininity, stands for a preference for relationships, modesty, caring for the weak, and the quality of life. This fundamental issue addressed by this dimension is the way in which a society allocates social (as opposed to biological) roles to the sexes. The dimension is not a question of what is considered to be masculine attributes and feminine attributes, rather it relates to the issue of society’s emphasis.

Support for the dominant sport ideology is communicated in the mass media’s portrayal of women in sports and in the language used to define women in sports. Blinde, Greendorfer, and Shenker (1991) comment that media productions of women’s sports tend to ignore women’s athletic ability and success and use stereotyped language and visuals. Examples of such language in sports include gender marking (e.g., using ‘Lady’ or ‘ettes’ as part of the team name), referring to female athletes as ‘girls’, and focusing media coverage on women’s physical attractiveness or marital status. For example, The Boston Globe, July 4, 1999, reported that, “David Letterman calls them (Women’s US Soccer Team players) ‘Babe City’, and has sex symbol Brandi Chastain on for late night chitchat. The Babes of Summer have become America’s instant heartthrobs (Powers 1999 p. D1).”

Based on the previous discussion, the following relationships are proposed:

**Proposition 1:** Countries higher on the Masculinity-Femininity dimension (more masculine) publish fewer periodicals focusing on women in sports.

**Proposition 2:** Countries higher on the Masculinity-Femininity dimension portray women athletes in more traditional, stereotypical ways.

**Proposition 3:** Countries higher on the Masculinity-Femininity dimension have fewer women participating in organized sports in general, and masculine sports in particular.
Assessing power differences for women within and across national borders is an additional means for comparing media coverage of women’s sports and participation rates in women’s sports. Hargreaves (1999) suggests that the elite women of the Third World—who enjoy power and access equal to their counterparts in the West—have failed the majority. In order to comprehend the impact this has on women’s participation in sports two distinct levels of power relations must be considered. The first level addresses the relations of power between dominant and subordinate groups within each country (e.g., men versus women, elite women versus marginalized women). And the second level focuses on power relations between dominant Western women and those from developing worlds. Therefore, the following are proposed:

**Proposition 4:** In developed countries, women in general, and minority women in particular are underrepresented in sports publications.

**Proposition 5:** In developing countries, sports publications depict a significant number of images portraying Western women athletes.

**Proposed Methodology**

In order to assure a fair representation of the Masculinity-Femininity spectrum, several countries were selected for analysis based on their Masculinity Index Scores (MIS) (Hofstede 1980). The higher the index score, the higher the social differentiation between the sexes. Countries selected include Japan MIS = 95, Great Britain including England, Scotland and Wales MIS = 66, Philippines MIS = 64, United States MIS = 62, Greece MIS = 57, France MIS = 43, and Thailand MIS = 34. The sampled countries also represent a spectrum of economic development from advanced (i.e., Japan, US, France) to newly developing (i.e., Philippines, Thailand) economies. Disparities in economic development are important when considering Propositions 4 and 5.

For each country selected, sport related periodicals will be content analyzed based on the following criteria: 1) Target audience (men versus women, socioeconomic status); 2) Pictorial portrayal of women (traditional versus egalitarian, athletes versus other women); and 3) Text portrayal of women athletes (language used, traditional versus egalitarian). In addition, girls’ and women’s sports participation rates, ranging from recreational to elite status, will be gathered for each country assessed.

**Implications**

Hargreaves (1999) suggests that sport is a channel of empowerment for women throughout the world. Yet, it is necessary to understand, transcend, and change the existing sets of power relations that exist for women and to include women from under-privileged backgrounds and involve them in a process of reconstruction. This study provides a first step in understanding the global relationship of power between women athletes and the media. For both developed and developing countries, it is important to explore the internal divisions existing in society, divisions based on gender, race, language, religion, which affect women’s opportunities in sport and separate women with different social and ethnic backgrounds from those who speak on their behalf (Hargreaves 1999).

Participation in sports is a quality of life issue. Participation in sports is vital in providing women with a chance for psychological well being, improved physical health, a means for expression, and a chance for freedom (Miller Lite Report on Women in Sports 1995). With a more complete understanding of the factors that affect women in sports, strategic initiatives can be implemented focusing on increasing women’s participation in sports world-wide.
“Freedom is not merely the chance to do as one pleases; neither is it merely the opportunity to choose between set alternatives. Freedom is, first of all, the chance to formulate the available choices, to argue over them—and then, the opportunity to choose (C. Wright Mills 1959).”

1 Although Hofestede’s (1980) Masculinity Index is utilized for this study, a bi-polar perception of masculinity-femininity has been challenged by several scholars (e.g., Fischer and Arnold 1990, 1994; Gainer 1993; Spence 1993). The authors (McCabe and Conway Dato-on) are currently in the process of developing a cross-cultural gender measure based on the assumptions of gender identity theory (Spence 1993) which treats gender as multifactorial construct.
References


Canadian Association for the Advancement of Women and Sport and Physical Activity, http://www.caaws.ca/milestones.


A Costing Model of Housing Well-Being

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Abstract

Housing well-being has been elusive to measure. Many variables contribute to well-being with regard to a home. This session examines a costing approach to consumer well-being. It is proposed that consumer well-being is achieved when consumer costs and societal costs are reduced. Costs are both subjective and objective. Consumers subjectively justify the additional costs of desired house features, for example, a one-story house versus a two-story house. Other costs are more objective, for example, monthly utility costs.

In this presentation I propose developing a set of measures of housing well-being by incorporating consumer subjective assessments and expert assessments of housing costs. The expert measures provide an objective view of housing well-being. Ten indices of the expert measures are suggested. These are: (1) overall performance index, (2) maintenance cost index, (3) overall health index, (4) price index, (5) finance cost index, (6) utility cost index, (7) light index, (8) density index, (9) site index, and (10) location index.

Consumer subjective measures of housing well-being are also developed in the form of attitudinal statements about the housing cost. These statements cover four basic dimensions of housing well-being, namely (1) performance, (2) health and safety, (3) financial, and (4) social/psychological costs.

A composite index is computed by standardizing both subjective and objective ratings and averaging those scores. This index should allow for a more complete view of housing well-being using a costing theoretical perspective.
Marketing Multipliers For Economic Development

A.Coskun Samli, University of North Florida

Abstract

This paper explores the possibility of developing a theory of marketing multipliers. This theory revolves around certain key assertions that are extremely critical for future research. It is posited that a marketing multiplier is greater than the economic multiplier. Similarly, such a multiplier is greater in less developed countries (LDCs) and hence can be used effectively in their economic development. Finally, the marketing multiplier would have a major impact on the quality of life (QOL), particularly in LCDs. The paper presents future research avenues that are critical both from economic, as well as QOL perspectives.

Introduction

The role of marketing in economic development has been an important topic of discussion particularly among macro marketing specialists. The earlier studies have worked primarily with existing institutions, e.g. the distribution systems, communication systems, and political structures (Drucker 1958, McCarthy 1963, Slater 1976) and credited marketing for improving the distribution system in a society or increasing the overall efficiency of the economy by developing a well functioning supply chain.

The author maintains that marketing can play a much more proactive role in economic development than the traditional role that has been attributed to it. It could selectively stimulate the industries, which would make the greatest contribution to the economy. This paper has three key objectives. First, it explores the possibility of having a marketing multiplier and it explores the areas where that marketing multiplier would differ from the conventional, standard economic multiplier. Second, it examines the alternatives how and why the marketing multiplier would have a different impact in developed versus less developed countries. Third, it explores if emphasizing the distribution system, as part of the marketing multiplier, in less developed countries generates greater economic benefits than developed countries.

Marketing Multiplier

Late Lord Keynes originated the theory of economic multiplier. He posited that employment is dependent on the total sum of expenditures, which is the total sum of investment and consumption. He further asserted that investment depends on the marginal efficiency of capital and consumption depends on the size of consumers’ net income and their propensity to consume (Dillard 1948, Keynes 1936). A high propensity to consume, which is the tendency on the part of consumers in a society to buy products to improve their QOL, is a strong stimulant of employment and economic growth in a society. Thus, the higher the propensity to consume, the larger is the multiplier and economic growth.

Marketing stimulates propensity to consume because it is based on proactive demand cultivation. Advertising and other promotional activities, almost by definition, encourage consumers to buy. At that moment propensity to consume goes up. If the marketing activity were to be focused on the stimulation of a particular industry demand that creates more jobs and expands the economic base faster, then it can be assumed that the marketing multiplier is greater than the average economic multiplier. Three key points must be made here. First, some industries contribute to the economic growth more than others. Second, marketing multiplier can stimulate these industries faster. Third, in times of need for faster economic activity such as recessions, a centrally planned and administered marketing multiplier would work better than both monetary and fiscal policies. Although a case can be made about the marketing
multiplier being greater than the economic multiplier, the marketing multiplier is even greater on less developed countries (LDCs).

**Marketing Multiplier in LDCs**

Marketing multiplier, it is maintained here, is greater in LDCs. If this premise is accepted, then it will be reasonable to claim that marketing multipliers may even play a greater role in the QOL of the country than its economic impact. Exhibit 1 explores how the 4Ps of marketing contribute to the multiplier in developed versus less developed countries. The exhibit implies that marketing multiplier has a greater far reaching impact. This impact indicates the presence of a greater marketing multiplier.

In terms of product, in less developed countries, many important products such as medication or computers are scarce. Therefore, they make a more far reaching impact on the economy, as well as the people’s well being. In developed countries the typical product developments are marginal and therefore are not quite effective.

The distribution system in developed countries is rather advanced. Expanding and maintaining are not as difficult as developing the system from scratch. Particularly the logistics systems are not developed in LDCs. The development of such a system will contribute positively to all industries. Therefore, again, the distribution systems’ contribution to the economy and to people’s well being is greater in the third world countries.

Promotion may be considered slightly more important in the developed economies since communication systems are more crowded and complex. Furthermore, not only information, but also the persuasion impact of promotion is critical in these countries. Informing the consumer to learn more and act more wisely however, may improve the QOL in less developed countries even if the economic contribution may not be as great.

Finally, pricing for profit in developed countries may call for price-volume combination to be optimized. Since we are pricing an already stimulated demand through strong promotion, proper pricing would yield results greater than simple economic multiplier. In less developed countries it may be more important to produce and sell as much as possible. Even though not as profitable, a far reaching pricing strategy will enable the third world country to create more employment and more ownership that may be very critical for the improved quality of life.

**Conclusions**

Although theoretical, this paper makes a number of assertions that are critical to the future of third world economies and marketing, as well as QOL research.

First it is maintained that marketing multiplier is greater than economic multiplier. Second, it is stated that the marketing multiplier in LDCs is greater than the developed markets. This is primarily due to the contribution of product decisions and logistics. Finally, the paper posits that the larger marketing multiplier may be even more important in generating objective QOL. These three propositions are very critical to identify the future research avenues.
Exhibit 1
THE TOOLS OF MARKETING

<table>
<thead>
<tr>
<th>Tools</th>
<th>Multiplier in developed markets.</th>
<th>Multiplier in less developed markets.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Decisions</td>
<td>Too much emphasis on routine line extensions. The QOL impact is minimal.</td>
<td>More emphasis on important and lacking products that will impact QOL.</td>
</tr>
<tr>
<td>Distribution</td>
<td>Maintaining and expanding the infrastructure is critical for some industries and regions.</td>
<td>Developing the infrastructure is essential for all industries and regions.</td>
</tr>
<tr>
<td>Promotion</td>
<td>Informing and stimulating consumers to make better decisions is critical for the whole economy.</td>
<td>Particularly, informing the consumer to learn and act accordingly is very beneficial.</td>
</tr>
<tr>
<td>Pricing</td>
<td>Pricing for profit optimization is typical. Volume and price combination can yield best results.</td>
<td>Pricing for the largest outreach in the market would enhance employment, growth and ownership.</td>
</tr>
</tbody>
</table>

References


Capturing More Satisfaction: Applying a Modified Guttman Scale Development to the Problem of Inadequate Satisfaction Measurement

Alexandra Ganglmair, University of Otago

Abstract

Customer satisfaction is the cornerstone of the marketing concept. Research interests in the last two decades have been largely concerned with causes of satisfaction while definition and measurement of the concept got little attention. Negative skewness is one of the major problems with current satisfaction scales. A second critique is the unclear and weak meaning of the word satisfaction. It is suggested that a modified Guttman scale for consumer satisfaction could capture the respondents positive emotions towards a holiday experience better than currently used satisfaction scales.

Introduction

Customer satisfaction is regarded as the cornerstone of the marketing concept. It is one of the most widely studied and embraced constructs in marketing. (Peterson & Wilson 1992). Although satisfaction is considered to be “one of only a few key building blocks in marketing philosophy, theory, and practice” (Babin & Griffin 1998, pg. 127) specific research interest in the topic is relatively new and started in 1965 with Cardozo’s classic article (Giese & Cote 2000; Oliver 1989). The concept gained rapid interest and between approximately 1982 and 1992 more than 15,000 academic and industry articles have been published (Peterson & Wilson 1992). The area of relationship marketing has emphasized consumer satisfaction, this time as a key measure of marketing performance (Babin & Griffin 1998) and in recent years proposals for widening consumer satisfaction into consumer well-being and life satisfaction have emerged not only in the quality-of-life literature but also in classic marketing journals (Fournier & Mick 1999).

However, a clear definition of satisfaction has not been the point of interest when research is undertaken. The majority of articles deal with things that cause satisfaction while articles focusing on precise conceptualization of consumer satisfaction are few and tend to be more than 10 years old (Babin & Griffin 1998).

Giese & Cote (2000) mention twenty different conceptual and operational definitions used in the consumer satisfaction literature. The summary of their literature review reveals the lack of a clear meaning of satisfaction. They found that satisfaction is viewed as:

1. some type of affective, cognitive, and/or conative response
2. based on an evaluation of product related standards, product consumption experiences, and or purchase-related attributes
3. expressed before choice, after choice, after consumption, after extended experience, or just
about any other time a researcher may query consumers about the product or related attributes (Giese & Cote 2000, p.18).

**Satisfaction and Quality-of-Life**

Quality-of-life research broadens consumer satisfaction to human happiness or life satisfaction (Shaw 1997). Studies examine the contribution of marketing to life satisfaction, especially with whole life domains like job or leisure satisfaction (Neal, Sirgy & Uysal 1999). However, Fournier & Mick (1999) claim that researchers being interested in quality-of-life and life satisfaction rarely relate their ideas to product satisfaction and focus on ethical issues or public policy content instead.

The connection between quality-of-life and consumer satisfaction has been mentioned several times (e.g. Oliver 1996) but the direction of the relationship seems to be unclear: service/product satisfaction either contributes to life satisfaction (Diener & Fujita 1995) or life-satisfaction is an influencing factor in service/product satisfaction (Fournier & Mick 1999). It is logic to assume that the relationship is reciprocal.

Although there is no doubt that a connection between quality-of-life and satisfaction exists, theoretical or empirical attention of the concept is hardly found. Studies in mainstream marketing journals only recently emphasize the influence of quality-of-life on customer satisfaction (e.g.: Fournier & Mick 1999).

**Some Problems with Satisfaction.**

Satisfaction research in its current status shows several shortcomings. Since the early 1970s satisfaction research has largely focused on theoretical determinants of satisfaction with a majority of research being variations of Oliver’s (1980) expectancy – disconfirmation model. Modifications mainly add new predictor variables to provide greater explanatory power (Halstaed, Hartman & Schmidt 1994). Only recently, researchers have started to question the way we look at consumer satisfaction (Arnould & Price 1993, Babin & Griffin 1998, Fournier & Mick 1999, Giese & Cote 2000) and a process of rethinking satisfaction has started.

**Negative Skewness**

One problem when dealing with satisfaction research is its distribution and skewness. “Virtually all self-reports of customer satisfaction possess a distribution in which a majority of the responses indicate that customers are satisfied and the distribution itself is negatively skewed” (Peterson & Wilson 1992, p.62). Subsequently these observed ceiling effects reduce the possibility of uncovering group differences and limit the suitability of commonly used data analysis techniques (Diener & Fujita 1995). That phenomenon does not only occur in consumer satisfaction, it is also observed in life-satisfaction research where negative skewing is the rule rather than an exception (Diener & Fujita 1995). Negatively skewed distribution in consumer satisfaction including life-satisfaction has been frequently overlooked (Peterson & Wilson 1992) although observations of the phenomenon are discussed in several articles (Diener 1984; La Barbara & Mazursky 1983, Oliver 1981).

A large number of possible explanations for this special characteristics of consumer and life satisfaction has been investigate but none of them seem to be conclusive and sufficient (Diener & Fujita 1995, Peterson & Wilson 1992). One obvious explanation is that the scales used for measuring satisfaction do not have a sufficient number of categories, especially on the positive (highest) end
However, the phenomenon of skewed satisfaction data is not as simple. Westbrook (1980) used an 11-point scale to measure satisfaction but several of his investigated product categories still show a considerably skewed distribution.

The use of high-end, extreme response anchors could also lead to less skewed results but reports are not conclusive. While Diener and Fujita (1995) suggests that they somewhat reduce this phenomenon in quality-of-life research, Peterson and Wilson (1992) report that a majority of studies using high-end response anchors like e.g. ‘completely satisfied’ still produce highly skewed data in product and service satisfaction.

Other research was aimed to overcome these shortcomings by changing the anchor of the measurement scale. Westbrook (1980) tested the delighted-terrible scale against several variations of ordinarily used satisfaction scales as well as contend analysis of free responses to unstructured questions. Although he concludes that the delighted-terrible scale is suitable for measuring satisfaction (Westbrook 1980) its use has been limited.

When using multi-item satisfaction scales a similar problem of negative skewness is experienced, although their ceiling is theoretically much higher (Peterson & Wilson 1992).

The Different Meanings of Satisfaction

As has been discussed, the lack of precise definition and conceptualization of satisfaction leads to different meanings of satisfaction in closely related research areas. e.g.: Quality-of-life literature generally considers satisfaction as a more cognitive attribute and relates emotional responses to other variables (e.g. happiness, positive affect etc.) (e.g. Diener & Fujita 1995, Crooker & Near 1995), service quality research on the other hand generally considers quality to be cognitive, while satisfaction is the emotional side of the evaluation (Iacobucci, Grayson & Ostrom 1994), consumer satisfaction research is said to have primarily focused on cognitive processes and only recently feelings and emotions have received more attention (Wirtz & Bateson 1999).

What is labeled as satisfaction research may therefore often be more accurately referred to as perceived performance, disconfirmation or happiness research (Babin & Griffin 1998). The fact that contentment and pleasure are regarded to be the closest synonyms for satisfaction and used interchangeably (Oliver 1989) further contributes to the confusion. Oliver (1989) acknowledges the wide and diverse use of satisfaction and suggested that five different modes of satisfaction exist: contentment, pleasure, relief, novelty and surprise (Oliver 1989). Specific definitions are further difficult as satisfaction as all emotional constructs is ‘fuzzy’ (Babin & Griffin 1998).

The ‘fuzzy’ concept of satisfaction is not only apparent in marketing but also in the English language in general. According to The Oxford English Dictionary meanings of satisfaction with reference to desires or feelings are:
Table 1: Satisfaction with reference to desire & feeling in the Oxford English Dictionary
1989, pp.502-505

<table>
<thead>
<tr>
<th>Subcategory</th>
<th>Definition</th>
</tr>
</thead>
</table>
| Satisfaction | - Satisfied or contented state of mind; now usually, gratification or pleasure occasioned by some fact, event, or state of things … or  
- A particular instance of satisfaction; an experience, fact or circumstance that occasions gratification … or  
- (Psychol.) The satisfying of a need or desire as it affects or motivates behavior … to satisfy To meet or fulfil the wish or desire or expectation of; to be accepted by (a person, his taste, judgement, etc.) as all that could be reasonably desired; to content … or  
- in passive, to be content, to find it sufficient, desire or demand no more than . Also in a stronger sense, to be well pleased … |

The meaning of satisfaction in the English language in general seems to be rather weak. This is also apparent when a thesaurus is consulted (Kirckpatrick 1987).

Table 2: Synonyms for satisfaction in Roget’s Thesaurus (1987)

<table>
<thead>
<tr>
<th>Synonyms for … … found in sub-category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction</td>
</tr>
<tr>
<td>observance</td>
</tr>
<tr>
<td>payment</td>
</tr>
<tr>
<td>enjoyment</td>
</tr>
<tr>
<td>content</td>
</tr>
<tr>
<td>approbation</td>
</tr>
<tr>
<td>atonement</td>
</tr>
<tr>
<td>propitiation</td>
</tr>
<tr>
<td>satisfactory</td>
</tr>
<tr>
<td>not bad</td>
</tr>
<tr>
<td>contenting</td>
</tr>
</tbody>
</table>

In a marketing context recent studies come to the same conclusion (Fournier & Mick 1999, Giese & Cote 2000). When people are interviewed and asked to define satisfaction the majority changes the term to a more affective one e.g. happy, feel good, like it etc. (Giese & Cote 2000). A different intensity of satisfaction is thereby clearly expressed in different adjectives. Consumers may have more extreme positive responses than the previously suggested happy or contented (Giese & Cote 2000).
To be satisfied with a product or service is hardly the most extreme point on a scale of possible positive emotions. Satisfaction could be regarded as the midpoint of a scale. Even an extreme attribute (e.g. very, extremely, completely) in front of the word satisfied might not lead to a sufficient discrimination at that high end of the scale.

Despite these obvious reasons for further research only a few articles focussing specifically on construct validity and measurement of satisfaction have appeared in top marketing journals. Studies from the early 1980s by Oliver and/or Westbrook are the most commonly cited sources for satisfaction scales ((Oliver 1980, Oliver 1981, Westbrook 1980 and Westbrook & Oliver 1981) c.f. Babin & Griffin 1998).

Satisfaction research clearly requires further conceptualization and the development of precise measurements. The current research intends to develop a satisfaction scale that avoids negative skewness by finding new, more emotional expressions for positive feeling(s) in the post-purchase / post-consumption evaluations.

**Scale Development**

The definition and classification of objects is vital to the development of social sciences (Stouffer 1950). Scaling is employed for three different purposes, namely to test a hypothesis, to describe a data structure by uncovering the underlying latent dimension and finally to develop a unidimensional scale on which individuals can be given scores (McIver & Carmines 1981). The current research focuses on the third point mentioned: the development of a unidimensional scale.

Unidimensional scaling is used in those situations where a single, fundamental dimension is underlying. Multidimensional scaling on the other hand allows for the possibility that there is more than one dimension in a set of observations. (McIver & Carmines 1981)

Recently multidimensional scaling is used in a majority of studies as it implies greater power and flexibility. However, as McIver and Carmines (1981) state: Unidimensional scaling techniques are easier to understand and apply. They are a necessary prior step to multidimensional scaling and a thorough knowledge of unidimensional scaling models is necessary for the understanding of complex multidimensional models. Furthermore, the majority of hypotheses in social science require a unidimensional concept as multidimensional concepts “are too ambiguous in terms of their meaning, too difficult to measure in a clear and precise manner, and too theoretically oriented itself” (McIver & Carmines 1981, p.14). Unidimensional models are therefore especially useful for scaling persons or subjects.

McIver & Carmines (1981) further state that multi-item scales which are an aggregate of more than one attribute are superior over single item scales, as a single item scale leads to less valid, less accurate and less reliable results and does not provide sufficient information for the researcher.

The current research therefore aims to develop a unidimensional multi-item scale for satisfaction/positive emotions towards the last holiday experience.

Three scale types are commonly mentioned in the context of unidimensional scaling: Thurstone, Likert and Guttman scale (e.g. McIver & Carmines 1981, DeVellis 1991, Anastasi 1988).

Likert scaling (Likert 1932) was developed as a response to the earlier technique of Thurstone (Thurstone 1927). Guttman (1944) developed his scale – called Scalogram - as a critical alternative to these earlier methods (McIver & Carmines 1981).
Guttman scaling is supposed to provide a method for testing a series of qualitative items for unidimensionality (Guttman 1950) whereby both items and subjects are scaled with respect to an underlying dimension (McIver & Carmines 1981).

Why it Has not Been Done

The obvious question is why Guttman scales, that have been used in so many areas have hardly been used in a marketing context and not been used regarding consumer satisfaction. A search on databases SSCI and PCI did not come up with articles dealing with Guttman scale and consumer satisfaction research in a marketing context.

One explanation why Guttman scale has not been used in consumer satisfaction research could be that the scaling method was particularly popular before consumer satisfaction became a major research area (1940 to 1960 for Guttman and mid to late 1960 to present for satisfaction research).

Furthermore, several articles in marketing have shown that the conceptualization and measurement issues have been widely neglected in the satisfaction research of the last two decades. The main research emphasize was on things that cause satisfaction, and less investigation about what is satisfaction was used.

A third possible explanation is that the development of powerful computer has made multidimensional scale development and complex data analysis possible. Complex techniques have been used although the proper use and necessary statistical knowledge behind these techniques is sometimes questionable. Furthermore it has been mentioned that a thorough knowledge of unidimensional scaling techniques is necessary before multidimensional scaling should be used.

A Modified Guttman Scalogram

A Guttman scale exists if attitude scale items can be ordered along a continuum of intensity (e.g.: I have been: not satisfied / satisfied / overjoyed / etc.). The scale tries to identify a set of items that fall into an ordered sequence. If an item does not fit the requirement it is discarded (Anastasi 1988).

The hypothesis of a scalogram therefore is that “items have an order such that, ideally, persons who answer a given question favorably all have higher ranks on the scale than persons who answer the same question unfavorably” (Stouffer 1950 p.9).

It has been suggested that Guttman scales work quite well for objective information but gets ‘messy’ when the phenomenon of interest is not concrete. (DeVellis 1991) This limitation is rather strict as hardly any concept in psychology and sociology, the area for which the scale has been developed and in which is has been tested extensively, can be considered objective.

As Fournier (1999) remarked the concept of satisfaction has in spite of the seasoned status of this research domain not been considered thoroughly. Specially the consumer’s own voice has not been taken into account (Fournier & Mick 1999).

The suggested research will take exactly these consumer voices and tries to establish a measurement scale for satisfaction that does include stronger emotional responses for satisfaction. It is expected that such a scale will increase discrimination among respondents and allow the use of standard parametric analysis methods without major constrictions.
Peterson (1992) and Diener and Fujita (1995) mentioned a variety of possible explanations for negatively skewed satisfaction scales. The number of categories as well as the suggested enforcement of the anchor have been discussed previously and do not seem to be sufficient solution for the problem. Stepping away from the currently used anchors altogether and trying to develop a new scale seems therefore a possible way of dealing with the problem. The author believes that a properly Guttman scale will avoid negative skewness inherent in so many studies dealing with satisfaction.

The influence of social desirability is another possible explanation for negatively skewed satisfaction data, which leads to contradictory results. While eg. Diener and Fujita (1995) argues that specially with regard to social-well-being the influence is not significant, Tanner & Stacy (1985, cited in Peterson & Wilson 1992) did find evidence to support the influence of social desirability. In the case of measuring leisure activities skewness could also be due to the behavior itself being a source of satisfaction (Noe & Uysal 1997).

The possible influence of social desirability as well as the influence of leisure as a general source of satisfaction could be addressed by using a Guttman scale. It is assumed that when seeing a commonly used satisfaction scale the influence of social desirability but also the self inflicted pressure that high monetary and time related expenses which are commonly inherent in a leisure experience lead respondents almost automatically to the high (est) end of the satisfaction scale. While answering questions that are part of a Guttman scale, it is not immediately obvious which adjective is expected to be ‘the highest’.

Guttman (1944) explains in his original article that in a typical investigation only a sample of the universe (=the concept whose scalability is investigated) is used. Choosing attributes that represent the universe is not discussed in detail. It is only mentioned that it might be decided by “consensus of judges or some other means” (Guttman 1944, p.141).

In the literature some expressions used by respondents to describe satisfaction are mentioned (Oliver 1983, Fournier & Mick 1999). However, the examples mentioned are regarded insufficient and need to be completed. Therefore a pre-survey will be designed that asks subjects to describe their last holiday experiences with 5 to 8 adjectives.

It is expected that only a subgroup of the gathered adjectives will be related to satisfaction with the holiday while other words might be related to risk, relaxation etc.. In order to filter those satisfaction related adjectives Roget’s Thesaurus (1987) will be consulted. Any adjective that is classified in the same subgroup like satisfaction will be taken into account. e.g. satisfaction is classified under ‘content’, ‘pleasure’ etc. (see Table 2). If necessary, they will be complemented by adjectives gathered from the literature.

Adjectives that are used by several respondents will be given priority for further consideration. Additionally three experts will be consulted and presented with the adjectives. The panel is encouraged to select additional attributes to ensure that the full spectrum of emotions towards a holiday is covered specially at the high (est) end of the scale.

In the final survey subjects will be presented with commonly used satisfaction scales taken from the literature (e.g. Westbrook 1980, Oliver 1996) as well as the adjectives that have been uncovered in the scale development process so far.
The question concerning the newly discovered adjectives will ask respondents to circle adjectives that represent their feelings towards their last holiday. By putting the adjectives randomly effects of social desirability and a tendency to answer at the (positive) extreme end can be reduced.

Additional information like personal data, holiday behavior and personal characteristics will be included in the questionnaire.

The analysis of the data will reveal which adjectives are lying on a single dimension regarding positive emotions towards a holiday. Adjectives that do not scale will be eliminated. The thereby developed Guttman scale will be tested regarding its skewness compared to other scales as well as discriminating power of respondents.
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Capacities and Achievements: Some Empirical Evidence

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Abstract

The paper uses capability rights theory as a new approach for the conduct of empirical welfare analysis. A questionnaire, given to a random sample from the universe of English voters, is related to elements of Sen’s theory of capability rights. Analysis of the survey includes descriptive statistics relating to respondents and responses, ordinal logistic regression models of overall capabilities, rank correlations between own capabilities and views about the distribution of capabilities, rank correlations between capabilities and achievements and a set of ordinal logistic models explaining achievements as a function of corresponding capabilities. Results show that it is possible to make statistically significant distinctions between different capabilities, to identify significant co-variates of overall capabilities, that perceptions of others capabilities are sometimes related to one's own capabilities and that achievements appear, in general, to be related to corresponding capabilities.

Keywords: capabilities, freedom, achievements, empirical social choice, ordinal logistic regression

1. Introduction

One of the most important developments in welfare economics and moral philosophy over the last 25 years has involved the introduction rights into theories of social choice and welfare. A crucial paper for this literature is Sen (1970) in which he argues for a re-interpretation of Arrow's impossibility theorem, namely that the result illustrates a conflict between two principles of fundamental importance in economic thinking, the freedom and right to do what one chooses, and the value of choosing outcomes that are efficient, in the sense of Pareto. Subsequently work by Gibbard, Sugden, Fleurbaey and Gaertner, Suzumura et al has expanded on this theme in various ways giving us new techniques and problems in the mathematical formulation of rights.

Elsewhere, we have argued that this literature can be seen as moving towards a conception of social choice in which the key problem for social choice theorists and planners is how best to integrate potentially incommensurable claims. In theoretical and methodological terms, this represents a radical sea-change in how economists think about welfare and well-being on a par with the revolution in our conception of individual rationality Anand (1993) and utility maximisation, Machina (1989), Starmer ( ). We know that claims such as those based on rights and preferences are likely to be in conflict so it would seem that empirical work needs a framework that emphasises constrained optimisation, and by implication, possibility rather than impossibility. Elsewhere we note that non-linear maximisation provides such a framework and we show that such a framework can accommodate a wide range of conflicts, Anand (2000).
Notwithstanding all this theoretical work, there would seem to be a scarcity of empirical analysis, pace an impressive survey of Italian data by Brandolini and D'Alessio (1999), relating directly to the conceptual framework of capability rights theory. This paper reports the analysis of a survey designed to contribute to our understanding of opportunities, achievements, and people's perceptions of it for themselves and about others. Here we focus on the consequences for the measurement and assessment of welfare in developed countries, though we would argue that many of the issues raised here are just as relevant to low-income countries.

2. Theory and Survey Aims

Sen's theory of capability rights has been elaborated and debated in a variety of places (see particularly Sen (1985), Sugden (1993) and Nussbaum and Sen (1993)) and without attempting a full rehearsal here, we outline key elements which will provide a framework for the empirical analysis to follow. For Sen, the assessment of well-being can be broken down according to two distinctions. The first is a distinction between the promotion of a person's agency goals, 'those goals that a person has reason to adopt' (Sen (1993) p35) on the one hand, and a person's well-being on the other. The second distinction is between achievement (what decision theorists describe as states), and freedom to achieve. Combined, these two distinctions give rise to four 'concepts of advantage': compared with theories like Nozick's, freedom is used here in a strongly positive sense.

The questions we ask our respondents centre around the four categories of well-being that we have just described. Formally there are two functions in Sen's theory which are particularly relevant to what follows. The first:

\[ Q_i(X_i) = \mathbf{b}_i \mid \mathbf{b}_i = f_i(\mathbf{c}(x_i)), \]

show the capabilities of the ith individual as a function of their entitlements, where \( \mathbf{b}_i \) is a vector of achieved functionings. A second function, \( h_i \), defines happiness achieved by the ith individual, \( u_i \), thus:

\[ u_i = h_i(\mathbf{b}_i). \]

Our analytical strategy is to ask respondents questions that give rise to estimates of parameters related to the theory. The first question we ask is about the adequacy of a person's capabilities overall, a question which gives a sense of self-evaluations of \( Q(X_i) \). Verbatim, the question we ask is 'Taking all things together, I think my options are…'. This wording leaves it open to respondents to provide their own (implicit) definition of freedom - the debate and axiomatisation concerning the extent to which such a definition can be identified with the cardinality of the choice set, suggests that any simple, imposed definition is likely to be inadequate, Pattanaik and Xu (1990). Our next task is to operationalise the vector \( \mathbf{b}_i \) which we do by drawing on ideas about quasi-objective notions of utility discussed in a variety of sources Sen (1985), Griffin (1986), Quizilbash (199 ) and Brandt (199 ). Our list needed to satisfy a number of constraints. It needed to be short for practical purposes and yet it needed to cover issues to with agency goals as well well-being goals. Some questions such those relating to the scope to live a health life for one's age or the scope to develop personal projects seem to relate predominately to well-being or agency issues. We also questions about opportunities and achievements with respect to social relations.
and intellectual stimulation and in this case, the questions appear capable of relating both to well-being and agency considerations. In the end, we characterised \( b_i \) as a 7 dimensional vector in which the dimensions covered achieving things, health, intellectual stimulation, satisfying social relations, pleasant environments and the development of personal projects. One can ask, we do, how happy people are with their capabilities and achievements in these areas of their lives. However, there is a potential ambiguity about the treatment of happiness, discussed in Sen (1985), because one can conceive of the pursuit and achievement of happiness itself as a separate dimension. In any case, this is the approach we take so that happiness becomes our 7th dimension. Our principle aim is to examine differences and relations between capabilities and achievements but it is worth noting that the answer to our question about happiness achievement is, in effect, also an empirical measure of the scalar quantity, \( u_i \).

Finally we are concerned about the extent to which one's own capabilities have an impact on the evaluation of others. As far as we know, this issue has not been discussed hitherto though potentially it plays a key role in support for public policies that seek to enhance people's capabilities. Specifically we ask respondents for their estimate of the proportion of people (in England) who have severely limited opportunities in the 7 areas described above. Our intention was to examine the extent to which answers to this question were related to, and therefore plausibly direct extrapolations from, respondents own capabilities.

3. Methods

The piloting stage involved comments from colleagues and two small mailings size 20 each. A number of revisions in wording were implemented as a result. 1323 names and addresses were randomly selected from a sampling frame that comprised all household postal addresses in the UK. The sampling frame was accessed by a professional list broker who provided the resulting names and addresses in the form of mailing labels. 40 of these were selected for the two pilot mailings and the final version of the survey (see appendix) was mailed out in the second week of February 2001. 273 useable responses comprise the final data set and Table 1 summarises some socio-demographic details from the sample.

4. Results

Standard summary statistics for evaluations of opportunities and agreement with statements concerning co-relative achievements appear in Table 2. Scope for being in pleasant environments has the highest average rating whilst scope to develop personal projects is rated lowest. A Kruskal-Wallis one-way analysis of variance to test for differences in medians has a test statistic of 54.21, \( \chi^2 \) distributed, and with 6 df this is significant at the one in a million level. Tests on the variances of responses to different capacities show that they can be assumed to be equal but not normal.

In order to find out how these apparently different capacity perceptions impact on options taken overall, we estimated (following McCullagh and Nelder (1983 p103) the following ordinal logistic regression model:

\[
\ln \frac{y_i}{1-y_i} = \theta_p + b \cdot x_i + e_i
\]

where the response \( y_i \in \{1,2,3,4,5,6,7\} \), \( i=1,\ldots,273 \) indexes observations, \( \theta_p \in \{\theta\}_{i=1}^{273} \) where each coefficient represents a different intercept corresponding to different levels of the response variable, \( b \) is a
1 x k vector of coefficients to be estimated, \( \mathbf{x}_i \) is a k x 1 vector of co-variates and \( \varepsilon_i \) is a random error term assumed to be normally distributed, with zero mean and fixed variance.

Results of two runs of this model are provided in Table 3. Model 1 is a benchmark model while model 2 re-estimates having eliminated variables not significant at the 10% level. Three variables are significant at the 1% level and one is close to being significant (p value = 7.5%). Being in the low-income category raises the inadequacy rating of overall opportunities, as expected. Having voted conservative or labour at the last election has a particularly substantial impact on the overall opportunities rating though the explanation of this finding is rather less obvious. Perhaps people who vote for mainstream political parties are people who rate the life opportunities they have in a positive light. Respondents in neither category are either people who voted liberal or something else, or non-voter. An alternative explanation is that conservative voters are naturally positive about their options, because on average, they are good, and that labour voters are positive about theirs because a labour government was in power at the time the survey was conducted. Finally we note without surprising that people who regard themselves as being members of an ethnic minority rate their overall opportunities lower than others. The finding is easily significant at the 10% level even if does not meet the 5% threshold. The presentation of both models serves to illustrate the relative stability of the significance of the parameter estimates.

We also explore the link between beliefs about the distribution of opportunities and people's own experiences themselves. Our hypothesis was that, in general, people have little direct information about others and use a form anchoring and adjustment, Kahneman and Tversky, where the adjustment is something people do from the anchor of their own experience. If we look at the rank correlations between own opportunities and answers to questions about the proportion of people with severely limited opportunities in co-relative areas, we find that all the correlations are positive as predicted. However, when we test whether these correlation coefficients are statistically different from zero (column 3 of Table 4) we find that two correlations are not significant and a third is only significant at the 8.8% level. Those that are not significant relate to health and being in pleasant environments. In both cases, it is possible to argue that these are more objectively observable than the other capabilities. One would expect, in such cases, the impact of a person's own position to have less influence on that person's beliefs about the status of others.

In Sen's theory capabilities seem to have both an intrinsic role - we value opportunities and freedoms to do things that are worthwhile - and an instrumental role in allowing the achievement of desirable states. To investigate this latter link empirically we examine the statistical significance of rank correlations between capabilities and their corresponding achievements. The results, summarised in Table 5 show that none of the rank correlations is different from zero at a level of significance less than the one in a thousand level. When we examine the full table of correlation coefficients the three lowest coefficients - all just below 0.4 - are \( r_{4,5}, r_{7,43} \) and \( r_{5,43} \). In other words, the weakest links are between the scope for intellectual stimulation and the achievement of good health, the scope to develop personal projects and the achievement of good health and the scope to live a healthy life and the achievement of satisfying social relations. Overall, it would seem that the opportunities and achievements that people report in the health realm might be more detached from opportunities and achievements in other areas. However we should note that correlations are not the same as causes and that whilst relatively little is made of the reverse link between achievements and opportunities in Sen's development of the theory, it is clearly an issue for empirical work in this area. Those who have achieved a lot in certain areas of their lives will find their opportunities broadened as a result.

5. Concluding Remarks
Using self-reports relating to capabilities and achievements we have been able to identify a number of empirical phenomena. First, we have been able to statistically distinguish between different capacities. Second, we are able to show that income, perceived membership of an ethnic minority and voting for one of the two main parties are all covariates of a person's overall options. Third we were able to show that people seem to use their own capacities to make judgements about the distribution of opportunities within society, except in the areas of health and the environment, where own positions relative to others may be more objectively observable. Fourth, we found extremely strong evidence of a link between opportunities and achievements both from simple rank correlations as well as from ordinal logistic models of achievements as a function of co-relative capabilities.

Subsequent work might extend the research in a variety of ways. Data on the extent to which people are happy could, using the data collected here, be modelled as a function of capacities and socio-demographic factors. To improve our empirical understanding of the causal structure of capacities and achievements it would be helpful to focus on population sub-groups so that more detailed questions could be asked. For example, a person's achievements at the age of 70 are more likely to refer to achievements over the life-span whereas people in work might want to focus on issues to do with recent employment. It would be valuable to triangulate these results with research that uses more objective methods for assessing capacities and achievements. Psychologists have, for instance, used diary records to study attitudes to personal projects. However, balanced against this is our desire to find indicators of well-being that can, ultimately be used to supplement economic indicators of performance such as those used when accounting for national income.

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Sugden R 1993
Table 1: Socio-Demographic Details of Sample

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<th>Variable</th>
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<th>Sample Proportion</th>
<th>Exact 95% Binomial Lower Bound</th>
<th>Exact 95% Binomial Upper Bound</th>
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<td>5</td>
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<td>0.0432</td>
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<td>Retired</td>
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Note
A small number of respondents indicate more than one work category with the result that percentages sum to more than 100.
### Table 2a: Descriptive Results - Capabilities and Achievements

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<th>Variable</th>
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<td>$x_{inc}$</td>
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<td>0.279</td>
<td>.001</td>
<td>0.678</td>
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<td>$x_{sex}$</td>
<td>-0.192</td>
<td>0.249</td>
<td>.439</td>
<td>-</td>
<td></td>
<td>-</td>
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<tr>
<td>$x_{con}$</td>
<td>1.225</td>
<td>0.382</td>
<td>.001</td>
<td>1.090</td>
<td>.293</td>
<td>.000</td>
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<td>$x_{lib}$</td>
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<td>0.436</td>
<td>.472</td>
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<td>$x_{lab}$</td>
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<td>.006</td>
<td>0.828</td>
<td>.288</td>
<td>.004</td>
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<td>Log Likelihood, Chi, p</td>
<td>412.99</td>
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<td>.000</td>
<td>140.542</td>
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Table 4: Rank Correlations between Own Capabilities and Perceptions of Others

<table>
<thead>
<tr>
<th>Variables</th>
<th>Spearman Correlation</th>
<th>p (for 2 tailed significance test)</th>
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<tr>
<td>c1, d1</td>
<td>.183</td>
<td>.005</td>
<td>231</td>
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<tr>
<td>c2, d2</td>
<td>.212</td>
<td>.001</td>
<td>240</td>
</tr>
<tr>
<td>c3, d3</td>
<td>.021</td>
<td>.747</td>
<td>235</td>
</tr>
<tr>
<td>c4, d4</td>
<td>.110</td>
<td>.088</td>
<td>240</td>
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<tr>
<td>c5, d5</td>
<td>.236</td>
<td>.000</td>
<td>236</td>
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<tr>
<td>c6, d6</td>
<td>.073</td>
<td>.257</td>
<td>246</td>
</tr>
<tr>
<td>c7, d7</td>
<td>.169</td>
<td>.009</td>
<td>240</td>
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Table 5: Rank Correlations between Capabilities and Achievements

<table>
<thead>
<tr>
<th>Variables</th>
<th>Spearman Correlation</th>
<th>p (for 2-tailed significance test)</th>
<th>n</th>
</tr>
</thead>
<tbody>
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<td>.000</td>
<td>270</td>
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<tr>
<td>c2, a2</td>
<td>.608</td>
<td>.000</td>
<td>268</td>
</tr>
<tr>
<td>c3, a3</td>
<td>.749</td>
<td>.000</td>
<td>270</td>
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<tr>
<td>c4, a4</td>
<td>.695</td>
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<td>c5, a5</td>
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<td>.000</td>
<td>270</td>
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<td>c6, a6</td>
<td>.715</td>
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<td>c7, a7</td>
<td>.664</td>
<td>.000</td>
<td>268</td>
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Table 6: Ordinal Logistic Regression Models for Individual Achievements as functions of corresponding Capabilities (Coefficients and p values)

<table>
<thead>
<tr>
<th>Co-variates</th>
<th>Dependent Variable</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>a1</td>
</tr>
<tr>
<td>( \theta_1 )</td>
<td>-1.049</td>
</tr>
<tr>
<td></td>
<td>0.322</td>
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<tr>
<td>( \theta_2 )</td>
<td>0.717</td>
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<td>0.497</td>
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<tr>
<td>( \theta_3 )</td>
<td>2.062</td>
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<td></td>
<td>0.054</td>
</tr>
<tr>
<td>( \theta_4 )</td>
<td>3.810*</td>
</tr>
<tr>
<td></td>
<td>0.001</td>
</tr>
<tr>
<td>( \theta_5 )</td>
<td>5.087*</td>
</tr>
<tr>
<td></td>
<td>0.000</td>
</tr>
<tr>
<td>( \theta_6 )</td>
<td>5.352*</td>
</tr>
<tr>
<td></td>
<td>0.000</td>
</tr>
<tr>
<td>( x_{c1} )</td>
<td>-1.866</td>
</tr>
<tr>
<td></td>
<td>0.051</td>
</tr>
<tr>
<td>( x_{c2} )</td>
<td>-0.963</td>
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<td></td>
<td>0.310</td>
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<tr>
<td>( x_{c3} )</td>
<td>0.103</td>
</tr>
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<td></td>
<td>0.914</td>
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<td>( x_{c4} )</td>
<td>1.173</td>
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<td></td>
<td>0.225</td>
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<td>( x_{c5} )</td>
<td>2.112*</td>
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<td>0.041</td>
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<td>( x_{c6} )</td>
<td>4.847*</td>
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<td>( x_{coh} )</td>
<td>0.308</td>
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<td></td>
<td>0.584</td>
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<td>( x_{inc} )</td>
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<tr>
<td></td>
<td>0.482</td>
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<td>( x_{sex} )</td>
<td>0.030</td>
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<td></td>
<td>0.906</td>
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<tr>
<td>( x_{con} )</td>
<td>0.262</td>
</tr>
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<td></td>
<td>0.389</td>
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<tr>
<td>( x_{lab} )</td>
<td>0.466</td>
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<td></td>
<td>0.127</td>
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<tr>
<td>Chi-square, p value</td>
<td>388.789*</td>
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<td>0.000</td>
</tr>
</tbody>
</table>

Note:
* indicates significant at the 5% level.
"In many ways, the Internet more resembles an ancient bazaar than it fits the business models companies try to impose upon it. Millions have flocked to the Net in an incredibly short time … because it seemed to offer some intangible quality long missing in action from modern life… The Internet connected people to each other and provided a space in which the human voice would be rapidly rediscovered… The new marketplace is not necessarily a market at all. To its inhabitants, it is primarily a place in which all participants are audience to each other… (…) So what becomes of marketing? How do companies enter into the global conversation? How do they find their own voice? Can they? How do they wean themselves from messaging? What happens to PR, advertising, marketing communications, pricing, positioning and the rest of the marketing arsenal? (…). The chapters on PR, ads, marcom, pricing, positioning … in the marketing-as-usual manual of strategy and tactics need to be redone…” (Levine et al. 2000, The Cluetrain Manifesto, p. xxi, pp. 87-88, p. 101)

"…We live in a society that is increasingly shaped by events in cyberspace, and yet cyberspace remains, for all practical purposes, invisible, outside our perceptual grasp. Our only access to this parallel universe of zeros and ones runs through the conduit of the computer interface, which means that the most dynamic and innovative region of the modern world reveals itself to us only through the anonymous middlemen of interface design. How we choose to imagine these new online communities is obviously a matter of great social and political significance. (Johnson 1997, Interface Culture, p. 19)

Our paper departs from such claims as the ones quoted above. We will look at recent efforts to discuss the Internet (its patterns of communication and interaction) as part of a general cultural process that carries literacy into new and challenging realms of symbolic representation. Emerging theories on Internet culture (notably Steven Johnson) address a second, non-technical wave of cyberspace growth which is beginning to link the internet to culture and literacy as a whole. Such transformation processes of modernity into postmodernity (F. Jameson, A. Venkatesh) are characterized by the growing importance of symbols, allegories, metaphors in the global discourse. Consequently, we will discuss the issue of allegories and metaphors as it pertains to the relation between interface culture and (macro)marketing. We will, in particular, concentrate on the metaphors of the cathedral and the bazaar (E.S. Raymond) for understanding internet culture and not least as a macromarketing topic. This will be achieved by examining the cultural history of these metaphors and the full potential of these symbols and metaphors shown in recent discussions, including the open source software movement.

As an empirical illustration and extension of our argument we will examine to which extent the use and the aesthetics of these metaphors are rooted in regional cultures and traditions. If this is the case, these metaphors could have a bridge function between the regional and the global, between global players and local consumption. For this purpose, we will compare the use of bazaar and cathedral metaphors within Norwegian and German corporate settings, looking at typical examples like the DaimlerChrysler-Website ('cathedral') or the Lufthansa-Website ('bazaar'). We also try to show that the intrinsic dialectics of 'internet culture metaphors' point to contradictions between corporate and consumer interests.
Virtual Management Network [VMN]:
Comparative analysis of WebCT online training for
effective delivery of European Computer Driving Licence [ECDL] in United Kingdom

Ezendu Ifeanyi Ariwa, University of North London, United Kingdom

To compare the effectiveness of WebCT with other online training packages used for the delivering of European Computer Driving Licence [ECDL]. This project was geared towards examination of the following key issues:

- Software performance and user friendliness
- Cost benefit
- Built in diagnostic parameter

And furthermore, developed a reliable information and communication technology dissemination system, technologically empower users and give them responsibility to achieve organisational expectations. In addition, a network link was developed to provide effective information sharing for Small & Medium Enterprises [SMEs] in United Kingdom [with respect to Dorset County and London] through partnership, collaboration and alliances.

Research Aim
The key aims of research:

1. To evaluate VMN within SMEs and institutional provision of ECDL
2. To determine the effectiveness and capability of WebCT
3. To establish the cost benefit effect of online network development
4. To establish if there is any alliance through effective information sharing

Literature Review

There was extensive review of literatures in the area of Web & Communication Technology [WebCT] and web based delivery. In addition, practical Cyber projects and Virtual links located were considered as theoretical framework on which model was developed. According to Rumble (2000): “The development of e-education did throw new problems focus on the copyright”. This does not only apply to copyright and electronic text rather the dimension of learning through interaction should be seem as the focus of e-dimension.

To develop a reliable information and communication technology dissemination system which will technologically empower users and give them responsibility to achieve organisational expectations. In addition, a network link will be developed to provide effective information sharing for Small & Medium Enterprises [SMEs] in United Kingdom [with respect to Dorset County] through partnership or collaboration or alliances.
The effective utilization of e-commerce and web based learning, maximum technological inventiveness and technical expertise in use will minimise resources and financial wastage. This will provide savings and business opportunities to mobilizing resources and persistence exploitation of viable technological and e-business model. According to Alan (1994) “Output ‘gapology’ are caused by a lot of factors, especially technological and low level of investment on research and development. The technological structure of UK in terms implementation of e-business within SMEs requires practicability, functionality and investment on research and Web based delivery as its essential and utmost characteristic”.

**INTEGRATED LEARNING AND CYBER CLASSROOM**

The term cyber classroom (CCR) relates to providing teaching and learning services through internet, intranet, extranet and using simple world wide web site. Research has shown that many institutions pay lip service to the importance of having information and the means of documentation. In practice the argument remain that most of the organisation and their personnel need to have access to certain categories of information without restriction. The cyber facilities management will provide virtual site and telecottage featuring some of the most technological advance packages and network-based application within efficient resource environment.

**SUPPLIERS’ STRATEGIC COLLABORATION**

Robson (1997) argued for close partnerships between supplier and customers, noting that such collaborative development strategy in the area of virtual training and management and outsource Information Technology benefits both partners. Similarly, Omar (1997) reviewed a collaborative strategy for manufacturers and car dealers, found strategic collaboration to be a durable commitment created for mutual gains for both manufacturers and dealers. Scheff and Kotler (1996) observed that in strategic collaboration, partners sacrifice their selfish ‘macro-objectives’ to the achievement of unified cause. In general however, the implementation of strategies to enhance effective virtual management in terms of delivering ECDL can only be achieved through investment in IT driven training and the allocation of resources using the appropriate, relevant, and reliable virtual management network tools.

**COMPETITION AND DIFFERENTIAL ADVANTAGE**

McGoldric (1990) identified the elements of microenvironment as competitors, distribution channel and customers. It is important to monitor changes in these elements and see how they affect the trends in marketing European Computer Driving Licence with SMEs. The ECDL virtual training and management market has been compared to a battleground where retailers compete both vertically and horizontally to win the favour of the customer. The application of information technology will reduce the risk associated with this sort of traditional approach markets, leading to success in terms of resource allocation, usage and satisfying customer needs and requirements. It is very likely that retail IT network development will enable SMEs to differentiate themselves from their competitors thereby gaining competitive advantage both in domestic and international markets.

The introduction of technology such as Cyber links, teleshopping, interactive training, the hyper-market itself, the influence of computerisation and the development of sophisticated data capture facilities has revolutionised the virtual management in retailing and SMEs within the United Kingdom. The role of
information technology and network development will infuse an evolution through resource minimisation thereby maximising SMEs virtual and retail marketing performance using ECDL as a platform for achieving competence or IT skills.

The use of integrated network facilities and virtual management (IFM) evaluation have the solution based attribute in adopting integral approach and enhances facilities evaluation which combines the skills and knowledge of e-learning and e-dimension and SMEs consultancy practices.

**Methodology**

Questionnaire, interview and online applications was be used. The information and data gathered was used to analyse the requirement of expected design. The analyses lead to building a constructive Webmaster and Web and Communication Technology (WebCT) Model.

The following data gathering techniques were applied:
- Questionnaire
- Interview with key personnel involved in ECDL virtual training and management and
- Examination of relevant documents associated with ECDL and SMEs training provision

The first stage allowed the preparation of structured questionnaire, which covered the topics identified. It also included open-ended questions that were not covered using other interesting topics of relevant.

Ten training and virtual management companies [SMEs] capable of influencing technical innovation in Cyber link and open management using remote training and Information Technology driven network development and associated cyber technology or outsourced methodology (based in Dorset, London and its surrounding areas) were contacted. The interviews were not limited to senior managers in each company. Certain topics investigated by structured questionnaire and enable the testing of hypotheses. The number of interviews was large enough to allow for analysis of relevant points, for example, differences in traditional training versus IT driven network within SMEs with respect to ECDL and Cyber link. This methodological approach was helpful in achieving the research objectives.

**QUESTIONNAIRE AND SAMPLE**

Two hundred and fifty (250) questionnaires were distributed and two hundred and twenty (220) questionnaires were returned representing a response rate of eighty-eight percent (88%). Although only two questionnaires were discarded because the final section on IT competence/attributes based data was not completed; twenty-eight (28) questionnaires included missing items.

From the project, the predictive accessories for successful information dissemination will be addressed and its model outcome used for conclusion.
CONCLUSION & FINDINGS RECOMMENDATION

From the project, ECDL was seen as predictive accessories for successful information dissemination within SMEs and its model outcome used for conclusion.

- One of twenty participants assessed within the remote link and as an on-going mechanism incorporated into the Virtual network office and the purpose of this method was to facilitate learning among the groups. Ninety-four, which constitute 78.3%, followed the instructions online without any support, after the basic IT application software training.

- It was discovered that the use of resource e-learning centres as a supportive avenue for results were contributory factor that encouraged participants within this framework.

- The use of network based evaluation for the tri-dimension evaluation processes [formative, summative and ultimate evaluation which implies that a follow-up into the work that SMEs do at place of work was necessary for achievement of competence using EDCL training platform.

- The concept of Cyber link as network development was productive as the SMEs participants shared problems and achievement, this lead to an Online group called ‘e-link’

In summary the evaluation model provided the following benefits to SMEs:
- means of reward such as certificate of achievement, accredited prior learning award and European Computer Driving Licence award [ECDL]
- model for both internal and externally links and assurance in terms of feedback.
- model for interactive links with knowledge base and management oriented.

The research evidence showed that SMEs had opportunities to develop Information Technology [IT] and management skills through internal (self) or external evaluation using EDCL when incorporated into their work routine or through collaborative partnership or alliance.

Reference:


B2B Electronic Marketplaces and the Competitive Advantage of Developing Nations

Jack Cadeaux and Samir Gupta, University of New South Wales, Australia

Abstract

The business-to-business (B2B) electronic marketplace is a radical innovation that is transforming the procurement practices of firms and governments and the market structures of industries throughout the world. Arguably, such B2B marketplaces can become a distinct source of competitive advantage for developing nations. The B2B e-marketplace is an innovation that can help developing nations “leap-frog” more traditional procurement technologies, develop more efficient systems of B2B exchange, and compete more effectively in global marketing networks. There are a number of distinctive characteristics of B2B electronic marketplaces as marketing institutions, even though the technology remains at an early stage of adoption in many industries. Although hard evidence is still lacking, theoretical arguments about dynamic competitive strategy, particularly the Schumpeterian perspective of creative destruction, suggest that this technology constitutes a radical innovation capable of destroying the competencies of industry incumbents and offering a number of generic strategic benefits to adopters. In spite of its evolutionary youth, there are a number of examples of the implementation of B2B e-marketplaces among developing nations which already portend significant industry transformations and potential improvements in national competitive advantage. A number of public policies which generally favour the growth and proliferation of information technology also favour the implementation of B2B marketplaces in the developing world.

Introduction

Arguably, the adoption of B2B electronic marketplaces by firms in a business network can offer competitive advantage for participating firms as individual actors. Analogous to such a micro phenomenon, at a macro level, it might be argued that a dynamic Schumpeterian view of disruptive innovation can depict the less well-endowed developing nation as gaining a competitive advantage, if not as an innovator, at least as an implementer of this marketing technology. In particular, B2B electronic marketplaces might offer developing nations the opportunity to more quickly transform industries and “leap frog” transitional technological development stages. The B2B electronic marketplace, as it operates both within vertical industry structures across networks of participating developing nations and horizontally across industries within developing nations, has the potential to become such an innovation. In the Schumpeterian sense, the B2B electronic marketplace is more than a simple (marketing) process innovation that opens new sources and mechanisms of supply, but it is an innovation that could both open new markets and create and destroy industry structures. Thus, although the B2B electronic marketplace is neither a new good that is itself sold on the market nor a new method of production, it nevertheless potentially entails three of Schumpeter’s five forms of innovation as outlined by (Dixon 2000): it opens new sources of supply, it opens new markets, and it creates or destroys competitive positions and industry structures.
It can be argued that in developed nations the electronic commerce on which the B2B electronic marketplace is founded is changing the way businesses are transacting (Claman 2000). Woodall (2000) argues that although electronic commerce is not in the same innovation league as either electricity or the printing press in terms of its impact to date on the economy of any nation, it may have potentially the biggest economic impact of any technology yet, particularly for developing nations.

The developing nations have begun to invest in information technology. For example, China's IT spending has experienced a compounded annual growth rate of approximately thirty percent (Claman 2000). The total spending on information and communication technology during 1997 to 1999 has seen a growth of twenty-six percent in the Middle East and Africa and eighteen percent in the Asia and Pacific. B2B electronic marketplace technology is now finding its way into developing countries like India, Thailand and Malaysia. These countries are using this type of innovation for manufacturing, in agricultural production and distribution, and in opening new domestic and international markets. Further, some B2B electronic exchanges that are formed in developing countries are collaborating with local hubs (eg. ChemTrading.com) in order to provide effective market places using this innovation. Others like foodmarketexchange.com involves a network of nations that includes Thailand and Malaysia. Although the B2B electronic marketplaces have in recent years proliferated in the US markets, the US lead should narrow over the coming years (Woodall 2000).

The overall research questions this work hopes to explore are as follows:

- **How do developing nations and networks of developing nations gain competitive advantage in the new B2B electronic marketplace environment?**
- **Do developing nations gain competitive advantage by introducing innovative B2B electronic marketplaces themselves or by leap-frogging established B2B procurement methods and technologies that favour incumbents, joining e-marketplaces as network participants in a more level playing field?**
- **What are the national public policies that favour or disfavour this source of national competitive advantage?**

Arguably, B2B e-marketplaces can decrease transactions costs and reduce barriers to entry for potential suppliers, increase the transparency of B2B transactions, and decrease procurement costs (by finding cheapest suppliers and increasing overall efficiency of procurement management operations) (Woodall 2000). As Woodall (2000) argues, “The most important aspect of the new economy is not the shift to high-tech industries, but the way that IT will improve the efficiency of all parts of the economy, especially old economy firms” (p. 11). And, according to that argument, improvements in B2B procurement will be largely responsible for this effect on productivity. Thus, in so far as developing nations are even more dependent on “old economy” industries than are developed nations, the incremental productivity gains for those economies due to IT based improvements in B2B procurement should be even greater, at least in percentage terms than would be those for developed economies which have gone further in shifting toward high-tech industry.

Information technology also affects a number of structural characteristics of firms and industries. Thus analysts claim that “Another good thing about IT, from the emerging countries’ point of view, is that it reduces the optimal size of a firm in most industries. (Woodall 2000 p 37). It also breaks down geographic borders. For example, “Firms in Africa can now bid online for procurement contracts tendered by America’s General Electric” (Woodall 2000 p. 37). B2B e-marketplaces, though only one manifestation of the IT “revolution,” are distinctly suited for the creation of such effects on firms, industries, regions, and nations.
Significance of the Phenomenon

With the advent of the World Wide Web and the Internet the big unknowable is how a completely networked world will change the way nations will work and how nations that "leap frog" transitional technology development stages by adopting this technology might gain a competitive advantage. This new technology and the establishment of B2B electronic marketplace enterprises make an unprecedented degree of collaboration possible. As yet, however, no one can predict with certainty how far that collaboration will reach outside the boundaries of the individual firms or individual nations, especially with the development of alliances that are crossing geographic boarders.

On a global scale, the Internet has enjoyed an exponential growth. While it took the telephone innovation close to seventy five years to reach fifty million users it has taken the World Wide Web only four years to reach the same number. Singh (1999) states that from just over twenty countries connected to the global network in 1990 there were more than two hundred nations connected by July 1998. Despite these seemingly impressive figures of growth, major portions of the globe and millions of people remain ignorant of and untouched by this phenomenon as is usual with any new technological innovation. Yet, growth and acceptance of this technological innovation is not confined to the developed world alone and Singh (1999) predicts that developing nations will adopt this technology as easily as the west.

In some sectors, developing nations, however, can gain competitive advantage by bypassing or "leap-frogging" established technologies. For example, electronic data interchange and adopt even more radical technology like B2B electronic marketplaces in order to procure and market goods and services both with the boundaries of the nation and globally. According to Sharif (1997), technological "leapfrogging" entails "catching up or skipping intermediate steps in terms of technology components, technology capabilities and also technology strategies." A transition from conventional pre-IT procurement systems directly to proliferation and participation in B2B e-marketplaces constitutes such a "leapfrogging" strategy. The challenge for developing nations is to ensure that they benefit from this new technology. Thus it is important to understand a) the dynamics and disruptive nature of this potential source of national competitive advantage and b) what public policies might facilitate the adoption and exploitation of this technology.

Background

Before Tim Berners-Lee developed the Internet information service known as the Web in March 1989, electronic data interchange (EDI) was implemented by large businesses that could afford it and used almost exclusively for inter-business transactions. It was not until the creation of the first graphical web browser in 1993 that the interest in the web accelerated and broadened the application of the web. Unlike EDI (a closed system), electronic commerce based on the Internet (an open system) was developed to automate business transactions and logistics for all levels (small and medium and large) businesses (Lawrence, Corbitt, Fisher, and Tidwell 2000). Because the web has a universal interface that can connect different file types on various hardware platforms, it was economical and could be used by different types of technologies. Table 6 provides a comparison of traditional networks with Internet electronic-commerce network capabilities (Applegate, McFarlan, and McKenney 1999).
TABLE 6: COMPARISON OF TRADITIONAL AND RADICAL E-COMMERCE

<table>
<thead>
<tr>
<th>Traditional Electronic Data Interchange (EDI)</th>
<th>Radical Electronic Commerce Networks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closed standards limit participation to individuals and or companies that have access to proprietary software and networks.</td>
<td>Open standards enable global connectivity. Anyone with a browser and Internet access can participate.</td>
</tr>
<tr>
<td>Proprietary ownership of the network enables owner to set commerce standards and policies.</td>
<td>Shared ownership of the network; collaboration is required to define and manage commerce standards and policies.</td>
</tr>
<tr>
<td>Rigid software limits functionality and flexibility.</td>
<td>Modular, flexible software enables business flexibility.</td>
</tr>
<tr>
<td>The high cost, long time frame and specialised expertise required to develop commerce solutions provide powerful barriers to entry.</td>
<td>Lower cost and expertise and shorter time frames to develop business solutions increase the ease of developing a competing system, which, in turn, lowers barriers to entry.</td>
</tr>
</tbody>
</table>

As an electronic exchange that occurs over the web using the Internet, electronic commerce includes any commercial transactions between one or more participants. It includes business-to-business transactions and business-to-consumer transactions. Firms mainly in business networks have developed B2B electronic marketplaces to conduct electronic transactions or exchange channels.

The term “electronic marketplace” is variously defined as “electronic hub,” “B2B exchange,” “electronic exchange,” or even “virtual exchange” in the business press, in textbooks and in academic journals. One definition of an electronic marketplace is that it is a third party Internet based intermediary that links buyers and sellers within a specific industry (vertically) or a specific business function (horizontally) as a public marketplace. It is a so-called many to many exchange (Hoffman and Novak 1996). A public marketplace is defined as across the Internet in contrast to electronic data interchange (EDI), which is a closed marketplace (that is, one to one). Thus, an e-marketplace does not operate in a closed business-to-business situation but rather in an open network environment. Still others have defined electronic marketplaces as electronic network channels that enable numerous industry partners to operate as one in a supply chain and which allow electronic trails of items ordered through the entire shipping, logistic and billing processes (Hoque 2000, Messmer 2000). Turban, Lee, King, and Chung (2000) define an electronic marketplace as an electronic market. According to these authors, a market is a network of interactions and relationships where relationships are created and products, services and payments are exchanged. An electronic marketplace has also been defined as an electronic network channel that enables numerous industry specific partners to operate as one in a supply chain network (Upton and McAfee 1996, Messmer 2000). Sculley and Woods (1999) define electronic marketplace as a firm that brings multiple suppliers and buyers together (in a "virtual" sense) in one central market space and enables them to buy and sell from each other.

Electronic marketplaces are created in networks and used by participants in the network. An electronic marketplace is not a tangible place but rather an Internet based electronic technology that is used by firms to process information in a network. In general, process and product innovations are not dichotomous categories (Davis and Devinney 1997). In particular, an electronic marketplace is both a
process and an enterprise innovation. It is the electronic commerce infrastructure that brings buyers and sellers together. The enterprise innovation lies in the electronic commerce technology that has the capacity to store information for participants. The popular press has defined electronic marketplaces by ownership. It distinguishes amongst those that are run by a third party, by an industry consortium, or by private companies. Examples and descriptions of each of the three categories are summarised in Table 7 below:

**TABLE 7: BUSINESS MODELS FOR B2B E-MARKETPLACES**

<table>
<thead>
<tr>
<th>Business Model</th>
<th>Description</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Third party marketplace</td>
<td>Owned and operated by a third party that is not considered to be trading partners often a B2B-ex start-up.</td>
<td>Ventro (formerly Chemdex)</td>
</tr>
<tr>
<td>2. Consortia-led marketplace</td>
<td>Ownership is shared between industry-leaders and a technology partner.</td>
<td>GM/Daimler Chrysler/Ford</td>
</tr>
<tr>
<td>3. Private/Proprietary marketplace</td>
<td>Owned and operated by a single large firm.</td>
<td>Wal-Mart</td>
</tr>
</tbody>
</table>

Source: eMarketer, 2000 July 2, 2000

**Electronic Marketplaces as Radical Innovations**

Arguably, the dynamic aspect of technology innovation driven markets renders conventional business strategies useless (John, et al. 1999). Compatibility amongst business users is a significant dimension of electronic marketplaces that work using Internet technology (John, et al. 1999). Radical innovation often creates greater difficulties for incumbent firms and can be the basis for successful entry of new firms or the redefinition of the industry structure (Henderson and Clark 1990). Consequently, there is greater need for reorientation of existing structures and processes (Nord and Tucker 1987).

Henderson and Clark (1990) argue that radical innovation establishes a new dominant design and, hence, a new set of core design concepts embodied in components linked together in a new architecture. The architectural components of a radical innovation may change triggered by a new design (capacity to hold large amounts of information as in the case of the electronic marketplace) but the core design concept remains the same. Radical innovations may tax existing systems of communication and patterns of collaboration more than incremental innovation. Radical innovations therefore require a greater outlay of resources and are riskier than incremental innovations (Kotler 1997). Long-standing patterns of informal communication might be absent in radical innovation projects. In contrast, an incremental innovation benefits greatly from existing competencies. Day and Shoemaker (2000) and Christensen (1997) state that electronic commerce technology is a radical technology that has the potential to create whole new markets. The more radical the nature of the innovation, the more knowledge is required by organisation members to adopt the innovation.

**Competitive Advantage and Creative Destruction through Radical Innovation**

If a historical perspective is taken, the most dramatic change in industrial structure and business performance have been driven by innovation; what Schumpeter called the “gale of creative destruction” (Davis and Devinney 1997). In other words, a technological innovation that disrupts established business functions in established markets has this characteristic. Yet, it is well known that creative destruction can
be a dynamic source of competitive advantage. While Porter's classic work on competitive advantage (1980, 1985) provides a comprehensive static analysis of basic market forces, it does not seem to be able to address how firms in networks can gain competitive advantage from a dynamic and radical innovation such as the B2B electronic marketplace. Traditional static models of competitive advantage (Porter 1985) focused on firm and industry-specific variables such as scale, advertising intensity, product similarity and independence along value chains in order to understand interfirm profitability differences. In extending this work to the study of the competitive advantage of nations, (Porter 1990) does incorporate a number of more dynamic elements including innovation. Yet, Porter's (1990) “diamond” model of national firm, region, and industry forces (that is, firm strategy, structure, and rivalry, factor conditions, demand conditions, and related and supporting industries) does not adequately capture how the adoption of a radical innovation, such as B2B electronic marketplace offers nations (within networks) a source of competitive advantage.

Tushman and Anderson (1986) state that technological change alters the competitive environment and rewards those innovative firms that are first-movers. The superiority of new technology provides firms with a choice of either adopting an innovation or facing decline (Tushman and Anderson 1986). The competitive environment requires that organisations also become agile in their response to new technology, which is a synthesis of awareness of new technology, use of new technology and the flexible structure of the firms to adopt new technology (Tushman and Anderson 1986).

The use of information to develop products and segment the market efficiently (Allenby and Ginter 1995) and the flexibility in the use of information is fundamental in to the implementation of effective marketing management. Superior skills and competencies in information management can even be a source of competitive advantage (Day and Wensley 1988, Glazer 1991). Notwithstanding these observations, Cadeaux (1997) argues that although information assets and efficient information exchange are important factors in segmenting the market, they are but a residual outcome rather than a major determinant of disruptive competitive actions that transform markets, or “entrepreneurial” actions. More generally, Prahalad and Hamel (1990) argue that the strength of core competencies of the firm and not just quality information is one of the key factors for competitive strategy formulation. However Christensen and Rosenbloom (1995) state that technological and marketing strategies of new entrants are highly interrelated and that together they play an important role in the firm's probability of survival. In particular, these authors state that architectural innovation as a technology strategy has a greater probability of gaining a competitive advantage. Architectural innovations depend on how the components within the product interact or relate to one another (Henderson and Clark 1990). Electronic B2B marketplaces, as a technology innovation, are to a large degree architectural innovations (Christensen 1997, Day and Shoemaker 2000, Gulati, et al. 2000).

The concept of creative destruction had its origin in economics (Schumpeter 1966). Christensen (1997) extended this concept and defined disruptive technology as a breakthrough innovation that was initially rejected by industry because it cannot use it. Christensen, Bohmer, and Kenagy's (2000) research identified that when radical innovations disrupted a firm's operations, a larger number of less skilled employees were able to achieve more than that achieved by skilled specialists using established technologies. For example, in the 1960s people who needed computing help had to take the problem to the specialist who then wrote in special computer code (machine language). The specialist would then wait for the data-processing specialist to run the job. Minicomputers and then personal computers have replaced those specialists through faster and user-friendly software. These later versions of computers are classed as disruptive technologies to the mainframe market (Christensen, et al. 2000). Dominant players in most markets focused on sustaining innovation - on improving their products and services to meet the needs of profitable high-end customers. Soon, however, as in the case of the computer industry, those
improvements overshot the needs of the vast majority of the users of the new innovation. This made the market ripe for "upstart companies" seeking to introduce disruptive innovations that were cheaper, simpler and more convenient, yet aimed at the lower end of the market (Christensen, et al. 2000). Drawing on similar patterns of innovation in various industries (computer, pharmaceutical, automobile, and steel), the author describes how established industries which were competitive, customer focused and aggressively invested, faltered on taking the initiative to develop successful strategies when faced with breakthrough innovations. Furthermore, as incumbent firms unwittingly bypassed opportunities, agile firms gained and maintained competitive advantage using breakthrough innovations in a rapidly changing environment.

Christensen (1995) states that in the near future breakthrough innovation applications like electronic marketplaces will become disruptive technologies. Day and Shoemaker (2000) state that even more general innovations like electronic commerce based on the Internet technology are disruptive technology. The authors define disruptive technology as science-based innovations that have the potential to create a new industry or transform an existing one. Gulati, et al. (2000) argue that with the changing nature of organisational structure, disruptive technologies provide firms with a competitive advantage. One conclusion that arises from this literature is that when suppliers and business buyers implement radical technology, the potential marketing and procurement outcomes increase through competency destruction rather than competency enhancement (following Tushman and Anderson (1986)). This distinction may be particularly important for firms and industries in developing nations. A competency enhancement strategy tends to favour the entrenched incumbent. In a global marketplace, developing nations have little hope of successfully competing against such enterprises by imitating that strategy. Rather, they might be better served by seeking opportunities to destroy or at least minimise the competency of others. These vulnerable competitors could range from incumbent large share suppliers whose long-term relationships become switching or mobility barriers to buyer-supplier networks inflexibly committed to traditional procurement technologies such as EDI.

Some Generic Strategic Benefits of B2B e-Marketplaces for Developing Nations

For firm and industries in developing nations, B2B e-marketplace technologies offer several important benefits. These include a) improving supply chain efficiency, b) compensating for small home markets by targeting buyers in larger and/or more developed markets, and b) collaborating in a vertical marketplace to gain scale economies (McKinsey and Company 2000). In many industries in developing nations there is much scope for improving supply chain efficiency. For example, according to some analysts,

In India, the difference between farm gate and mill prices for agricultural goods is 35%-50% (compared with 9-10% in the United States) because the supply chain has many intermediaries and little supporting infrastructure. A B2B marketplace that consolidates agricultural produce and manages finances could capture several times the value available to a marketplace pure and simple (McKinsey and Company 2000).

Although such predictions remain to be seen, Indiapotatoes.com, a B2B e-marketplace for the potato industry in India, is expected to offer a number of benefits including curbing monopoly trading and eliminating product damage and spoilage where under conventional markets about 20% of the crop gets damaged (The Financial Express 2000).
One of the classic sources of national competitive advantage cited by Porter (1990) is the size, quality, and tastes of the home market. Many developing nations have poorly developed home markets. Analysts observe that a B2B e-marketplace may find a way to surmount such resource limitations:

To combat the problem of small home markets, some Asian B2B marketplaces may need to target users in larger Asian regions and in developed countries. Many Asian conglomerates already do so, which suggests they would be natural B2B marketplace owners. For instance, the Sinar Mas Group of Indonesia, with interests across Asia in agribusiness, banking, property, and pulp and paper, is building on the regional scale of its business to develop e-commerce joint ventures. Two of these enterprises are a venture in China to give retailers access to internet purchasing facilities and an alliance with Paperexchange.com, a Boston-based online marketplace for paper (McKinsey and Company 2000).

In doing so, such firms are able to compete in markets far beyond those limited by the scope of the home national market.

The conventional analysis of firm competitive strategy (Porter 1980) and national competitive advantage (Porter 1990) attaches much weight to scale, a resource often not available to smaller national competitors. A B2B e-marketplace offers the opportunity to gain scale by collaborating in a vertical market. For example, according to some analysts “Regional players in a single industry can gain scale by collaborating to form a vertical B2B marketplace, as petrochemical buyers and sellers in China, Indonesia, South Korea, Taiwan, and Thailand did when they formed the petrochemical marketplace ChemCross (McKinsey and Company 2000).

Some Tentative Directions for Public Policy

Traditional models of growth developed in the 1950s focused mainly on inputs of capital and labour (Woodall 2000). The new growth theory developed in the 1980s regarded knowledge creation as endogenous and technology change as depending partly on government policies (as discussed by Woodall 2000). Singh (1999) states that the success of electronic commerce for the developing countries is dependent on policies developed by governments that provide modern digital communication infrastructure, satisfactory distribution of electricity along with access to computer hardware, software and servers through reduced tariffs. Arguably, government policies must facilitate the contribution of IT to national productivity in developing nations rather than hinder it, thus Woodall (2000) advocates opening markets, breaking up telecom monopolies, protecting property rights, and improving education, especially literacy.

Mandating use is a well-known public policy used to stimulate the proliferation and use of goods and services with broad economic benefits and positive externalities (Harris and Carman 1984). One implicit policy that has already been implemented in this industry involves mandating the compulsory use of internet-based procurement: “In Thailand, all importers and exporters have to be on-line because the government has passed a law requiring all trade documentation to be provided on the web” (Woodall 2000, p. 38). Woodall (2000) also cites an even more sweeping case, noting that:
The government is using the web as a way of forcing change within South Korea’s economy. It has ordered all state-owned firms to make 50% of their purchases on-line by 2001. All government procurement will be on the internet by 2002. The hope is that increased transparency and open competition will help to transform the country’s traditional cosy and opaque business relations. B2B e-commerce will break the links between the chaebol (conglomerates) and their suppliers, and so help loosen the stranglehold of the chaebol on the economy (p. 39).

Obviously, it is much easier to mandate changes in public sector procurement in the first instance than it is to directly compel industry-wide re-structuring throughout the many potentially relevant industries dominated by private sector buyers. Yet, many of the entrenched rigidities and “cosy” and inefficient relationships so prevalent in developing economies mimic the market failures found in public sector procurement. In fact, others observe that, in the context of conventional marketing institutions “Many competitive advantages in emerging economies are based on network relationships and close business-government ties, with firms becoming effective monopolies in their home markets.” (Hoskisson, Eden, Lau, and Wright 2000 p. 11). Such networks and relationships have been the traditional sources of competitive advantage for firms in developing economies. B2B electronic marketplace technology could help destroy these sources of incumbent firm advantages and in the process create new sources of national competitive advantage.

Summary and Qualification

This paper first outlined some general characteristics of B2B electronic marketplaces and discussed how such marketplaces might offer competitive advantages for adopting firms. It then attempted to extend this argument to the adoption of this technology by firms and networks of firms in developing nations and argue how adopting nations can thus gain competitive advantages, advantages not available with more traditional methods of B2B exchange. The general contemporary discussion of electronic commerce is replete with unsubstantiated prognosis and managerial directives. It contains far too many platitudes, far too little theory, and scant hard evidence. The literature on B2B electronic marketplaces not only shares these limitations but has barely even begun to take shape. In particular, there is essentially no literature on the contributions of B2B electronic marketplace technology to the competitive advantage of developing nations. Although this paper shares many of these limitations, it hopes to begin to explore this phenomenon by construing the B2B electronic marketplace as something much more than simply another incremental improvement in marketing efficiency, but, instead, viewing it as the radical and transforming innovation it could yet become.

References:


Artificial Software Agents and Prospective Disintermediation in E-commerce Markets

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Introduction

The software agents currently found in e-commerce act on behalf of retailers, exemplified by Amazon.com’s collaborative filtering software that recognizes customers and recommends new books based on the purchasing patterns of compatible customers. Such business agents help to build a more buyer-centric experience by personalizing the seller’s service and streamlining the consumer’s interaction with the web site (Maes 1999). Consumers may, however, desire an even more buyer-centric solution: software agents employed by themselves, rather than working for sellers. Thus internet shopping in the future may embody a very different mode of interaction as compared with today.

In particular, the current style of individuals visiting Web sites to make transactions may well give way to visits by software agents working on behalf of individuals. The process of shopping on the Web may be radically transformed to leverage unique capabilities inherent in the electronic marketplace (Burke 1997). Such a scenario is possible because the Web is not only a communications medium, but is also a computational medium (Economist 2000). The electronic market created by the intersection of communication and computation capabilities provides an information-rich environment which is compatible with the deployment artificial intelligence (Franklin 1997). In other words, the fully electronic marketplace provides a natural habitat for the fully electronic shopper. The purpose of this paper is to explore possible ramifications of the widespread use of artificial shopping agents by consumers. In particular, concerns pertaining to disintermediation are outlined, and implications are discussed.

Artificial Shopping Agents

Shopping agents are known by a variety of names--artificial software agents, external agents, autonomous agents, shopping bots or shopbots (bot is a contraction of robot). Although shopping bot is most common, the present discussion will employ the term agent in order to ground the discussion more closely in conventional marketing concepts. Regardless of terminology the purpose of these agents is the same: they are to conduct a range of shopping-related tasks via the Internet, with minimal interaction by the individual on whose behalf the agents are shopping.

Personalized artificial shopping agents are expected to be characterized by a goal-driven orientation, autonomous execution, persistent search and evaluation whether or not the individual is online, ability to interact with either human sellers or their software, and adaptive learning capabilities (Franklin and Grasser 1996; Murch and Johnson 1999). A full range of shopping tasks includes product or service search and evaluation, retailer search and evaluation, selection, negotiation, payment and delivery arrangements (Jonkkeer 1999). A widespread use of agents depends partly on advances in software, but importantly on the development of a common set of standards (Murch and Johnson 1999).
Conceptually, an artificial agent is not dissimilar to a traditional market agent such as a real estate agent or a personal shopper. That is, the agent is delegated specific tasks and responsibilities, which are carried out for the benefit of the delegating individual (Pratt and Zeckhauser 1985). Based on some combination of competence, expertise or insight into the individual’s wants and needs, the agent exercises the powers delegated to him/her/it by the individual. Hence it is not the concept of agency, per se, which raises the possibility of structural change, since agency is not unusual in markets, but rather the specific capabilities of artificial software agents as compared with humans (Brown and Duguid 2000).

To examine the prospects for disintermediation in electronic markets, Picot, Bortenlonger and Rohrl (1997) argue that principal-agent theory offers the clearest insight. The basic perspective of the present research is that retailers act as agents for both producers and consumers. Producers and consumers can (and sometimes do) transact directly, but for the most part deal through intermediated channels. In the interest of efficiency, each has “spun-off” certain functions to retailers (Mallen 19973). For example, the function of breaking bulk is delegated by producers to retailers while the function of building assortment is delegated by consumers to these same retailers. Many functions are performed in the channel, however, the present discussion will use sorting as the exemplar function because the logic of sorting is thought to be central to understanding the structure of distribution channels (Alderson 1965). In these terms, sorting is broadly conceived, including grading for quality, sorting-out (breaking bulk), and creating assortment.

Although frequently regarded as an arrangement sufficiently well established as to be characterized as institutional, intermediated channels are subject to ongoing analysis and reanalysis: “The functional mixes will be patterned in a way which provides the greatest profit either to the consumer (in the form of lower prices and/or more convenience) or the channel members with the most power (which depends on market structure),” (Mallen 1973, 19). The term “resumption” is applied when a producer (or consumer) resumes the performance of a previously spun-off function. Hence the type of disintermediation under discussion here is a case of functional resumption, originating in new technological capabilities.

From the consumer side, the relevant technologies involve Internet communication capabilities and artificial intelligence software. From the producer side, the relevant technologies involve Internet communication capabilities and flexible manufacturing capabilities. While the paper focuses on the consumer side, a brief example will illustrate the importance of changes at the producer level. Resumption of the bulk breaking function by producers involves the capability to economically manufacture small order sizes, which can be accomplished through flexible manufacturing techniques. Without such ability, the advanced search and evaluation capabilities of consumer’s artificial agents would not be sufficient to enable an economical transaction. Hence the new techniques and capabilities jointly combine to enable a forward integration by producers and a simultaneous backward integration by consumers.

Principal-agent theory is predicated on the notion of returns to specialization of two kinds: economies of scale and superior problem-solving capabilities (and/or specialized knowledge) (Banks 1995). Issues involving economies of scale are most closely associated with the producer-retailer relationship. Issues involving problem-solving and knowledge, however, are associated with the consumer-retailer relationship and are the focus of this research. If artificial shopping agents demonstrate competence in such tasks as searching producer’s Web sites, evaluating offering and creating a suitable assortment of goods, then consumers have less need of the retailers’ expertise in these functions. The possibility of disintermediation which proceeds from the consumer side is technologically driven: “With the support of information and communication technology, principals can acquire the agent’s superior problem-solving capabilities, thus enabling them to fulfill the originally delegated tasks on their own,” (Picot, Bortenlonger and Rohrl 1997, 112).

In addition to the question of problem-solving capability, a related issue arising from principal-agent theory is information asymmetry. In particular, the principal has a limited ability to monitor the performance of an agent whose interests may not perfectly align with the interests of the principal (Pratt and Zeckhauser 1985). Consumers may question whether retailers are providing them with the lowest prices, best selection, highest quality or fastest service. While certain of these variables are visible and comparable, especially price, the retailer’s business plan or strategy remains hidden. The consumer may remain unsure that the retailer is offering the best possible deal (Arrow 1985). Hence lack of trust in
retailers provides a motivation to deal directly with producers, an undertaking made more feasible by artificial shopping agents. The question at hand is not whether the Internet, in general, will cause disintermediation but whether artificial agents, in particular, are likely to elevate the probability of disintermediation.

**Problem-Solving and Specialized Knowledge**

Resumption of the problem-solving and knowledge related functions depends on artificial agents capacities with respect to information processing and artificial intelligence. Nominally, the issue with respect to human use of information is incompleteness of information in decision-making, however the root of the Internet issue derives from an overload of information generated on the Web. The problem is a paucity of relevant information hidden in a haystack of irrelevant information (Hair and Keep 1997). Overload and irrelevant information are prime motivators for consumers to delegate shopping tasks to retail agents.

Artificial agents can locate, evaluate and process a higher volume of information than humans. The potential for agents to persistently and thoroughly search offerings on the Web holds the potential for more suitable decisions for many consumers. Also, artificial agents can acquire specialized knowledge from expert sources. A growth in demand for expert evaluative services such as Consumer Reports, in addition to other types of informational intermediaries, is anticipated by e-commerce researchers (e.g. Peterson et. al. 1997). Consumers who wish to resume the function of product evaluation in terms of a wider, deeper and more systematic search may find increased welfare in the use of artificial agents. This type of use, if widespread, may expand market opportunities for expert evaluative services, that is, it could significantly expand the role of information-oriented intermediaries in e-commerce markets. Combining extensive information search with product evaluation information could create a large number of "expert" buyers in consumer markets. That is, consumer buying decisions may come to more closely resemble organizational buying decisions.

**Trust**

As noted above, a structural problem in principal-agent relations is information asymmetry. By the very nature of specialization, agents have information, or can take actions, which are hidden from the principal (Weimer 1995). Thus the principal must either trust the agent or incur costs in attempting to monitor the agent’s actions or performance. Consumers may, for example, compare prices across retailers in an attempt to monitor performance, but equal prices may indicate lack of vigorous competition instead of the best possible performance.

Trust is thought to entail two aspects: belief in honesty and belief in benevolence (Geyskens, Steenkamp and Kumar 1998). Honesty relates to fulfillment of commitments while benevolency relates to an interest in the other’s welfare. It is the latter, specifically the lack of same, which may motivate consumers to replace retailers with agents. In other words, suspicion of retailer opportunism can be alleviated by delegating to an artificial agent whose interests are, by definition, aligned with the principal and whose actions are easily monitored.

There is the possibility that artificial agents will become a substitute for traditional assurances, such as brand names (Jonkkeer 1999). That is, trust in the agents may displace the implicit assurance and risk-reduction that has traditionally been conveyed by well-known brands.

**Disintermediation**

The assumption with respect to overall motivation is that consumers seek to economize on costs, and artificial agents may be able to minimize the consumer’s expenditure of time, effort and money through transacting directly with producers. For this to happen, producers must resume functions which relate to scale economy efficiencies of retailers. The likelihood of disintermediation is directly related to the number and salience of functions which can be economically resumed by both producers and consumers.
The research examines the prospects for disintermediation using a principal-agent framework. In this framework, disintermediation resulting from the use of artificial agents can be understood as the result of backwards integration by consumers into the distribution channel. If artificial agents achieve a level of information processing, evaluation and assortment building equal to retailers, then retailers may no longer be a cost-efficient alternative for consumers. If consumers suspect opportunism on the part of retailers with respect to price, quality or terms, and believe that artificial agents are more trustworthy, then retailers will no longer be trusted.

With respect to globalization, two points regarding artificial agents deserve comment. First, the willingness to employ artificial agents at all may be quite variable across populations. Mistrust of or aversion to robots and artificial intelligence is likely to vary on the basis of culture, religion, class or community. Second, because the Web is not inherently border-bound, neither are artificial agents. Consumers who use agents will be, by definition, global consumers (Quelch and Klein 1996).

**Outlook**

A prospective substitution of artificial agency for human involvement in shopping tasks raises concerns about the viability of intermediaries in e-commerce markets. In general, the first or second generation of an innovation is not characterized by high performance, as judged by the standards of later generations. Also, most consumers do not speedily change ingrained attitudes and behavior. For these reasons, it is not likely that artificial agents will have a substantial impact on market structures in the near term. Extensive use of artificial agents will probably await generational improvements in agents and will diffuse among shoppers over the course of years, if not decades. Also, since the feasibility of functional resumption varies by market (or type of purchase), the likelihood of disintermediation is not expected to be equal across markets.

**References**


On the Marketing of Nations to Attract MNC’s: Managers' Perceptions and Preferences

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Deciding on how and where to start a new regional expansion is of great importance and complex for multinational companies. This importance and complexity stems from the fact that these decisions involve relatively high uncertainty (i.e., risk) and, at the same time, engaging in a multidimensional evaluation process. On the other end there are many countries that try to attract multinational companies to build up their regional headquarters there. Consequently, both parties have a common interest to identify key elements in this multidimensional decision process and to estimate the likelihood that a certain country will be more suitable to fill this task than others. Thus, it is apparent that a specific country's policy makers will be interested in revealing multinational companies managers' perceptions of their countries as well as their rivals. They can be also interested in identifying salient country's characteristics that are involved in managers' preference formation process for selecting a country as a base of operation.

In order to answer these questions we propose a new approach to solve this problem. Specifically, we analyze the similarities and differences of the different countries by studying managers' perceptions. In order to get more insight into the issue of managers' preference formation toward a specific country, we employ a probabilistic choice modeling approach that is based on attributes evaluations of different alternative countries. As a result, we are able to estimate the probability that a certain multinational company will prefer a certain country as well as obtaining diagnostic information as to the relevant country's characteristics involved in this process. Since different industries have different needs for their operations, a segmentation scheme is employed to capture this heterogeneity. The results of our empirical analysis indicate that different country characteristics are salient in the preference formation process in different industries and that significant perceptual gaps exist between the different countries considered in this study. Managerial implications and guidelines to construct a marketing strategy for these countries are presented.
Some Important Factors Underlying Ethical Decisions of Middle-Eastern Marketers

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Anusorn Singhapakdi, Associate Professor and Coordinator of Marketing, Old Dominion University
Ashraf Attia, Assistant Professor of Marketing, SUNY at Oswego
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Authors’ Note: The authors thank AT&C (Arab Training and Consulting) for assistance in data collection.

This study analyzes the marketing ethics decision-making process of Middle-Eastern marketers. In particular, it examines the relative influences of ethical perceptions, perceived importance of ethics, and age on ethical intentions of marketers in the Middle-East. The following research hypotheses were formulated:

H1: Middle-Eastern marketers who perceive an ethical problem in a situation are more likely to have an ethical intention than Middle-Eastern marketers who do not perceive an ethical problem in a situation.

H2: Middle-Eastern marketers who perceive ethics to be important are more likely to have an ethical intention than Middle-Eastern marketers who do not perceive ethics to be important.

H3: Older Middle-Eastern marketers are more likely to have an ethical intention than the younger Middle-Eastern marketers.

Sample and Methodology
A self-administered questionnaire was used as the data collection technique for this study. Perception of ethical problem and ethical intention were operationalized by means of three marketing ethics scenarios. This approach is consistent with many studies in marketing ethics. Age of respondents was measured directly and perceived importance of ethics was measured using the PIES scale, which is a modified and shortened version of the original PRESOR scale (Singhapakdi et al. 1995), which had 14 items. A factor analysis of that scale revealed several dimensions that were highly correlated, so the factors have been analyzed separately in subsequent studies (e.g., Singhapakdi 1999). The main factor (PIES) consists of four items, which were used in the current study. They were measured on a 9-point agree/disagree scale and the internal consistency in the current study was acceptable (α = .81). The items are:

• The ethics and social responsibility of a firm is essential to its long-term profitability.

• Business ethics and social responsibility are critical to the survival of a business enterprise.

• The overall effectiveness of a business can be determined to a great extent by the degree to which it is ethical and socially responsible.

• Social responsibility and profitability can be compatible.

Convenience samples of marketers from three Middle-Eastern countries, Egypt, Jordan and Saudi Arabia, were used in this study. Consistent with the literature (e.g., Tuncalp 1988), the researchers were obliged to use a non-
probability sampling since it is very difficult to draw a probability sample in the Middle East. One hundred thirty-four usable questionnaires were collected: 63 from Egypt, 63 from Jordan, and 8 from Saudi Arabia. Table 1 shows selected demographic characteristics of the sample.

Table 1. Profile of Respondents

<table>
<thead>
<tr>
<th>Sex</th>
<th></th>
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<tbody>
<tr>
<td>Male</td>
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<td>Female</td>
<td>11.9%</td>
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<table>
<thead>
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<th>Age</th>
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<tbody>
<tr>
<td>Under 30</td>
<td>47.3%</td>
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<tr>
<td>30 to 39</td>
<td>40.3%</td>
</tr>
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<td>40 to 49</td>
<td>7.7%</td>
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<tr>
<td>50 to 59</td>
<td>4.7%</td>
</tr>
<tr>
<td>60 and over</td>
<td>0%</td>
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</table>

<table>
<thead>
<tr>
<th>Educational Level</th>
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<tbody>
<tr>
<td>High School or Less</td>
<td>9.9%</td>
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<tr>
<td>Some College</td>
<td>22.1%</td>
</tr>
<tr>
<td>Bachelors Degree</td>
<td>39.5%</td>
</tr>
<tr>
<td>Some Graduate School</td>
<td>5.3%</td>
</tr>
<tr>
<td>Masters Degree</td>
<td>3.1%</td>
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</table>

<table>
<thead>
<tr>
<th>Job Title</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>President/Owner</td>
<td>7.6%</td>
</tr>
<tr>
<td>Vice President</td>
<td>3.1%</td>
</tr>
<tr>
<td>Corporate MGR/Direct</td>
<td>3.1%</td>
</tr>
<tr>
<td>Division/Product MGR</td>
<td>16.8%</td>
</tr>
<tr>
<td>District Manager</td>
<td>11.5%</td>
</tr>
<tr>
<td>Junior Analyst/Sales</td>
<td>50.4%</td>
</tr>
<tr>
<td>Others</td>
<td>7.6%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Industry</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesale/Retail</td>
<td>55.8%</td>
</tr>
<tr>
<td>Manufacturer/Construction</td>
<td>21.0%</td>
</tr>
<tr>
<td>Services</td>
<td>11.6%</td>
</tr>
<tr>
<td>Communications</td>
<td>4.3%</td>
</tr>
<tr>
<td>Marketing Consulting</td>
<td>0.7%</td>
</tr>
<tr>
<td>Others</td>
<td>2.2%</td>
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<table>
<thead>
<tr>
<th>Years of Experience</th>
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</tr>
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<tbody>
<tr>
<td>Less than 10 years</td>
<td>73.9%</td>
</tr>
<tr>
<td>10 to 19 years</td>
<td>18.9%</td>
</tr>
<tr>
<td>20 to 29 years</td>
<td>5.0%</td>
</tr>
<tr>
<td>30 to 39 years</td>
<td>2.9%</td>
</tr>
<tr>
<td>More than 39 years</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Saudis, Egyptians and Jordanians speak three different versions of Arabic, but the written form of the language is standardized. The questionnaire for this study was translated and back-translated by two independent Arabic speakers, then passed on to a marketing consultant in the Middle East to verify cultural and professional style. This included evaluation of appropriateness of the three scenarios, originally developed in the U.S.
Results

The survey results, summarized in Table 2, below, generally indicate that perceived ethical problem is a positive factor of a Middle-Eastern marketer's ethical intention, as hypothesized. The results also support our hypothesis regarding the influence of perceived importance of ethics, that Middle-Eastern marketers who perceive ethics to be important are more likely to have an ethical intention than Middle-Eastern marketers who do not perceive ethics to be important. Our research hypothesis regarding the influence of age, however, is not supported. The results do not indicate that older Middle-Eastern marketers are more likely to have an ethical intention than the younger Middle-Eastern marketers.

Table 2. Regression Models

Model for Scenario 1: Overeager Salesperson $^a$

<table>
<thead>
<tr>
<th>Variables</th>
<th>beta</th>
<th>t</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Ethical Problem</td>
<td>-.390</td>
<td>-4.940</td>
<td>.000</td>
</tr>
<tr>
<td>Perceived Importance of Ethics</td>
<td>-.302</td>
<td>-3.849</td>
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<tr>
<td>Age</td>
<td>-.137</td>
<td>-1.713</td>
<td>.089</td>
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</tbody>
</table>

Model for Scenario 2: Consumer Switching Price Tag $^b$

<table>
<thead>
<tr>
<th>Variables</th>
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<th>t</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Ethical Problem</td>
<td>-.233</td>
<td>-2.775</td>
<td>.006</td>
</tr>
<tr>
<td>Perceived Importance of Ethics</td>
<td>-.377</td>
<td>-4.495</td>
<td>.000</td>
</tr>
<tr>
<td>Age</td>
<td>-.061</td>
<td>-0.722</td>
<td>.472</td>
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</table>

Model for Scenario 3: Failure to honor warranty $^c$

<table>
<thead>
<tr>
<th>Variables</th>
<th>beta</th>
<th>t</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Ethical Problem</td>
<td>-.598</td>
<td>-8.327</td>
<td>.000</td>
</tr>
<tr>
<td>Perceived Importance of Ethics</td>
<td>-.182</td>
<td>-2.527</td>
<td>.013</td>
</tr>
<tr>
<td>Age</td>
<td>-.094</td>
<td>-1.304</td>
<td>.195</td>
</tr>
</tbody>
</table>

$^a$Adjusted $R^2 = .282$, $F = 16.57$, Significant $F$ less than .001

$^b$Adjusted $R^2 = .178$, $F = 9.56$, Significant $F$ less than .001

$^c$Adjusted $R^2 = .409$, $F = 27.72$, Significant $F$ less than .001

Implications

Our research findings should also be useful for marketing managers in the Middle East, especially those who are interested in raising the level of ethical behavior within their firms. The dependent variable used in this research, ethical intention, is as close as researchers outside lab environments (therefore, necessarily small samples) can come to measuring ethical behavior. The strongly significant relationships demonstrated (between perception of an ethical problem...
and ethical intention and between perception about the importance of ethics and social responsibility and ethical intention) indicate that companies in the Middle East should focus on the means to sharpen both types of ethical perception. These might include developing codes of ethics, instituting ethics training programs, discussing case studies, and exerting management influence.

Selected References


A ‘Reading of Narratives of Cross Cultural Encounters:
Implications for Organizations

Peruvemba S. Jaya, Lyon College, USA

Prologue

“Seeing comes before words. The child looks and recognizes before it can speak. But there is also another
sense in which seeing comes before words. It is seeing which establishes our place in the surrounding world; we
explain that world with words, but words can never undo the fact that we are surrounded by it. The relation between
what we see and what we know is never settled....The way we see things is affected by what we know or what we
believe.”

(Berger,1977:6-7).

This paper is an articulation of the words of John Berger and an attempt to translate this for the field of
management and to draw insights for scholars, in particular in the cross-cultural arena. As such, I explore this ‘seeing’
through the narratives of films and the personal. I draw upon Berger’s concern with seeing and its pre-eminence before
words and my own vision, sight and re-vision of the data that I examine in this paper form the basis of the expression of
this whole ‘viewing’. At the deepest level, then, the starting point is my own self-expression, and then the meaning of this
expressiveness for a wider and broader audience.

Introduction

In 1983, Adler reviewed the state of research in the field of international management with reference to
organizational behavior and cross-cultural issues in American journals. The conclusion was that most studies were either
single country studies or comparisons between two or more countries. Less than one percent of the research focused on
the interaction between employees of two or more cultures. Subsequently later, it was recognized that the field was
moving towards a greater acknowledgment of cultural issues in the interaction between employees of differing cultures
(Adler & Bartholomew, 1991). Furthermore, there has been an insistence to move the field towards less parochialism,
and broaden the horizons of knowledge (Roberts & Boyacigiller, 1984; Boyacigiller & Adler, 1991). Nevertheless, most
research has focused on the entry of United States companies and managers into ‘other’ countries and the consequent
culture shock and adjustment problems faced (Adler,1997). The issues faced by expatriate managers on their moving to
another country and even re-entry problems have gained the attention of scholars (Black, Gregersen &

However, the lens should be shifted towards the movement of people across the globe into the United States and
the consequent issues that may arise. With increasing globalization, a large number of peoples from very disparate
backgrounds are entering the workplace. Such varied and diverse groups of people embody the multiple worlds that they
inhabit and straddle. For example, individuals from other parts of the world may enter the workplace and interact with
others in the organization and function in a setting that represents a professional ‘modern’ setting. On the other hand, they
also occupy the space of being Indian, members of their community and as participants in their family and religious
group, thus dealing with extremely different issues and emotions as they move back and forth between these multiple
places and spaces. As such, a static view of interactions between peoples will not be sufficient to grasp the complexity of
the issues that may arise in the workplace.

What is manifested is the fluidity of individuals’ identities. Hence in order to understand cross cultural
communication and interactions, it is imperative to delve deeper into the complexities of cross border identities. In other
words, as people are out of their general context, and are not in their home countries, they are faced with a different reality
and this has consequences for shaping their identity and their interpersonal interactions. Organizations, and multinational
corporations hiring and placing this diverse group of people need to be aware of the intrapersonal and interpersonal
dynamics that the movement across borders entails. In other words there is a constant and increasing surge of individuals
entering multinational corporations who have moved great distances across the world to be able to enter the workplace in the American multinational.

While they may have physically crossed borders and made the shift across national boundaries, the question remains: have their identities shifted? Are these identities bound by multiple spaces and places and times that they occupy? Thus, in multinational workplace settings, managers need to have an appreciation of and awareness for who these people are and where they are coming from. That is, the histories, backgrounds and traditions and contexts that these individuals embody in has an impact on the mode in which they conduct themselves in the workplace and the manner in which they interact with other individuals, be they peers and colleagues, managers as well as subordinates in their frame of reference. As such, there is an urgent need to situate the discussion around the specific problems by taking note of the complex, contradictory and ambiguous nature of individuals’ identities. In today’s workplace, it is commonplace to be ion a team of people which may comprise of varied nationalities. Such cross national persons who have traveled many distances in every sense of the word, may be expressing in their personas flashes of multiple, sometimes contradictory and at other times even ambiguous aspects, which may seem perplexing and not coalesce together. Yet, managers and employees in the same organizational space and close work team, cannot afford to ignore the impact of these varied identities interfacing with each other.

This paper addresses this issue by examining the construct of identity as it has been explicated in the social psychological literature. After this, the significance of the social constructivist position and the relevance to this paper are reviewed. Then the notion of cross border identities and the multiple and fluid and kaleidoscopic nature of identities is examined. The construct of identity as static is problematized and a more dynamic view of individual identity is highlighted. The necessity of articulating cross cultural encounters as the interplay of identities is then put forth. The interaction between individual identities is the locus from which cross cultural encounters can be better understood.

This conceptual section is followed by a discussion of methodology where the visual medium and specifically the use of film as a site of data is analyzed, with examples from the two films being used in this paper. In addition, there is a personal autobiographical section, which has been used as another source of illustration to extract the meanings in relation to the issue of identity and communication. Finally, implications for research in management and any possible conclusions are outlined.

In the next section, social identity theory is reviewed and the main tenets explained.

**Social Identity**

The dichotomy between us and them or the identification with one group as opposed to another is one of the main characteristics to describe social identity. Social identity theory with its roots in social psychology continued with this general concept of the individual’s self concept derived from group membership (Turner, 1982).

The central aspect of social identity is that identification with and membership in a group helps to define the individual. It is thus focused on the location of the individual in certain social categories, and the perception of the individual of the category to which he/she belongs. The member values membership in the group in an emotional and social sense. Identity is thus defined by who is not a member and who is a member in a particular group, in other words by the patterns of exclusion and inclusion (Turner, 1982).

The construct of social identity has been refined further by relating it to notions of status, role and social degradation and social upgradation (Sarbin & Scheibe, 1983). In articulating the individuals as members of specific in-groups and out-groups, it is relevant to state the complexity of membership in multiple groups which may be nested or contained within each other and may also heighten the level of involvement or detachment, depending on the perspective of the individual in relation to the group of which he/she is a member (Allen, Wilder & Atkinson, 1983).

In organizational literature, the construct of social identity has been applied to understanding organizational socialization, role conflict and intergroup relations (Ashforth & Mael, 1989). They argue that organizational identification is a special form of social identification, and has consequences for intergroup relations where individuals may identify with a specific subunit. Also in the process of socialization the identification of the new member with the organization or the subgroup within the organization may facilitate the process of socialization. In addition, in the domain of role conflict, the demands made by organizational roles and conflict with individual values and norms and hence the resolution is not through integration but recognition of the multiple identities of the individual in personal and organizational spaces. The scholars extend our knowledge of social identity and its applicability to organizational issues by recognizing the multiplicity of individual identities. Nevertheless, the issues of identification fail to take sufficient
note of the agency of the individual and that even while social identity is a powerful mechanism for understanding intergroup relations, it falls short when understanding interpersonal communication between members of different ingroups and outgroups. In other words there is an essentializing element much like placing all individuals into certain categorizations and thus not recognizing the fluid and varying nature of identities of actors in a social interaction.

Other studies of social identification have examined the impact of social identification on worker self esteem and goal setting (Pilegge & Holtz, 1997); or the relative rarity of a group in a social context made members more aware of their membership in that group and became the focus of their identity (Kilduff & Brass, 1998).

More recently, social identity theory has been the subject of study and research by scholars in the context of ingroup and outgroups, (Vanbeselaere, 2000), or the impact in terms of status organizing (Kalkhoff & Barnum, 2000), or even an examination of the relationship between social identity theory and identity theory and the implications for an understanding of the self (Stets & Burke, 2000). Some scholars have examined the impact and necessity of social identity theorizations in the context of workplace encounters, specifically in the context of marginalized identity groups such as gay, and lesbian identities (Creed & Scully, 2000).

Essentially, these studies have furthered the construct of social identity as central in organizational contexts and have made useful contributions in this respect. How do members then act and react and enact as members not just of groups or in and out groups but as historically, contextually and culturally constituted identities? In this, the argument is re-stated as the importance of the context but not narrowly defined as the in-group or out-group, but inclusive of the context of the entire historical aspects that are implicit in the construction of the individuals’ identity. Also, while the in-group and out-group basis for identification provides a useful basis for understanding intergroup relations of a certain kind, what happens when individual identity is transcribed in terms of other realms and worlds? How can social identity explain the relationships between individuals in the workplace especially between international partners or actors in a multinational firm?

In the next section, the importance of the context and the complicated nature of identities as being more than a simple categorization in terms of either attributes or articulation as image is elaborated upon. The main purpose of the section that follows is to introduce the construct of the social construction of identity. Furthermore, from this starting point, what this means for identities in communication and interaction is explored.

The Social Construction of Identity: the Interplay of Identities

In this section, the necessity for expressing identities as complex and shaped by the context and the social setting is the focus. The significance of this mode of viewing identities for gaining a better insight into contemporary phenomena on organizations is the purpose of the discussion. The appreciation of the fluid and ambiguous nature of identities is then linked to cross-cultural communication, which is an important issue for cross-cultural scholars and practicing managers.

Discussions of social identity stress the member’s place in reference to a certain group. Implicitly, then there is a suggestion about the social construction of identity. Individuals’ identities are shaped by the context, which in the social identity discussions have been limited to the immediate group. However, the group is still ahistoricized as some sort of generic group membership. The social construction of identity recognizes the value of placing the individual in reference to the context.

The work of Anthony Giddens places this in a larger frame of reference, challenging the dualism of the individual and society and focusing upon ‘reproduced practices’ (1993). This approach does not deny that there are social systems which exist outside of the individual. The continuous flow between individual and society is emphasized and hence the imperative to look beyond duality; yet human agency is still not underplayed. Giddens thus stresses meaning making through interaction, constant flow and change. For instance, in an organizational setting, when people interact, and intersect with each other, each such encounter creates an exchange between the actors. Through this process, meaning is made. Yet at the same time, it is necessary to emphasize that this takes place within the frame of a larger structure, hence the relevance of both structure and agency and the breaking down of the dualism between the individual and society.

Some of the concepts of Giddens (1991), are useful in re-framing the notion of identity as socially constructed, but also as more dynamic and fluid than the conceptualization by social identity theorists. What does it mean to state that we are dealing with dynamic and fluid identities? The identities of individual players in the social arena are constructed in the moment through interaction between and among them. This makes for a dynamic synergy that creates the need for flexible and ongoing interactions. Social identity conceptualizations have visualized the group as the center of the basis
for identity creation and formation. While this cannot be denied, the nature of interactions across varied time/space milieus makes the visualization of identities only in terms of belonging to a group inadequate. It fails to take into account the multiplicity and varied tapestry of the identity of the individual actor. The notion of ‘disembedding’ expressed by Giddens(1991) is explained as the lifting out of social relationships from local contexts and their recombination across indefinite time/space distances. Narratives of the self are the stories by means of which self-identity is reflexively understood, both by individuals and others (hence the relevance for communication between individuals). Also, the dialectic between the local and the global creates the tension which then is crucial in understanding that identities are fluid and multi-layered, and hence reference group explanations of intergroup or interpersonal communication becomes problematic and rather one-sided.

The questions that may be posed then as a corollary to the foregoing discussion are many. What are the many kinds of employees that organizations have within them? It becomes problematic when examining social identity as something which is agreed upon. In other words, the question is: what does social identity mean for different people? What constitutes it? Are individuals’ identities not comprised of their historical/cultural/social background? Then the exact configuration in which these elements are combined within the individual which then affects his/her interaction with others who are also constituted in similar manner, make the idea of understanding cross cultural encounters very challenging and problematic. In the context of organizations, as varied individuals move across borders that surround extremely disparate physical, mental and cultural spaces, the necessity to articulate individuals’ identities as fluid and multifaceted becomes urgent. By physical space is meant the very different and discrete geographical spaces that individuals in organizations simultaneously belong to. Cultural spaces refers to the meaning that these many geographical locations have in cultural terms for the people making the shift across boundaries. By mental spaces is meant the multiple spaces that this cultural and physical shift engenders. In other words, individuals belonging to, for instance, India and then entering the United States organizational and employee world, occupies in his/her mind multiple worlds and thus many mental spaces. The relevance for managers and employees interacting in organizations is very direct as they face each other in interpersonal interactions at the dyadic level. As such, a discussion of the fluid and complexity of identities moves from the arena of intellectual and academic debate to the organizational milieu.

In this section, the implications for cross-cultural communication are discussed. Even before we come to an appreciation of the communication process, and lay down prescriptions about the relationships that exist between different nationalities, (Adler,1997), we need to place this interaction in its proper perspective. With reference to communication across cultures, Adler (1997) offers a cogent and useful description of the various aspects in cross-cultural communication. Cross cultural communication, subsumes interpretation, perception, and evaluation.

Cross-cultural communication: As in any communication, cross-cultural communication involves the transmitting of a message and the receiving of a message. The translation of meaning from words and symbols and back again becomes more complex as it takes place in a backdrop of cultural difference. Adler mentions that cross-cultural miscommunication increases depending on the difference between the sender’s and receiver’s cultures. Obviously, this provides a way of coming to an appreciation of the need to bridge the gap between varying cultures.

Cross-cultural perception: Perceptual patterns are selective, culturally determined, learned, consistent and can be inaccurate (Adler,1997). Since we are constantly overloaded with information, we tend to select information and that can lead to misperception. Much of what we perceive is based on our cultural background and is learned. Following from this, perception tends to remain consistent and sometimes is inaccurate.

Cross-cultural interpretation: One of the modes of creating meaning in communication is through categorization and stereotyping. Stereotyping can be useful if it is accurate, descriptive, and consciously held (Adler,1997). On the other hand, sources of misinterpretation can be a lack of awareness of one’s own culture and embedded assumptions about the ‘other’ culture, as well as a tendency to assume similarity to oneself. These are areas that create the basis for misinterpretation.

Cross-cultural evaluation: Cultural conditioning affects the evaluation of another person’s actions or behavior as good or bad. By using one’s own culture as the reference point, evaluation then tends to assess that which is similar to one’s own culture as normal and good and that which is different as abnormal and bad (Adler,1997). By judging the behavior of the person from the other culture using the standards which are in fact culturally set and evaluated, it becomes
problematic by being culturally constructed. One form of this can be the reference to one’s culture as being better or superior. Evaluation hence causes another source of miscommunication.

Why is it important to rephrase cross-cultural communication as really a communication/interaction/interface between identities of individuals? What do these identities comprise of? The identities are the result or the embodiment of the historical/cultural/social/contextual aspects of each individual. When dealing with very homogeneous employee groups this then means that a lot of identities that are in interaction are still though unique yet there is a greater similarity. With increasing globalization, the identities that are in interface then become very opposing and diametrically different. Even with increasing globalization and the increasing fluidity of identities and greater chaos confusion and ambiguities that exist in individual lives, what happens is that this interplay of historic-interactional forces then becomes very dynamic and unpredictable so that to build typologies of identification of social identities of any group then becomes problematic. Also increasing with the shifting and multifaceted nature of the complexities inherent in every individual’s identities, the nature of cross cultural communication cannot be essentialized into broad areas of interpretation, perception and prescriptive guidelines cannot be laid down as a rule. Thus, in the workplace and in interactions with individuals/employees, categorization becomes very difficult. This means that it is no longer possible to classify any group of people according to whether they are Indian, French and so on. Increasingly, people are occupying multiple such slots. As such, it becomes almost impossible to generalize and thereby prescribe particular courses of action in an interactional situation. What this means then for interactions between individuals in a workplace setting that is open to globalization influences is that managers and persons operating under such circumstances need to be more sensitive and aware of these multiple identities that are in interaction within them sometimes simultaneously, at other times discretely, so that communication between groups may not be simplistic but may be a conglomeration and kaleidoscopic colorful collage.

The existing thought on as summarized in this section has had some engagement with the ramifications of theoretical perspectives on identity and its many forms. After this, it becomes appropriate to exemplify the issues through examination of data so that the themes and patterns may be illuminated better. It is the hope that through this process the insights revealed will enrich our perspective as scholars into the complexities involved in examining the topic of identity.

In particular, the subtle nuances and implications for cross cultural management are significant.

Methodology

In this section, the methodologies employed to articulate the issues around identities in interaction have been discussed. Three major approaches have been outlined - the use of film and visual media, introspection and the problems associated with the utilization of secondary data. This is followed by the actual discussion of the themes and patterns that emerge from the data and that are pertinent to the expression of the issues surrounding identities in interaction.

The Use of Visual Media and Films

In this paper, the use of films as relevant sources for examination of the themes of identity and identities in communication is thus grounded in the tradition of examining text whether it be photographs, film or novel. In the discipline of management, some innovative examination of literary works or novels as sites for management lessons have been explored (Czarniarwska-Joerges & Guillet de Monthoux, 1994). The study of using visual approaches in research as a tool for analysis of aspects of social life is not new to social science in general. In this section we examine the history of visual approaches as a valid mode of research. In consumer research, this has been an approach that has been used, noticeably because of the links to advertising. There have been forays into the meaning of visual images as representations in art and their relationship to marketing (Meamber, 1997; Stern & Schroeder, 1994). However, there has also been some examination of film for their implicit themes of relevance to consumer behavior (Holbrook & Grayson, 1989).

Ethnographic films are defined as films that demonstrate something about the culture that they are describing. In other words, the cultural patterns that are inherent in the primitive societies that were the subject of anthropological research in the earlier parts of the century and also the patterns of culture that are a part of all societies are the focus of ethnographic film. The depiction of encounters with ‘other’ societies in an audio-visual medium formed another mode of capturing data with the development of technological innovations (deBrigard, 1995).

In fact, recently, the use of film as a research tool has grown within anthropology. The use of visual images has been an accepted mode of capturing the culture that the anthropologist was researching. Photographs and other visual
images were only used as a supplement to written text. Since most early ethnographic studies were made in the context of colonialism and the ethnographer was of the colonizer culture there were questions raised later about the assumed superiority and condescension that was inherent in these images of the ‘savage’ (MacDougall, 1997). In the present day context, the scope of visual anthropology is broadening to include the cultural representation of local media production. Hence, there is an emphasis at tilting the balance in favor of greater re-presentation of the indigenous, which is seen as an articulation of identity by the culture or nation that is under scrutiny, and thus directed against countering representation by others (Ginsburg, 1991, 1994).

As an important way to enlarge the field of visual anthropology, it has been connected to the increasing interest in emotion time, the senses, gender and individual identity. The visual medium provides an avenue for metaphoric expression of these areas of study. At the same time, it is of significance to understand that visual anthropology is about a range of culturally inflected relationships emmeshed and encoded in the visual. The visual is used to construct works that give a richer picture of how culture permeates and patterns social experience which address the viewer on multiple levels. Greater demands on the audiences are made (MacDougall, 1997).

While the use of visual media to understand social and cultural patterns is established in anthropology, in this paper the films that are used as sites of data are feature films. In the larger discipline of visual anthropology, the study of feature films as cultural documents is a sub discipline.

Feature films as a topic of analysis in anthropological discourse gained popularity in the United States in the period of the Second World War. At this time, the concern was with studying the cultures of contemporary societies, such as Germany and Japan. After the war, there were some analyses of a few feature films although it was sporadic and limited. Film analysis has been the central focus of film studies, but anthropological interest in it has been to uncover the themes and patterns that are discernible in them about social and human interactions. Fictional films in present day societies carry the cultural significance of stories, myths, rituals, and ceremonies in primitive societies that anthropologists have long studied (Weakland, 1995).

In the context of the subject matter of this paper, namely the focus on identity and its relationship to issues of concern to cross cultural scholars and practicing managers, feature films provide a mode of engaging with the questions of relevance and interest. The films chosen in particular represent aspects of contemporary cross cultural dilemmas and the consequent resolution.

In general, when examining films, the researcher should examine the main themes and regularities that the films reveal. Repetitive patterns and interrelations between these themes must be uncovered (Corrigan, 1998). The purpose of film study to the wider body of anthropological discourse is to understand the cultural patterns and relationships that exist in any culture. The broader objective then is to reify from these themes to observations about the culture that is being portrayed.

There are many reasons as to why films may provide a rich source of data, and represent cultural themes. Films put forth important cultural views, they are rich and varied. Each film provides a lot of material for observation, so that it is possible to examine a wide variety of social situations. Films in addition provide both visual and verbal material simultaneously. As a corollary and a further sophistication to the use of films, they can also be used to make comparisons between cultures and across cultures.

Several major criticisms abound which view the study of films critically. One of the major critiques has been that films may not mirror the view of the society they are portraying. Films represent a personal statement of the filmmaker or the group involved in the making of the film. Related to this is the concern whether films shape society in which they are made even as they portray aspects of the social and cultural setting (Weakland, 1995).

Despite these critiques, films offer a useful mode of engagement with the cultural practices and interactions in any society, and at a practical level they provide a reasonable alternative to traditional ethnographic fieldwork, by encapsulating the field in a smaller frame of analysis.

After this discussion of the value and origins of the use of visual approaches to research and films in particular, this paper examines data from two films that reveal themes of relevance central to the focus of this paper: identity and identities in interface and interaction.

**The Use of Secondary Data**

Using film as a tool to understand and throw light on the topic of interest, (in the case of this paper identity) is fraught with its own problems which are similar to the use of secondary data. Yet, secondary sources of data provide material with which one can then build further. All research makes use of secondary sources of information to conduct
primary research. As with any form of information, there are both advantages and disadvantages to using secondary sources of data. Some of the advantages of secondary information are that it saves time and cost. When secondary data is used it can save the effort of data collection, when answers to questions can be easily uncovered with the help of the information that is already existent. A starting point for generating research questions and themes and issues can be provided by secondary research. Another utilization can be the foundation for making comparisons between groups of data. In the context of this paper, the two films and the personal narrative provide three sources- two of them secondary and one experiential and primary and lived, to make comparative assessments and to draw out general and broad similar themes.

One of the major disadvantages of using secondary data is embedded in the nature of this data. That is, by using the reports or interpretations of the collector of the data, it is being subject to further interpretation. Also, the data may not have been collected for the purpose for which the ultimate user is intending it. The primary source from which the data has been generated may have a different goal for the collection and dissemination of the information in the data (Stewart & Kamins, 1993). For example, if there is a study on the cultural practices of a particular group in The United States. The purpose of the study may be to provide information on the community being studied. However, if that piece of work is used to extrapolate from that to issues affecting similar communities’ cultural practices, we may find that the information may be inadequate or even totally conflicting and at variance with the original source.

**Introspection as Research Method**

In this paper, as part of the discussion revolves around the themes as explicated in the personal narrative, it is necessary to include a section on introspection and reflexivity as research practice and process. Introspection as a tool and skill has been little used in organization studies and allied disciplines. Distinctions between various forms of introspection in research has been made (Wallendorf & Brucks, 1993). On the basis of a survey of the social science research, five categories of introspection in research have been distinguished: researcher, guided, interactive, syncretic combinations, and reflexivity in research. In general, the use of researcher introspection has been seen to be limited, as it relies on the experiences of a single person, with one caveat, as expressed in the following quote:

“In summary, long-term retrospective accounts serve as an appropriate data source if the researcher focuses on present understandings or social; construction of the past” (Wallendorf & Brucks:345,1993).

In anthropological discourse, the need for reflexivity has been emphasized, and refined (Myerhoff & Ruby, 1982). The recognition that reflexivity only deepens the level of observations is based on the premise that self-awareness in cultural studies is important to both study the ‘other’ as well as the ‘self’. Reflexivity is understood as the flow between producer, process and product and as all of them being interconnected. Reflexivity is then an implicit part of the process when studying and reflecting upon cultural practices. In sum, reflexivity is the capability of any symbolic system to fuse subject and object.

For the purposes of this paper, as the core of the arguments have to do with the construction of identity and its impact on interpersonal communication as it affects organizations, the use of reflexive and introspective accounts seems almost a logical fait accompli. Without sounding solipsistic, the extension of reflexive and introspective accounts and reactions can provide the basis for the next step in the research process, namely abstraction and broader applicability. Especially in the study of identity, it seems imperative that any conclusions and extrapolations made would have to incorporate the introspective, personal and subjective and reflexive. Hence the use of an autobiographical section has been incorporated.

In addition, the two films chosen represent some facets of diasporic peoples with specific reference to the Indian context. The ‘viewing’ of the films and examination of the themes that they reveal is especially pertinent to the topic of identity and in particular identity as fluid and diasporic. Furthermore, through this process, the articulation of identity as central in cross cultural management and in organizations which are experiencing the effects of increased influx of personnel from diverse and varied parts of the globe is facilitated.

In the next section, the three sources of data, the two films and the personal vignette are used to extract themes of relevance and the management lessons and aspects are articulated.

**Data discussion**

Two films and a personal vignette are used to illustrate the themes of identity in interaction and its impact on cross cultural communication. The films have been chosen for the relevance of their content to the issue of fluidity of
social identities and the cross cultural communication problems that arise when people meet. The personal vignette is meant to reflect some aspects of identity which have been outlined theoretically but can be demonstrated methodologically through the power of personal experience. The films have not been described in detail, and only some snapshots or freezes which represent some themes are displayed before the reader. The themes have been grouped based on my personal expression of the theme of identity that is being highlighted in the particular segment. For example, two themes that have been examined and selected for discussion are the themes of identity as nation and identity defined as people of color. The difference between these two themes is subtle yet stark. The identification with nation expresses the emotion that any individual belongs to a particular nation state as opposed to another nation state. For example, I belong to the Indian nation state and that connotes for me a sense of Indianness. The fact of being Indian is heightened when I am not with other Indians as well as with other Indians. On the other hand, feeling like a person of color is shared across several nationalities, all of whose inhabitants may feel like people of color because of the color of their skin as opposed to the people of lighter or white skin. Hence the need to separate the two themes which express varying emotions.

In addition to the organization into themes, comments and personal reactions to the films viewed have also been expressed. The reactions represent the heartfelt and subjective responses to the films. As the subject matter of the films and the movement of the individuals involved in the plot are directly intertwined with my own journey across borders, the personal and subjective responses provide a starting point for reflection into the issues surrounding diaspora and the meanings of identity in a globalized scenario.

Furthermore, these comments have been included as they represent the formation of identity in flux and change and in transformation. In other words, even the engagement in the process of viewing of the films and the interaction with them as viewer creates and contributes to the formation of identity, thereby validating the underlying theme of this paper that identities are dynamic and not static. The relevance of the analysis to managerial issues is to place the need for re-articulating communication between individuals from diverse backgrounds. The issues are more complex than a simple categorization into nationalities, or ethnic origin may suggest. Precisely because of the multiple and fluid nature of the identities which is a constant, simultaneous and ongoing process, the resolution of the issues and their immediate application when transferred to interpersonal interaction in organizational settings are extremely powerful and potent. The films that have been chosen for the purposes of this paper are Mississippi Masala and Bhaji on the Beach.

**MISSISSIPPI MASALA**

“Mississippi Masala” was a film made in the early 1990’s by a filmmaker who was herself Indian by origin, yet found her voice and place in the Western world. Mira Nair, the articulate female director and co-producer of the film, exemplifies in her own persona the embodiment of living in two worlds. “Mississippi Masala” is a film about the romantic relationship between an African American man and a woman of Indian origin, who grew up in Uganda and Mississippi. Yet, the film provides rich source material, for understanding and examining the complexities inherent in cross cultural interpersonal interactions and then place of history, and context in coming closer to that understanding.

The film “Mississippi Masala” at one level is a simple romance and has all the trappings of a film that is entertaining and erotic. However, at another level, what is visible is the allegorical narrative that it presents about cross-cultural relationships. It provides a fertile ground for tuning into the nuances of cross-cultural identity. What is fascinating to me is that it helped me define my own identity by a process of introspection and self-reflexive awareness. This I was able to do by examining my reactions to the film at certain points. In this respect, the film is a rich source of material and has a number of thick descriptive tracts. What is vital is the intersubjectivity between myself and the film, and the self reflexive process that this initiated. I also attempt to select key parts of the movie and to examine the underlying themes, and integrate it with my overarching concern with identity.

**Identity as home.** Mississippi Masala opens in Kampala, Uganda in November 1972. During this period Idi Amin was in power and began his campaign to oust the Africans of Asian descent from Uganda. In effect, this meant the Gujarati community, who were all from very wealthy backgrounds (Gujarati refers to a section of people belonging to a state in Western India). Idi Amin felt that the Indian Africans were amassing undue amounts of riches and wanted to tilt the balance in favor of ethnic Africans. The lead female protagonist, Mina is a young child and her parents Jay and Keenu are preparing to leave Uganda. Jay has a close ethnic African friend Okelo who is concerned for their safety and encourages them to leave. Jay tells Okelo, “Why should I go, Okelo? This is my home”. Okelo replies “Not any more. Africa is for Africans, black Africans”.

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Jay is faced with the task of uprooting his wife and little Mina from their home and extended family roots. Mina is very attached to Okelo Chacha (Chacha in Hindi is a term for uncle, specifically the father’s younger brother). Some etching scenes, Okelo bidding farewell to Mina and her mother, embracing them and with tears streaming down his face, and speaking to Mina in Swahili, urging her not to forget her Swahili. Mina speaking to Okelo Chacha in Swahili saying good-bye and embracing him. Jay the father angered by Okelo refusing to acknowledge him. The emotional scenes of these displaced Africans of Indian descent praying and weeping as they must leave their Ugandan homeland. At the airport, chaos as other displaced families also prepare to leave, a woman with her face to the sun and her prayer beads, saying her prayers to the Sun (or Surya as he is called by the Hindus) for possibly the last time in Ugandan soil, a man bending down to the ground to kiss the earth to bid his emotional farewell to the soil that had nurtured him. This part of the film is perhaps the most moving to me personally. The dominant feeling is one of the ground giving way beneath my feet, and of powerlessness, homelessness. It is amazing that this segment of the film always has me transfixed watching in fatal fascination, and no matter how many times I view it, it has me with tears welling up in my eyes each time. To explain this further, it evokes a feeling of helplessness, and although I my coming into the United States was by choice, I am overawed by a despairing emotion of intense loneliness, isolation and of being somewhat out of everything. A tremendous surge of self-pity and homesickness rushes through.

Identity as segmented group. The camera shifts swiftly to Greenwood, Mississippi, and to August 1990. I want to quickly move to the wedding where the women are gossiping about Mina, “You can be dark and have no money, or fair and have money, but you can’t be dark and have no money and expect to get Hari Patel”. This is a reference to the eligible bachelor and the ambitions of Mina’s mother that her daughter will make a good match. Coming from India, I belong to a different sub-culture, but this conversation is indeed a prototype of one that may occur anywhere in India under similar circumstances. It reeks of an internalized oppression, dividing a seemingly cohesive group. There is a premium on being of lighter skin even among the shades of brown, and this is especially seen as valuable in the marriage situation. In the context of the film, it is a derogatory reference to Mina’s dark skin as well as her parents’ economic backwardness. Within the community, it places Mina as marginalized and outside the pale of the mainstream. It thus creates another form of redefining the limits of Mina’s identity. What is occurring in the case of Mina is that in this particular instance, one can very clearly see at least two aspects defining Mina as belonging to the Indian community and further as being darker skinned within the group and the associated separation from the rest of the group that this engenders.

When I watch this scene, I am enraged, but tinged with a feeling of déjà vu, and a feeling of empathy with Mina. I was considered of lighter skin to escape the fate of being classified as dark to the point of ineligible. Even though I was deemed lighter skinned than the majority and hence a good catch in the marriage market, I was able to understand Mina’s situation as I questioned this state of affairs in the community. Yet it is true that I conformed to it in some way by being relieved that I was of lighter skin and hence in a sense elite and select.

Identity as people of color. Another segment, where after an accident, Anil’s uncle, speaks to Demetrius and his associate, Tyrone about this and is immediately reassured. He says “Black, yellow, Mexican, Puerto Rican, as long as you’re not white means you’re colored” and again “All of us people of color must stick together...power to the people...united we stand”.

When I watch this scene, I experience a feeling of comfort. I belong in this society like the Indians in the film, as aligned with people of color, or that is my slot in the social structure, so that I am a part of the community. There is a feeling of comfort and camaraderie generated, because of the intersubjectivity between myself as ‘viewer’ and the players in the film who represent and embody people of color.

Another meaningful segment of the film is when Mina visits Demetrius and his family. On the way, Mina tells Demetrius “I’m a mix masala”, referring to her varied experiences growing up in Uganda, England and finally coming to reside in Mississippi. The term masala is a phrase that denotes a mixture of spices. The conversation is thick with references to Africa. Mina is asked to explain if she is from Africa, and as to how there are Indians in Africa. Mina recounts that Indians came in to build the railroad, and entered as slaves. She also states that she has never been to India. Dexter states “you’re just like us, we’re from Africa but never been there before” and “I’m going to Africa one day to see Nelson Mandela”.
This section of the film evokes in me a sense of community and oneness with African-Americans, all people of color share a history of slavery and struggle and oppression. The lines are clearly marked, drawing on the common identity and the intersection between historical events.

Identity as nation. Mina tells Demetrius “How many people come to our motel, they look at us, they say- not another goddamn Indian, it makes me so mad”. To this, Demetrius replies, “Well, Ms Masala, racism or as they say nowadays tradition is passed down like recipes. You got to know what to eat and what to leave on the plate, otherwise you’ll be mad forever.” This conversation reveals to my mind, the shared burden of racism that Demetrius and Mina face together, it is a point where their identities intersect and they are one in this bond. It clearly articulates the part that racism plays in the lives of Mina and Demetrius, and specifies their individual ways of dealing with it and coming to terms with the reality. To me, this echoes and resonates with my own being and consciousness. Having been in the United States for about two and a half years now, I am still experiencing the culture shock of racism as it unfolds itself to me in many ways and at many levels both subtle and more direct, sometimes in the classroom and at other times in a social setting. My reaction still is one of anger and hurt and being mad as Mina articulates herself. I have not been able to come to terms with it and embrace it with the easy nonchalance that Demetrius displays.

Identity as foreignness: Scenes from the past when Amin plans out a vendetta against all Asians in Uganda. “Africans are poor, Asians are rich. They have refused to allow their daughters to marry Africans”. Back in 1990, scandal and outrage break out, and Mina and Demetrius are arrested. Pontiac says “I saw that carpet cleaning kallu with Mina”. Kallu is a derogatory reference to dark skin. Demetrius is bailed out by his friend and associate, Tyrone. He tells Demetrius, “What is wrong with you?…You better leave them f....g. foreigners alone, they ain’t nothing but trouble…united we stand, divided we fall…but if you fall in bed with one of their daughters, your arse is going to swing”.

I think this whole episode in the film at once separates the black community from their Indian community of color, not only because of ethnic difference but because on the part of the Indian side, they profess superiority due to their being of lighter skin than the African-American community. On the part of the black community, what separates them from the Indian people of color is that they are defined as outsiders both in the case of Amin in Uganda and by Tyrone. To my mind, at my own interpersonal level, not knowing what it meant to be a person of color, as all Indians are brown-skinned, it was a new experience to be categorized as a woman of color. Once I got used to the idea, it gave me a fixity in terms of my place in the social scale, although it came with a price. The feeling of being part of an out-group was overpowering and from being part of the dominant community in my home country, I was plummeted to the status of the minority person of color. To relate this to the film, the further split between the black community and the Indian community evokes a sense of being made aware of my foreignness, and although I may have it in terms of skin color to be part of the group, yet at another level I have not made it. I am in a state of disembodied limbo.

Demetrius goes to the motel Monte Cristo to meet Mina, he is unable to meet her but Jay, Mina’s father tells him that he cannot meet his daughter. Demetrius says “Oh I see… so you think I ain’t good enough for your daughter is that it?” Mina’s father states that he respects his daughter’s wishes but states that he does not want Mina to undergo the struggle that he underwent, stating that he at one time had a vision of changing the world, but the world is not so quick to change. Demetrius retorts “I’m a black man, born and raised in Mississippi and there ain’t nothing you can tell me about struggle….I know you and your folks can come down here from God knows where…you can be as black… and start acting white and treating us like doormats…you’re but a few shades from this right here that I know.” Jay is left speechless.

This passage reveals the underlying fears of the father for his daughter and Jay’s inability to accept a black man as his daughter’s lover or spouse are tied into his experience in Uganda when he was dispossessed by the black African. The incident has left him with a distrust of and a prejudice against the entire black community, who are typified in his mind by Amin.

At the close of the film, Mina’s father revisits Uganda makes his peace with the past and discovers to his horror that his brother, who was his childhood playmate, Okelo, is dead, and in fact died way back in 1972, and he regrets never bidding farewell to him. Mina seeks out Demetrius and the lovers elope to a new life. The final shot shows Mina in traditional Indian clothes, and Demetrius in African garb, dancing in an abandon of glee to the sound of African music.

The final denouement in the film signals a coming together not just of the lovers but symbolizes the union and peace between two peoples of color. It may be true that the filmmaker had made the ending a prototype in true romantic
fashion, nevertheless the film in general is very open to several readings as various texts and sub texts are revealed. As I have attempted to do, the film provides many instances that help to understand, bound and define the limits of cross cultural identity. Where possible and relevant I have linked it to my own life and shaping of identity, framed by my own cross cultural lived experience. I think this has made the text of the film personally meaningful.

The themes of inclusion and exclusion revealed in the film may support the thesis of social identification. It is true that this may explain and reveal some insights, however, what is also relevant to the discussion are the cross-cutting interplay of identities, which are contextualized in various settings, and the collapse of space between Uganda, India and Mississippi, and the expression in interactions and translation to communication that is implicit in the film.

**BHAJI ON THE BEACH**

“Bhaji on the Beach” is a film which has been directed by Surinder Chadha, a UK based film- maker. The film’s story is conceived by Surinder Chadha and Meera Syal and is written by Meera Syal. Certain specific scenes or snapshots from the film stand out.

**Identity as segmented group.** Thus the scene at the family dining table, where all the sons are sitting down to the family meal. The mother-in-law referring to one of the daughters-in-law (the wife of the second son) who has run away, unable to bear the hardships and tyranny of the situation, states “Our bad luck never stops. She was too dark. You should never trust the dark-skinned. She has taken away our only grandchild.” This reveals the ambivalent attitude towards one’s own kind and the premium on being of a lighter skin even among the brown skinned, which operates among many Indian families.

When I watch this scene, I am reminded of my own place when faced with the bride-groom seeking task. As I was declared of lighter skin although not as light skinned as Northern Indians, I was considered luckier and hence able to find a suitable match. However, the scene in the movie is a reminder of the continual and continuous manner in which the oppression of color is articulated.

**Identity as community:** Another scene that stands out is the revelation of Rashida’s pregnancy by her black boyfriend. It creates a stir. Thus the elderly Pushpajee remarks, “It is not color, it is culture, what about the child?” and later “kala kaloota baingan loota” (which is a derogatory reference to black skin, comparing it to an eggplant), and one of the other women says “why a black boy? couldn’t you find someone from our own?”

All these are reminders of racism- the relatively lighter skin color of the Indians being seen as superior to or better than that of the black man. Here if one pauses to think, there is an emphasis on the common bond of the Punjabi Indian community against the ‘other’. Also, there is a little vignette where the old lady Pushpajee, (played by Zohra Segal) gets back to her place on a bench on the beach and quickly checks her wallet and looks suspiciously at the black family sitting on the adjoining seat.

The primary emotion and thought that this evokes is that it is important at any cost to be defined by one’s own community, and this is reified by the opposition to the other who is not one’s own. The pressure to be with one’s own, to marry one’s own kind is undergone by many young adults when they are considered by the community to be of an age when they should marry. As I watch this, it brings back memories of aunts, uncles, elderly and respected members of the community counseling one to settle down to having one’s own nest, but with one’s own community.

**Identity as nation.** Ironically, the group of women are plagued by anti-Asian racist demonstrations by a group of white youth who are openly offensive and spit on the leader of the group, the head of the Asian women’s center, Saheli. Obviously, several cross-cutting boundaries emerge, where these women are the victims of racism while being racist themselves at another level. The old lady, Pushpajee states in bitter revulsion and irony, “these are the cream of British youth”.

The dominant response that comes to my mind is one of solidarity with all Indians and anger against the British. It evokes images of the struggle for independence that India underwent and the vision of independent India as a sovereign and free country is the overwhelming feeling.

**Identity as foreignness.** To follow this theme of racism further, the scene in the café is a very explicit example. Two women from the group, the old woman Pushpajee, and her friend sit down to have a cup of tea. They settle down
and open their packets of home made food. An English lady at the next table grimaces, and exchanges looks with the owner of the shop. The teashop owner takes her cue from this, goes up to the women and says “strictly English food here, you understand!”, and “bloody heathens! They want to get back from where they come from, they should never have come to this country, they breed like rabbits”.

Rashida’s relationship with her black boyfriend, Oliver, is the center of the controversy in the film. Oliver’s friend encourages him to break away and emphasizes the importance of being in the in-group of a black Jamaican community: “us and them…respect the differences…” The final reconciliation of Rashida and Oliver brings up some interesting issues about inter-cultural communication. Oliver, who was irritated by Rashida’s constant deference and regard for her parents, comes to have an appreciation and understanding of where she is coming from, and agrees “we’ve got to do it together, cos you don’t want to lose your folks.”

The two scenes described above depict the notion of foreignness in very varied terms. In the second case, foreignness is seen as something to be overcome that the couple can then work with, and live their life together. The first scene though engenders emotions of being outside everything, not belonging to the particular frame of reference. I can at the personal level empathize with that emotion having experienced the feeling of being the foreigner on many occasions after entering the United States.

Another cross-cultural encounter that stands out in the film is between Asha and the Englishman, a decadent actor holding on to a dream-like glorious past. Asha is constantly disturbed by visions and hallucinations. She is under pressure to conform to the ideals of Indian womanhood - to hold above all else duty, honor, and sacrifice, and be the patient long-suffering mother and wife. Asha is transported into a magical world with the Englishman, who tells her at the end “you’ve kept hold of your traditions, proud, exotic, fascinating, gentle and beautiful.” The Indian woman and the proper English gentleman bridge this cultural boundary and come close to each other.

In a ridiculous dream-like sequence, Asha pictures herself as the radiant beauty and the Englishman with dark hair and wearing Indian clothes. There is thus an attempt to see the ‘other’ as closer to oneself by gaining comfort in representing him as being like one of her kind. These are some highlights from the film which represent aspects of cross-cultural and intercultural communication, and illustrate the complexity of the issues.

The themes that are revealed in the segments from ‘Bhaji on The Beach’, discussed here, distinctly highlight the many and varied layers of individuals’ identities in their interactions with others. For instance, although there are obvious references to in group and out group membership, yet in defining the interactions it is clear that there is a tension between the local and the global or the disembedding aspect of relationships that Giddens talks about. This then makes the reduction of communication between these individuals into one based on social identification rather problematic.

In the next part of the data discussion, a brief autobiographical narrative is presented. The themes that are revealed are pertinent to the discussion of fluidity of identities. The collapse of the local and the global and the floating nature of what is constituted and re-constituted as identity is what is of significance in this section.

Personal vignette

The point of the narrative of self that is presented is to remark on the complex interplay of many aspects, biographical, historical, national, religious that are embodied in one individual and are then further re-located elsewhere. In other words, the tension between the local and the global and the re-framing in other contexts does not erase the memories of home and nostalgia. On the other hand, these are re-contextualized and re-configured in individual identity, and then articulated in the play of identities that forms the basis of interactions and communications that take place even in the organization.

Identity as home. The hustle and bustle of New Delhi, the Connaught Circus, Janpath, colorful bedspreads and batik wall hangings on display in shop windows, exquisitely carved ivory, filigree, and silver, laughter and sunshine. The corner foodstore, with wonderful spicy delights, hanging out at De Paul’s with friends and drinking cold coffee, wearing silk saris in December and crisp cottons in the scorching May sun, mangoes and cool slices of watermelon, bus rides in crowded public transport buses. Neighbors and friends in the apartment block, auntieji and unclejie and hep nose in the air Nita.

Walking down the streets, one is hailed by a friend or friends, then begins a combined shopping journey. Interspersed with this, is a discussion on democratic India’s achievements, its failures, opinions on what the government should or should not do.
Identity as Religion
Alongside of this memory is also the etching in the mind’s eye of a crowded insurance office on busy Parliament Street, sitting in a partitioned office, surrounded by files and folders. Somewhere in the distance amidst the clickety clack of typewriters and the shuffle of papers and claim cases and insurance policies, attending to a client’s needs, one can hear the call of the mullah calling the faithful Muslim. Just a stone’s throw away is the famous and very revered temple where Hanuman is the presiding deity, and the faithful throng for worship and to ask of their favorite god a blessing. Around the corner is also the Bangla Sahib Gurdwara, the Sikh worshipping place. The texture of modern India is so complex.

Identity as Memory. Childhood memories- playing hide and seek in the streets running around the block with friends, Amma calling me at dusk to come in, because enough is enough and it is time to eat and sleep ready for another day of school. Memories of playing ‘pittoo’, of Munna of whom it was whispered that his parents were not happy, and this was confirmed by the sounds of crying and drunken shouts of his parents. The cruelty of childhood was unthinking smug in the cocoon of my own happy and secure environment, absorbed in the company of Appa, Amma and kid brother, encouraged to be pampered but not to be spoilt. Also memories of blackout time in 1971 when India was at war with Pakistan over the birth of Bangladesh. Appa’s exhortations to always excel in school, of going to a school where nuns ruled the roost and we sang hymns without really ‘catholicizing’ ourselves, and felt privileged because we did not go to a ‘government’ or ‘corporation’ school. College days, memories of Delhi University, being at the fringe of the ‘radical’ students but never really being ideologically left or Marxist, and attending classes, the eccentric Sikh professor who smoked a beedi and came to class dressed in shorts. Discussions around and in the coffee house with friends, being extremely hungry and eating soggy vadas all the while complaining about the life we were leading, referencing at the Ratan Tata Library, going over to neighboring Hindu and Stephen’s College and taking the crowded U Special home.

Identity as nation. Amidst this serenity and everydayness and ordinariness, October 1984, and the assassination of Mrs. Gandhi stands out, uncertainty and the pall of gloom hanging over the city, people staying home in shocked and numb silence in front of their television sets as they watched the funeral procession of the Prime Minister. Also, more ugly scenes and tales of horror of Sikh men being accosted and beaten, because Indiraaji was killed by a Sikh as revenge for the desecration of the holy Golden Temple in Amritsar, Sikh and Hindu neighbors painfully aware of the difference between them brought home to them in a very sharp way.

1991, Madras- the assassination of Rajiv Gandhi, pictures of his horrific death and curfew in the city people talking in hushed whispers, but 1991 is more powerful in memory because of Appa’s passing away, suddenly in front of me and Amma, and a chapter was closed. Time seemed to have stopped if only for a second which seemed like an eon.

Identity as foreignness. August 1995- Amsterdam Airport and before that Indira Gandhi International Airport, Delhi, farewells and partings with relatives, crossing the seven seas for the first time in adulthood, and finally customs officers and clearance in Detroit, boarding a flight to Providence RI, and then to the University in Kingston. Faces, smells, sights, sounds, traffic, everything smelt and sounded and felt so strange, and bewildering. People walked by and I felt lost small, ready to take my bags and get the next flight home. Oh God, where have I landed? Was I crazy to be here? The journey had begun.

THEMES AND SOLUTIONS IN THE THREE NARRATIVES
A thematic treatment of the two films being examined in this paper and also the personal narrative is outlined. The issues articulated in the themes that arise are all leading up to the notion of identities in interplay. Interpersonal communication can be captured as cross cultural interaction. Greater depth is provided if we answer and ask the question: what does this interaction consist of? Does this cultural and cross cultural component revealed in the stories and nuances that interpersonal communication say something about identities in a dynamic play and back and forth? What does this mean for organizational theory? Thus, to articulate this as cross cultural communication misses the point. The interaction is between identities and it is cross-identity communication that should be the unit of analysis and the focus for us as researchers to galvanize the issues surrounding interpersonal communication in organizations. The situations that are brought forward in the two films reveal insights about personal relationships between individuals who
are occupying multiple spaces and places at the same time. The solutions that this offers and opens up for the viewer are in a sense captured in two ways by the two films.

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<td>&quot;October 1984 and the assassination of Mrs. Gandhi....1991, Madras-the assassination of Rajiv Gandhi&quot;</td>
</tr>
<tr>
<td>4. Nation</td>
<td>“All of us people of color must stick together...united we stand”</td>
<td>&quot;Our bad luck never stops. She was too dark. You must never trust the dark skinned&quot;</td>
<td>I was light skinned and escaped the fate of being dark skinned to the point of being ineligible.</td>
</tr>
<tr>
<td>5. People of color</td>
<td>&quot;you can’t be dark and have no money and expect to get Hari Patel!&quot;...ambivalence to one’s own</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Identity as segmented group.</td>
<td>“Africans are poor Asians are rich. They have refused to allow their daughters to marry Africans.” “You better leave them fucking foreigners alone”</td>
<td>“bloody heathens! they want to get back from where they come from...they breed like rabbits.”</td>
<td>“crossing the seven seas for the first time in adulthood. boarding a flight to Providence RI ” experience of strangeness.</td>
</tr>
<tr>
<td>7. Foreignness</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Community</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Solutions</td>
<td>Mina Demetrius have formed a workable partnership</td>
<td>Rashida Oliver have formed a working partnership</td>
<td>Personal identity is being formed and re-formed in response to the fluid and multiple realities</td>
</tr>
</tbody>
</table>

The solutions that are offered by examining the films as data points as well as the personal narrative maybe best captured by an examination of the cross cultural relationships in the two films as the focus. In other words, if
we follow the trajectory of the romantic relationships between Mina and Demetrius and Rashida and Oliver, they represent actual organizational encounters. All the themes that we have outlined are then merged and fused in the personas of these dyads. The resolution and compromise and outcome reached then are formed by the creation of inter-identity communication or cross-identity communication. The crux is that there are two identities in interplay which are fluid and which carry all the thematic elements discussed. The tensions experienced because of the multiple and fluid nature of these individuals’ identities are resolved and articulated in two different solutions. In the case of Mina and Demetrius, they escape from the bounds of the community and create a new space. In the case of Rashida and Oliver, they do the same, but the mutual agreement is to create the space within the frame of their respective communities, families, and groups. Substitute organization in these interpretations and you have two visions of how organizations and actors and identities in organization may face the challenges of communication in a paradoxical world.

At some level, the treatment of themes and articulation of the different issues placed before the reader/viewer in the two films as well as explicated in the personal narrative begs the question: what do these themes tell us about identities in formation and dynamic interaction? In other words, why does the reference group break down in completing our understanding of communication at the interpersonal level? Obviously, the notion of stable fixed identities which are explicated in terms of membership in a group or groups, is limited. For instance, I may be a member of the little work group and may perform roles such as student, instructor, friend, colleague, peer, and so on and so forth. This in and of itself is certainly not debatable. It is also true that a side of me is articulated and placed by my being identified with any/all of these roles and memberships in different group contexts. Yet, this does not even begin to dig into the layers that represent who I am. My memory of home, my impressions of home, my confusion about the multiple memberships and the tensions that I experience because of all these conflicting aspects of me, make the comforting notion of an essence or core me a naive and simplistic cover-up.

The next section discusses the implications for management of this complex notion of identity and cross identity communication in organizations.

IMPLICATIONS AND CONCLUSION

The implications for management scholars and practicing managers of this re-examination of the communication in globalized workplace settings are far-reaching. First of all, the model proposed in this paper problematizes the simplistic view of communication presented in organizational literature. Additional insights are provided by articulating the formation and interaction of identities and its importance for communication. While the interplay between identities creates communication, each interaction further creates more interaction. The multiple identities within each individual and the varied identities which are exhibited in the multinational organization makes the communication process extremely complex and dynamic. Also, the continuous processual nature of identity formation and re-formation creates and presents a vivid dynamic picture of identity and communication. Managers and human resource personnel can devise strategies of dealing with these issues in training programs. It may be difficult to grasp the fluid and ever-changing, transient and evanescent aspect of identities in training, yet the recognition by organizational members of the complex nature of communication will be at least a step in the right direction.

At the level of theory development, what does this model imply for future theoretical directions. The dangers of grouping peoples into generic categories, such as Indians, Asians, and so on, are not just semantic, but seriously hamper our understanding interpersonal communication in organizations. This then leads to a lack of understanding of intergroup relationships and can have deleterious consequences. In other words, by grouping persons into certain categories, we deny the dynamic and fluid and ever-present nature of intersections and interactions between people in social life and thus organizational life. The rich tapestry of this changing warp and woof of dynamic interaction cannot be captured by the static categorization of social grouping. This is not to deny the relevance and place of categorization in situating people, into whether they belong to a particular group, nation region etc. However, reducing relations and interactions to such reference points does little justice to the processual nature of communication. The next question that follows is then: why is it important to be aware of this dynamism and vitality in human relations for organizational theorists? Obviously the nature of organizational life will mirror the social reality. A more serious aspect is the problematic nature of viewing identities and interactions as static is presented by the multiple and contradictory floating nature of the many contexts that the individual inhabits in and of himself/herself. What can then explain the complex nature of such identities? How can the interactions of individuals between different worlds be essentialized into group references or as intergroup relations? The whole history and tradition that the individual brings combined with the peculiarly personal biographies and
narratives that each individual internalizes and lives and has lived, then makes the task of simplifying communication insurmountable. The collapse of time and space across borders by the physical movement of people across the globe with increasing globalization creates the continuous yet disjointed reality which is both here and there, and interaction then becomes very rich and dense with multiple textures.

What meaning does this almost confusing and chaotic nature of interpersonal interactions have for organizations which are multinationals? Obviously, such organizations hire and train a wide variety of individuals who are precisely undergoing the effects of globalization, of inhabiting multiple worlds and who are experiencing the collapse of time and space in a very real, ongoing, and everyday basis. Such discussion then does not just fall in the realm of theoretical or intellectual discourse but is the lived experience of thousands of individuals in multinational organizations. Evidently, the urgent need to situate individual interactions and to understand the fluid, dynamic and processual nature of organizational reality will contribute to furthering the understanding that managers have for the people that they hire and interact with in their organizational life.

Future research in the same directions may apply this reflexive and fluid approach to the areas crucial in management research, such as motivation, commitment, leadership, etc. However, the insights revealed from this paper can be a contribution to the knowledge that is being produced and reproduced. Yet many possibilities and realms of knowledge construction and re-articulation are opened up by the interpretive approach adopted in this paper.
REFERENCES:


Globalization and Tourism: Theoretical Basis and Strategic Implications for the Marketing of Tourism Destinations

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Ronald Hampton, The University of Nebraska-Lincoln

Extended abstract

“Cultural products are assembled from all over the world and turned into commodities fora new ‘cosmopolitan’ marketplace: world music and tourism; ethnic arts, fashion and cuisine; Third World writing and cinema. The local and ‘exotic’ are torn out of place and time to be repackaged for the world bazaar” (Morley and Robins 1995).

More than a decade ago, Theodore Levitt (1983) described “a new commercial reality – the emergence of global markets for standardized consumer products on a previously unimagined scale of magnitude” (p. 92), where “the world’s needs and desires have been irrevocably homogenized” (p. 93). As a result, “gone are accustomed differences in national or regional preferences” (p. 92). The globalization phenomenon involves all goods, services, and the newly emerged experiential products (Pine II and Gilmore 1998). In order to examine the potential effects and the marketing implications of globalization we use tourism as an ideal experiential product. The purpose of this paper is to provide a generalized theory of globalization from a marketing perspective, examine the application and the implications of this theory into the tourism industry, and offer alternative strategies for managers to follow.

The general globalization theory that we suggest is based on Giddens (1990), Harvey (1989), Robertson (1992), and Waters (1995). Supplementary, but equally important, we make use of the critical discourses of Morley and Robins (1995), Eco (1986), and Urry (1990, 1995). Globalization “in its most general and uncontroversial sense … refers to the rapidly developing process of complex interconnections between societies, cultures, institutions, and individuals world-wide” (Tomplinson 1997, p. 170). The basic components of the theory are the capitalistic expansion, the standardization processes, the homogenization of products, and the time and space re-contextualization. The proposed theoretical framework is presented in Figure 1.

The imperative of the capitalistic expansion is to break down the existing boundaries of local or national communities, maximize profit, and accumulate capital. This goal involves the minimization of production costs through economies of scale (Schiller 1991; Waters 1995). To achieve these objectives, multinational corporations apply modern standardization processes and pursue product homogenization. A good example of standardization processes is provided by McDonaldization (Ritzer 1993) that is characterized by four principles of: efficiency, calculability, predictability, and human control. According to Waters (1995), “McDonaldization represents a reordering of consumption as well as production, a rationalization of previously informal and domestic practices, that pushes the world in the direction of greater conformity” (p. 144). Homogenization of products is an outcome of the capitalistic objective to expand in larger areas of the globe. Product differences have been minimized in order to suppress production time and cost. The globalization phenomenon is a result of both the standardization processes and the homogenization of products. However, an additional facilitating factor contributing to the globalization of markets is the re-definition of time and space. In short, the meaning attributed to the place is not any more anchored in the
local but in the global. Significant contributions towards this end were made by rapid improvements in transportation, mass-electronic media, and technology. In general terms, we can distinguish global products, as opposed to local ones, based on the following characteristics: (a) they are both global and local at the same time, (b) they are standardized, (c) they are familiar and convenient, and (d) they are produced and delivered in a short time.

The globalization phenomenon is especially obvious in tourism, where even the division of time between work and leisure can be regarded as a consequence of capitalistic expansion. Standardized packages, like the established resorts or the “sun, sand and sea” vacations (Morgan 1998) provide the opportunity for touring not only to the few but also to hoi polloi. This mass expansion was further intensified by the rapid development of transportation and telecommunication technology. According to Belk and Costa (1995), “As tourism has grown and proliferated geographically, it has also spread to include an increasing proportion of the world’s population and a wide range of the social spectrum” (p. 35). In a postmodern discourse, we are moving towards a universal tourism, where it hard to find a non-touristic space and escape from tourism (Appadurai 1990). However, this might also have the exact opposite implications and result in the “end of tourism” (Lash and Urry 1994). An important implication of the above fear of the end of tourism is directly related to the notion of authenticity. According to MacCannell (1972), tourism are desperately seeking to avoid the inauthentic front stage of vacationing, and thus try to reach and enjoy an authentic back stage. However, this becomes impossible, since, due to planned managerial efforts, even the back stage is “staged” too. The argument here is that since globalization requires homogenized products and touristic experiences, it becomes ever harder for tourists to experience the authentic.

At the opposite end of the above position, other authors suggest that we are still lacking evidence of globalization. For example, Douglas and Wind (1987) support that product demand might be based on quality and on specific product features and not simply on lower price. Also, global capitalistic expansion might not depend on simplified notions of economies of scale and of lower production costs. Therefore, consumers demand differentiated or customized products. In response to the above debate, we offer the following inventory of propositions that can help decision makers in the tourism sector to apply a strategy of differentiated, local product, as opposed to a global one: 1) The more experienced are the tourists, the less global products, services, and experiences should be offered. 2) The higher the desire of tourists to have vacations as a break from a perceived “ordinary” life, the less global products should be offered. 3) The higher the desire of tourists for comfortable and relaxed vacations, the more global products should be offered. 4) The richer the cultural and historical past of the destination, the less global and the more local and “traditional” products should be offered. 5) The higher the degree of variety seeking by tourists, the less global products should be offered. 6) The more price-conscious is the tourist, the more accepted global products would be.

Without doubt, there are signs put forward by the general globalization theory discussed here that call our attention in the standardization and homogenization of touristic products. For some authors this signification constitutes a warning for hazardous outcomes of tourism. Other authors drive attention to potential harmful effects on cultural values and local rituals (Bunker, Chronis, and McGinnis 2001). Against this rather negative view of globalization, there is the more positive perspective of consumer agency and innovativeness that will create new group cultural differences through a local resistance project. Belk (1996) for example, has suggested that “Culture is redesigned, packaged, sanitized, and trivialized in the process, but it is not totally homogenized… There is a sense in which the same globalized consumer culture that seems to be sweeping the world also offers the opportunity to resist banalization, rationalization, and cultural obliteration” (pp. 32-33). This opportunity is being implemented by consumers who are using “standardized objects of the marketplace in a way that asserts identity, reclaims control and successfully counters the trends toward globalism,
hyperreality, and multinationalization” (p. 33). Irrespective of whether we will adopt the negative or the more optimistic view suggested by Belk, there is always a need for multiple and innovative consumer offerings that can better much diverse consumer desires. An example towards this trend is evident by the rapidly increasing special interest tourism. Options include: adventure tourism, culture tourism, eco-tourism, ethnic tourism, alternative tourism, sustainable tourism, heritage tourism, etc. Fortunately, private efforts have captured this market potential and offer a wide, often impressive, variety of these differentiated products. Consider for example the options offered through the search engines on the web (Figure 2). Options are also given for other forms of travel.

Further research is needed to empirically examine consumer perceptions of globalization and its various implications in tourism industry. Only by understanding consumers’ perspective and his/her satisfaction or dissatisfaction mechanisms we will be better equipped in providing a product that – globalized or not – it will be in accordance to market demands.

References


Figure 1: Globalization Theory

- Travel
  - Walking Tours (10)
  - Hiking (69)
  - Elephant Safaris (7)
  - Fishing (174)
- Conditions (12)
- Events (104)
- Posts (38)

- Time & space re-contextualization
  - Transportation
  - Mass media
  - Technology

- Standardization
- Homogenization

- Impact
  - Profitability
  - Consumer culture
  - Well-being

- Capitalistic expansion
Figure 2: Product Differentiation in Tourism

Search Categories
- Travel
- Adventure Travel
- Specialty Travel
- Tour Companies
- Airlines
- Airports
- Lodging
- Rental vehicles
- Budget Travel
- Business Travel

Travel
Too Hard to Read? Wroe Alderson’s Theory of Marketing

Ben Wooliscroft, University of Otago

Abstract

Wroe Alderson’s comprehensive theory of marketing has been described as too hard to read, but is it a more difficult read than its successor as the leading marketing text for graduate study, and the most popular graduate marketing text of all time, Philip Kotler’s Marketing Management: analysis, planning, implementation, and control, among others? Wroe Alderson’s writings are compared with other marketing texts and found to be no more difficult to read, on objective criteria, than other writing since that time.

Introduction

Macro marketing deals with the study of the interaction between marketing and society (Hunt & Burnett, 1982). The education of students in business schools represents one interaction between marketing, be it the more limited academic representations of marketing, and a significant sector in society. Those students receiving marketing education are later entrusted with the control of products in the market. The textbooks, and the values that they contain, that they are educated with will therefore have a flow-on effect on wider society. This study predominantly focuses on two textbook authors, Wroe Alderson and Philip Kotler, and includes a limited analysis of changes in textbook readability over time.

Wroe Alderson was the premier marketing theorist of his era and he has had considerable influence on the course of marketing theory (Brown and Fisk 1984). In 1982 Chonko and Dunne rated Alderson the most influential marketing theorist to date. Yet, Alderson is now rarely referenced and not often read.

Discussions with academics in marketing as to why Alderson’s theories are out of favor and recent reviews of Alderson’s textbooks frequently come back to the problem of difficulty of reading and comprehending his writing. This paper seeks to establish whether or not Alderson’s theories, as contained in his major books are more difficult to read than other graduate texts that have been commonly used to date, with particular emphasis on the most popular marketing textbook ever, Kotler’s Marketing Management: Analysis, planning, implementation and control (Encyclopaedia Britannica 2000).

If Alderson’s writing is difficult to read, would it be ‘sufficient reason for a discipline to abandon its most promising attempt at a general theory?’

Readability

Readability refers to more than the comprehension difficulty of a text, it also refers to the likelihood of the reader continuing to read (Cardinal, 1995). For this reason, educationalists consider a more readable book, which also covers the same material, to be a superior teaching tool (Harrison, 1980). The elements of readability are listed in table one, separated into those used when calculating a Flesch Reading Ease Score and those not used. Ultimately the readability of text bears a relationship to the motivation of the reader (Harrison, 1980).
### Table 1. Elements of Readability (Harrison, 1980)

<table>
<thead>
<tr>
<th>Elements used in Flesch Reading Ease score</th>
<th>Elements not used in calculating the Flesch Reading Ease score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Word length</td>
<td>Content familiarity</td>
</tr>
<tr>
<td>Sentence length</td>
<td>Cultural Relevance</td>
</tr>
<tr>
<td></td>
<td>Legibility</td>
</tr>
<tr>
<td></td>
<td>Length</td>
</tr>
<tr>
<td></td>
<td>Print Size</td>
</tr>
<tr>
<td></td>
<td>Graphics</td>
</tr>
</tbody>
</table>

### Book reviews of Alderson’s works

A number of book reviews of Alderson’s two major books have been collected, via Periodicals Contents Index, a contents page database covering the past 200 years. One of the major reasons offered, in discussion and in print, for Alderson’s theories not continuing to attract attention is, that as Sheth, Gardner & Garrett state, “it is also no secret that Alderson’s writings were often difficult to read” (1988, p. 87).

There are three types of book review for Alderson’s main two textbooks, *Marketing Behavior and Executive Action* and *Dynamic Marketing Behavior*; 1) Glowing, but a difficult read, 2) Glowing, and 3) Glowing and an easy read.

As well as Sheth et al., Holbrook falls into the first category when he comments that Alderson’s 1957 textbook, *Marketing Behavior and Executive Action*, is written “in his customary impenetrable style.” (1998, p. 143)

The second category is, perhaps, the most common. Among the members of this group, Feinberg describes *Marketing Behavior and Executive Action* as being “far superior to practically all that have gone before” (1957, p. 1060). In a overwhelmingly positive review he calls the book “a marriage of information and insight”, “outstanding” and “fresh” (Feinberg 1957, p. 1058). Hollander (1998) describes *Marketing Behavior and Executive Action* as having been “obligatory reading when it appeared” (1998, p. 116). He adds that it still is for serious students of marketing. Levy states that *Marketing Behavior and Executive Action* is “richly detailed and insightful” (1998, p. 99). He describes the book as “stimulating” and “both challenging and rewarding” (1998, p. 99). Schwartz describes *Dynamic Marketing Behavior* as a “monument” and a “legacy he [Alderson] has willed to all who are interested in marketing” (1966, p. 98).

Mitchell (1959) and Mulvihill (1958) are the members of the third category. It is perhaps no coincidence that they are both writing in economic journals, where the writing is often more abstract than in the, usually, applied discipline of marketing. Mitchell paints the text as a “bold approach with much insight” (1959, p. 854), which is “deceptively easy-to-read” (1959, p. 855). Mulvihill finds *Marketing Behavior and Executive Action* to be “written in a readable style” with a “closely-knit structure” (1958, p. 113).

Who are we to believe? There is agreement on the importance of Alderson’s theories, but considerable disagreement as to the readability of them.

### Methodology

To test the readability of Alderson’s theories a sample of textbooks a sample of marketing textbooks, both graduate and undergraduate, will be analyzed for readability using the Flesch Reading Ease calculation.
Sample literature

The literature listed in table 2 has been chosen as a convenient sample of graduate writing in marketing both immediately after the time of Alderson and up until today. Philip Kotler’s *Marketing Management: analysis, planning, implementation and control*, the most popular graduate marketing text of all time, is represented by three editions, allowing for an indication of readability trends over time. Alderson’s (1958) article, “The Analytical Framework for Marketing” was included as a reliability check for his readability across publication types. Two other graduate texts, Sheth et. al. (1988) and Hunt (1991), are included to check graduate marketing textbook readability across other authors. Two undergraduate textbooks, Sheth, Mittal & Newman (1999) and Kotler & Armstrong (1996), are analyzed to allow a validity check of the readability test. Grbac & Martin’s MACRO2000 paper is included for interest, as the first paper in the proceedings from the 2000 Macro marketing conference.

### Table 2. Sample literature

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Year</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alderson, Wroe</td>
<td>1957</td>
<td>Marketing Behavior and Executive Action</td>
</tr>
<tr>
<td>Alderson, Wroe</td>
<td>1965</td>
<td>Dynamic Marketing Behavior</td>
</tr>
<tr>
<td>Hunt, Shelby D.</td>
<td>1991</td>
<td>Modern Marketing Theory: Critical Issues in the philosophy of marketing science</td>
</tr>
<tr>
<td>Kotler, Philip</td>
<td>1967</td>
<td>Marketing Management: analysis, planning, implementation and control (1st Ed)</td>
</tr>
<tr>
<td>Kotler, Philip</td>
<td>1994</td>
<td>Marketing Management: analysis, planning, implementation and control (5th Ed)</td>
</tr>
<tr>
<td>Sheth, Mittal &amp; Newman</td>
<td>1999</td>
<td>Customer Behavior: Consumer Behavior and Beyond</td>
</tr>
<tr>
<td>Grbac, Bruno &amp; Martin, James H.</td>
<td>2000</td>
<td>“Marketing in Croatia: 30 Years of Change,”</td>
</tr>
</tbody>
</table>

Analyzing the texts

When evaluating a marketing textbook, which part of the text should be analyzed? The natural piece to evaluate is the first chapter where the author sets the tone for the book (Harrison, 1980). For this reason, the first 300 words of the first chapter of each book have been used for analysis. The only exception to this is Sheth, Mittal & Newman (1999) whose first 300 words (to the next end of sentence) would have included 119 words of dialogue. The first 181 words only were used for the analysis of Sheth, Mittal & Newman (1999). All other texts analyzed used at least 300 words.

To check the reliability of the analysis and to find a comparable section in each book the first 300 words of the “market segmentation” section from each text, where possible, was also analyzed. The index of each text was consulted and the first 300 words from the heading first noted under market segmentation in the index were included for analysis.

Flesch Reading Ease Score

Harrison stated that “‘Flesch formula was also a valid and generally reliable index of difficulty, and useful since it is widely known and relatively straightforward to calculate.’” (1980, p.117) Given that many of the elements of readability are not used when calculating the Flesch Reading Ease Score, scores should be taken under consideration. The Flesch Reading Ease Score has, however, been found to produce valid results repeatedly (c.f. Fry, 1989; Doak, Doak & Root, 1985). Perhaps, it can be assumed that if a book is published by a reputable publisher, that it will satisfy many, if not all of the readability criteria not contained in the Flesch Reading Ease formula. There should at least be some consistency between the sentence and word complexity and the other features of the textbook.
Unlike many of the approximately 40 readability formulae available, Flesch’s formula is designed for analyzing the readability of text for adults (Harrison, 1980). This makes it particularly suitable for analyzing undergraduate and graduate textbooks.

The score ranges from 100, for the easiest text, to 0 for the most difficult text. Flesch (1948) provides guidelines for the scores, seen in Figure 1. It is possible, but unusual, for a score out of this range to be generated (Harrison, 1980).

### Figure 1. Flesch Reading Ease Score Guidelines

<table>
<thead>
<tr>
<th>Very Easy</th>
<th>Easy</th>
<th>Fairly Easy</th>
<th>Standard</th>
<th>Fairly Difficult</th>
<th>Difficult</th>
<th>Very Difficult</th>
</tr>
</thead>
<tbody>
<tr>
<td>100-90</td>
<td>90-80</td>
<td>80-70</td>
<td>70-60</td>
<td>60-50</td>
<td>50-30</td>
<td>30-0</td>
</tr>
</tbody>
</table>

The procedure for calculating the Flesch reading ease level is:

1. Select the text
2. Determine the number of syllables per 100 words (wl).
3. Determine the average number of words per sentence (sl).
4. Calculate the following equation:
   \[ \text{Reading Ease} = 206.835 - .846 \times w_l - 1.015 \times s_l \]  
   (Flesch, 1948)

Microsoft Word calculates Flesch Reading Ease scores as one of the options when undertaking a grammar check on a document. This has made the Flesch Reading Ease score one of the most widely used readability scores. The recommended minimum number of words for analysis is 100 (Flesch, 1948). Harrison (1980) suggests 300 words as a more suitable number for readability analysis.

#### Sentence Length

There is evidence that, other things being equal, long sentences are less readable than short sentences [ref]. For this reason sentence length, as a proxy for sentence complexity is included in the Flesch Grade Level score calculation (Flesch, 1948).

#### Word Length

Longer words, in general, are more complex and less readable (Gilliand, 1972). There are some readability formulae that use a list of the most commonly known words, generally for a certain age group, but these formulae are designed for school text readability and their validity is questionable when analyzing text written for older audiences (Harrison, 1980). The Flesch Reading Ease formula uses word length, defined in syllables, as an indicator of word complexity.

#### Feature Frequency

Each of the textbooks was checked for features, throughout their entire content. Figures, tables, equations, illustrations and case studies were counted, and then presented as a frequency per 100 pages.

#### Results

The results do not show Alderson’s writing to stand out at either end of the readability spectrum. His writing is towards the more readable end of the ranked graduate marketing textbooks. It is less difficult than the academic paper analyzed, Grbac & Martin (2000) and more difficult than the undergraduate texts analyzed, Sheth et al. (1999) and Kotler & Armstrong.
Validity
The readability statistics’ face validity is supported by the Flesch Reading Ease Score results generated for Kotler & Armstrong’s (1999) and Sheth et al’s (1999) undergraduate texts, 51.69 and 56.97 (introduction and segmentation sections averaged) respectively. Hunt’s 1991 text, dealing as it does with higher order topics, also scores as would be expected, lower than the other texts, 17.92 (introduction section only).

Introductions
The content of the first chapters varied considerably between texts. Alderson (1957) starts his text with a discussion of the meaning of theory and philosophy of science issues. Kotler (1967, 1994, 2000) provides a structure for the contents of the textbook in his opening chapter, perhaps, a much less difficult topic to comprehend. In spite of the considerably different topics the readability scores for the introductions showed Kotler’s 1967 text to be the most difficult to read. Table 3 contains the ranked texts by readability. Alderson’s texts are the middle three of the 11 ranked texts with two graduate textbooks and two undergraduate textbooks rated more readable, Kotler (2000) and Sheth et al. (1988), and Sheth et al (1999) and Kotler & Armstrong (1996), respectively.

Table 3. Ranked Flesch Reading Ease Scores for Introduction Sections

<table>
<thead>
<tr>
<th>Text</th>
<th>Year</th>
<th>Flesch Reading Ease Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheth, Mittal &amp; Newman</td>
<td>1999</td>
<td>59.3</td>
</tr>
<tr>
<td>Kotler &amp; Armstrong</td>
<td>1996</td>
<td>59.3</td>
</tr>
<tr>
<td>Kotler Millennium Edition</td>
<td>2000</td>
<td>50.9</td>
</tr>
<tr>
<td>Sheth, Gardner &amp; Garrett</td>
<td>1988</td>
<td>40.4</td>
</tr>
<tr>
<td>Alderson</td>
<td>1958</td>
<td>34.4</td>
</tr>
<tr>
<td>Alderson</td>
<td>1957</td>
<td>31.9</td>
</tr>
<tr>
<td>Alderson</td>
<td>1965</td>
<td>29.6</td>
</tr>
<tr>
<td>Kotler 1st Ed</td>
<td>1967</td>
<td>27.2</td>
</tr>
<tr>
<td>Kotler 8th Ed</td>
<td>1994</td>
<td>22.8</td>
</tr>
<tr>
<td>Grbac &amp; Martin</td>
<td>2000</td>
<td>22.6</td>
</tr>
<tr>
<td>Hunt</td>
<td>1991</td>
<td>17.9</td>
</tr>
</tbody>
</table>

**MEAN** 36

Figure 2 allows the reader to quickly apply Flesch’s guidelines on readability, as outlined in figure 1. Sheth et al. (1999), Kotler & Armstrong (1996) and Kotler (2000) are all rated as Fairly Difficult. Alderson (1965), Kotler (1967 & 1994), Grbac & Martin (2000) and Hunt (1991) are all rated as Very Difficult to read. The contrast between the different scores is readily apparent.
Market segmentation sections

The readability results of the market segmentation sections, seen in table 4, show Alderson (1957) as being the second most readable. Alderson (1965) is rated the most difficult to read, in the absence of Sheth et al. (1988), Hunt (1991) and Grbac & Martin (2000), all of whom had no section on segmentation. The Flesch Reading Ease score for Alderson (1965) is still only in the difficult range of Flesch’s guidelines.

Table 4. Flesch Reading Ease Scores for Market Segmentation Sections

<table>
<thead>
<tr>
<th>Text</th>
<th>Year</th>
<th>Flesch Reading Ease Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheth, Mittal &amp; Newman</td>
<td>1999</td>
<td>54.6</td>
</tr>
<tr>
<td>Alderson</td>
<td>1957</td>
<td>53.1</td>
</tr>
<tr>
<td>Kotler 1st Ed</td>
<td>1967</td>
<td>45.8</td>
</tr>
<tr>
<td>Kotler 8th Ed</td>
<td>1994</td>
<td>44.7</td>
</tr>
<tr>
<td>Kotler &amp; Armstrong</td>
<td>1996</td>
<td>44.1</td>
</tr>
<tr>
<td>Kotler Millennium Edition</td>
<td>2000</td>
<td>38.8</td>
</tr>
<tr>
<td>Alderson</td>
<td>1965</td>
<td>36.6</td>
</tr>
<tr>
<td><strong>MEAN</strong></td>
<td></td>
<td><strong>45.3</strong></td>
</tr>
</tbody>
</table>

Average Readability

When the two sections of the textbooks are averaged, see figure 3, Alderson’s (1965) Dynamic Marketing Behavior is the least readable of the textbooks, but on a scale from 1 to 100 there is only a difference of 0.645 between that text’s readability score and the score of Kotler’s 8th edition (1994). The two undergraduate texts, Kotler & Armstrong (1996) and Sheth et al (1999) have the highest readability scores, followed by Kotler’s (2000) Millennium edition. Alderson’s (1957) Marketing Behavior and Executive Action holds the midpoint of the ranked textbooks and is the second most readable graduate marketing textbook studied.
Figure 3. Readability of Marketing Textbooks, introduction and segmentation sections averaged.

![Bar chart showing Flesch Reading Ease Scores for different textbooks over time.](attachment:image.png)

**Readability over time**

Figure 4 shows that, overtime of Alderson and Kotler’s graduate texts; only Kotler’s (2000) millennium edition is more readable than Alderson’s 1957 *Marketing Behavior and Executive Action*, according to the averaged Flesch Reading Ease Score.

If we accept the widely held belief that marketing textbooks have become more readable over time, supported by the increase in readability of Kotler’s textbook over the past 33 years, then Alderson’s 1957 textbook is an outlier to the general trend. It was very readable before textbooks were readable, as is indicated by the reviews of Mitchell (1959) and Mulvihill (1958).
Figure 4. Flesch Reading Ease Scores for Alderson (1957 & 1965) and Kotler’s (1967, 1994, 2000) textbooks over time (Introduction and Segmentation sections averaged)

Table 5 shows the difference in various readability criteria between Kotler’s 1st and 10th editions. Notable is the large increase in tables, the startling decrease in equations and the large increase in readability of the introduction. The segmentation section of this text has actually become less readable over time, according to the Flesch Readability Score. Illustrations and case studies have been introduced in abundance to the text. If it were possible to quantify the impact of these features the readability of Kotler’s 2000 text, it may score even higher than it does based solely on the text.

Alderson’s textbooks are, as was the norm at the time, very lean on features, with his 1957 textbook containing one table and three equations. His 1965 textbook has more, with 15 tables, 29 figures, 11 equations and 71 definitions, considerably less than Kotler’s 1st edition.

Table 5. Changes in Readability effecting Features between Kotler’s 1967 and 2000 editions

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Kotler 1st Ed</th>
<th>Kotler (10th)</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year</td>
<td>1967</td>
<td>2000</td>
<td></td>
</tr>
<tr>
<td>Tables per 100 pages</td>
<td>5.11</td>
<td>9.61</td>
<td>+88%</td>
</tr>
<tr>
<td>Figures per 100 pages</td>
<td>16.31</td>
<td>18.38</td>
<td>+13%</td>
</tr>
<tr>
<td>Equations per 100 pages</td>
<td>6.26</td>
<td>2.09</td>
<td>-67%</td>
</tr>
<tr>
<td>Illustrations per 100 pages</td>
<td>0</td>
<td>8.08</td>
<td></td>
</tr>
<tr>
<td>Case studies per 100 pages</td>
<td>0</td>
<td>19.64</td>
<td></td>
</tr>
<tr>
<td>Introduction Flesch Reading Ease Score</td>
<td>27.26</td>
<td>50.85</td>
<td>+87%</td>
</tr>
<tr>
<td>Segmentation Flesch Reading Ease Score</td>
<td>45.80</td>
<td>38.83</td>
<td>-15%</td>
</tr>
<tr>
<td>Average Flesch Reading Ease Score</td>
<td>36.53</td>
<td>44.84</td>
<td>+23%</td>
</tr>
<tr>
<td>Pages excluding indexes</td>
<td>607</td>
<td>718</td>
<td>+18%</td>
</tr>
</tbody>
</table>
Discussion
There are other features that contribute to readability and they are discussed in turn below, along with a conjecture about the authorship of Dynamic Marketing Behavior.

Content familiarity
Wroe Alderson’s works are typical works of a visionary, they contain many original and unfamiliar concepts (Feinberg 1957). In new product development terms, his theories were ‘new to the world’. Philip Kotler is known, in his textbook writing, as a great compiler of ideas, hence his extensive reference lists. Kotler’s texts from the beginning sought to bring together the cutting edge knowledge in marketing thought. Alderson’s texts in contrast provide a new way of looking at marketing. Those unfamiliar with the earlier writings of Wroe Alderson may find that his textbooks are unfamiliar and hence not easily readable.

Cultural relevance
Modern marketing texts with their frequent reference to products that the reader is familiar with, assuming they are Americans or from the western world, lead to a greater degree of cultural relevance than the more dry abstract texts of former times. The use of vignettes, or case studies, gives examples to students of how the theory discussed can be applied, generally to popular mainstream brands and products.

The absence of case studies, separated from the main text, in the graduate marketing textbooks of the 1950s and 60s has been replaced with frequent separate, usually highlighted, case studies based on the student’s favorite brands.

Legibility
Legibility, or writing style, is a value-laden judgement. The author did not find that when grammar checking the different texts that one author or text stood out as having more suggested changes to the writing. The reviews of Alderson’s books, as discussed above, are anything but conclusive.

Passive sentences are one element of sentence construction often considered to be more difficult to read and comprehend than active sentences (Harrison, 1980). Wroe Alderson’s writings (1957 & 1958) have the second and third highest incidents of passive sentences, see table 6. It is, however, important to note that passive sentences do have their place in communication and in some cases may lead to easier understanding for the reader (Williams, 1994)

Table 6. Percentage passive sentences in texts from both introduction and segmentation sections

<table>
<thead>
<tr>
<th>Text</th>
<th>Year</th>
<th>Percentage Passive Sentences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheth, Gardner and Garrett</td>
<td>1988</td>
<td>0</td>
</tr>
<tr>
<td>Sheth, Mittal &amp; Newman</td>
<td>1999</td>
<td>3.335</td>
</tr>
<tr>
<td>Kotler &amp; Armstrong Marketing Principles 7th ed</td>
<td>1996</td>
<td>6.25</td>
</tr>
<tr>
<td>Hunt</td>
<td>1991</td>
<td>7.14</td>
</tr>
<tr>
<td>Kotler 8th Ed</td>
<td>1994</td>
<td>8.335</td>
</tr>
<tr>
<td>Kotler 10th Ed</td>
<td>2000</td>
<td>12.16</td>
</tr>
<tr>
<td>Kotler 1st Ed</td>
<td>1967</td>
<td>17.78</td>
</tr>
<tr>
<td>Alderson</td>
<td>1965</td>
<td>19.05</td>
</tr>
<tr>
<td>Alderson</td>
<td>1958</td>
<td>28.57</td>
</tr>
<tr>
<td>Alderson</td>
<td>1957</td>
<td>28.72</td>
</tr>
<tr>
<td>Macro marketing conference proceedings</td>
<td>2000</td>
<td>33.33</td>
</tr>
</tbody>
</table>

Length
Alderson’s 1957 textbook is a mere 474 pages long and his 1965 textbook is only 374 pages long. In contrast, Kotler’s 1967 first edition is 607 pages long, his eight edition (1994) is 766 pages long and his millenium edition is 718 pages long. However, Kotler’s textbooks
increase their length while including many graphics and illustrations, which Alderson’s books contain none of. The number of words in each text, with the exception of Alderson (1965), is likely to be very close to the same.

Print size
While print sizes have changed little, there is considerable difference in the approach of modern textbook publishers to the use of different fonts, colored fonts, highlighting, etc. The visual excitement created through these features is particularly evident in Kotler’s (2000) millennium edition and in undergraduate textbooks, which feature vibrant colors and much variation in background, and borders.

Graphics
The use of features in marketing textbooks has increased dramatically since the time that Alderson was writing. Marketing texts now include many figures, tables, illustrations, vignettes, case studies, etc. At the same time the number of equations in marketing texts, apart from data analysis texts, appears to be decreasing, as is evidenced by the difference between Kotler 1967 and 2000.

Dynamic Marketing Behavior
There has been some suggestion that Alderson’s 1965 book, *Dynamic Marketing Behavior*, was more than edited by the three students of Alderson who compiled the book, that perhaps they wrote some of it. There is some evidence to support this supposition in that the reading level of Alderson’s other writing tested is not similar to the values for the 1965 work. Table 7 shows the differences between some of the statistics for Alderson’s 1957 and 1965 works. While Alderson’s 1958 article cannot be directly compared, due to a different format and audience, interestingly, the percentage of passive sentences, a writing ‘fingerprint’, is almost identical to the 1957 textbook (28.57 and 28.72 respectively). At least for passive sentences *Dynamic Marketing Behavior* appears to be a departure from Alderson’s writing style. This is, however, a far from conclusive result and may one day be subjected to more rigorous statistical authorship analysis.

### Table 7. Comparison of features between Alderson 1957 and 1965, introduction and segmentation sections averaged

<table>
<thead>
<tr>
<th>Feature</th>
<th>1957</th>
<th>1965</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passive sentences</td>
<td>28.72</td>
<td>19.05</td>
</tr>
<tr>
<td>Equations</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td>Tables</td>
<td>1</td>
<td>15</td>
</tr>
<tr>
<td>Figures</td>
<td>0</td>
<td>29</td>
</tr>
<tr>
<td>Flesch Reading Ease Score</td>
<td>42.55</td>
<td>33.12</td>
</tr>
</tbody>
</table>

Conclusion
High readability is a desirable feature in textbooks, it leads to motivated readers. Higher is not always better and it is noteworthy that the highest readability score in this study is rated by Flesch as being ‘fairly difficult’ for an adult reader to comprehend.
Wroe Alderson’s writing while sometimes considered difficult to read by modern standards can not be considered hard to read based on objective tests of reading level. Marketing Behavior and Executive Action, his most frequently cited work, is shown to be a comparatively easy read, according to the Flesch Reading Ease analysis.

The limitations of readability formulae and those elements of readability that are not contained in the analysis leave room for consideration of Alderson’s writing to be difficult on the grounds of familiarity of concepts, cultural relevance, legibility and the lack of features. Had Alderson been writing in the current time, would his textbooks have contained more features? Almost certainly he would have been required to by publishers.

Is a perception of difficulty of comprehension sufficient reason to abandon a major author in a discipline? If so, Kant and many others, would disappear from philosophy. Other disciplines would be similarly affected. Surely, it is the mark of a rigorous academic discipline that it comes to terms with understanding the supposedly difficult text? Alderson’s writing is not more difficult to read and comprehend than other marketing writing, at least in the opinion of two economics book reviewers and this author.

References
Encyclopaedia Britannica (online) (2000) http://www.britannica.com/bcom/eb/article/7/0.5716,118167+1+109821,00.html
Grbac, Bruno & Martin, James H. (2000) “Marketing in Croatia: 30 Years of Change,” Marketing Contributions to Democratization and Socioeconomic Development Rijeka,
Croatia: University of Rijeka.


Gambling’s Contribution (?) to the Quality of Life

James E. Littlefield, Virginia Tech, USA

Ten years ago, there were only two states that permitted the operation of casinos. Now, more than half of the states have casinos and 48 states allow some form of legalized gambling. Americans spend more money each year on gambling than they do on groceries! This is in a country that cannot provide healthcare for millions of its citizens, cannot provide school rooms with adequate facilities and has uncounted homeless wandering its streets.

Enter the word “casinos” into your Internet browser. The first suggestion that comes up is “Find Casinos Near You.” The second suggestion that comes up is “Be a High Roller.” That takes you to a Web Site called “Casino Gambling,” with a sub-heading that says “One of over 700 sites with host Bill Burton.” Some states are working to control Internet gambling, but without much success.

This paper traces the history and forecasts the future of gambling in the United States and reports on at least some of its unintended impacts on the quality of life of our citizens.
Brand Preference: A Green Marketing Phenomena

Kenneth D. Bahn, James Madison University.

Abstract

This research project focuses on consumers’ willingness to purchase green products. The study is based on a survey of 592 people while focusing specifically on consumer perceptions of price as it relates to green product brand preference. The notion of green products has become quite controversial in the popular press and deserves attention from marketing researchers. Further, marketing practitioners have the social responsibility to provide products that are not only durable and functional but are environmentally friendly. In this way marketing practitioners will be contributing to consumers’ quality of life. As a result of a canonical correlation analysis of a new conceptualization of green product purchase behavior, distinct market segments were formed. However, it can clearly be stated, that only a combination of good quality, a fair price, and a real commitment of the marketing practitioners will lead to successful market introductions of green products.

Long Run Ethical Obligation of Marketing

The term “green marketing” describes the attempts to develop strategies aiming to the environmental conscious consumer (McDaniel, 1993). Americans are expressing a large and increasing concern about the environment. The environment began to receive attention in 1970 with the first celebration of earth day. At the time, people who were concerned about the environment were a minority and considered somewhat eccentric (Speer, 1997). Since then consumers have become more educated on environmental issues, they are concerned about these issues and they want to act on these issues. Therefore, the 1990s have been labeled a time of social concern and have been termed the “earth decade” (Martin and Simintas, 1995). Some believe products that were introduced into the market with heavy marketing and industry expenditures may cause environmental deterioration. Due to a short-term orientation on cash and an inadequate definition of quality of life, these detrimental products have been promoted. The product development processes did not include environmental feedback loops or investigated long-term effects on the environment. Instead of a proactive behavior of companies and their research and development departments investigating effects of new products for the environment in the midrange and long term range of a products life cycle, only direct effects has been controlled. Companies and marketing team react on negative impacts of their products by production abandonment and/or compensation payments, for example the Exxon Valdez catastrophe. This kind of product development is fairly widespread. If companies consider environmental issues, it reflects just a rather limited commitment and an obvious desire to make the most of a trend.

Incorporating a proactive, long term, future oriented strategy, which includes a real commitment of the whole organization and all members, is the core issue of the future. Some believe that if markets stay in this self-destructive mode, due to more wasteland filling sites, more pollution, destruction of the rain forest, green house effects, and depletion of natural resources, marketing will loose its purpose and roots.

Some scholars argue that marketing practitioners have the duty to develop a new understanding of environmental issues and how they are an important set of variables in the decision process. In consequence of its core task of improving the quality of life and its involvement in the increasing environmental threat, they argue, marketers should help to create more environmental friendly products. It is one of the first steps on a long way to reorganize our consumption behaviors (Herbig, 1998; Polonsky and Mintu-Wimsatt; 1995; Samli, 1992).
Current Developments
In a recent survey consumers were asked what pressing social issues currently face our nation. Americans ranked the environment fourth, after issues such as AIDS and crime (Kraft and Schwartz, 1997). Research shows that consumers want to purchase products that are environmentally friendly even if that means paying a higher price for them (Hume, 1997). A 1998 survey conducted by the Wall Street Journal and NBC News found that “more than 80 percent of Americans think that protecting the environment is more important than keeping prices down. Americans think that protecting the environment is more important than keeping prices down. Fifty-three percent said they had avoided a product because of environmental concerns, and 46 percent had bought products based on a manufacturer’s or products reputation” (Marney, 1992; Herbig, 1998). In fact over 80 percent of consumers state they are willing to pay 5 percent more for products that are environmentally friendly (Miller, 1993).

In response to the increased interest in the environment, companies increased marketing of environmentally friendly products. Trying to cash in on the newest craze, businesses were putting green labels on every product they could. However, these companies have met with great disappointment, as sales for green products have fallen much short of what was anticipated. When it came right down to the consumer doing what they said they would and paying more to help the environment, it just did not happen. Only 23 percent of Americans generally make environmentally safe purchases (Why be Green?, 1997). This is a much smaller number than the 80 percent who tout their support for the environment. Companies have been very confused by these purchase behaviors. As businesses strive for answers on how to get their share of this market, they must learn what drives the consumer to make green product purchases and then they will know how to successfully market green products.

Although the environmental movement has been around for several years, environmental buying behavior is still increasing and therefore, is still in its growth stage. This environmental trend is not merely a fad as is evident by its rapid growth. In 1985 the market for green products totaled 2.75 billion dollars, in 1990 it grew to 4.22 billion dollars and 9.18 billion dollars in 1995. That is a growth of 233 percent over a 10-year period. This enormous growth trend is expected to continue and it is predicted that the market will reach 30 billion dollars some time between the years 2000 and 2005. Therefore, this is an existing and growing market ($30 billion green product predicted by 2005, 1996).

The existence of the green market is also evident by the increasing government regulation. The Federal Trade Commission (FTC) has established rules for appropriate environmental labeling. These guidelines were designed to allow advertising claims to be informational without being deceptive or trivial (FTC 11). Also, the government regulates companies on issues such as pollution, to ensure they are not causing environmental harm to society. Finally, some areas make recycling mandatory for individuals (Adrian and Dupre, 1994).

Model of green product purchase behavior
Due to the inconsistency of how consumers behave we developed a large-scale model of green product purchase behavior. This model includes many independent variables that contribute to explaining the difference between consumer attitudes and actual behavior. The conceptual model contains several levels of variables. It includes a general background variable, demographics; a variable focusing on motivation, locus of control. It also focuses on attitudes towards recycling and green products as topic specific variable. Moreover, the model incorporates a set of intervening variables that influence consumer behavior directly.
The further presentation of the results concentrates on “Demographics”, “Locus of Control”, “Political Ideology,” “Attitude”, “Brand Preference”, and “Price Sensitivity” as independent variables. The other variables are displayed for the purpose of completeness and to be forthcoming that this study is part of a much larger project.

**Demographics**

In studying the affects of income, research has shown that as income increases so does the purchase of green products. Therefore, those of low income would purchase few green products and those of high income would purchase more, making green products a normal good. However, this only holds true to a certain level of income. Those of very high income actually show less support for environmental products. This is attributed to the fact that people who have very high incomes would not be as concerned with things such as public parks, because they could afford private areas. Therefore, there is a certain level of income where environmental products become an inferior good (Kahn and Matsusaka, 1997).

Education is another variable that has demonstrated some influence over the purchase of green products. Educational levels have been directly linked to greater environmental concern and likelihood to participate in activities such as recycling. The higher-educated persons surveyed also showed higher concerns for energy conservation activities (Manrai, Lascu and Ryans 1997). In general consumers who have higher education levels have greater knowledge on environmental issues. Greater knowledge results in more spending on
environmentally friendly products (Manrai, Lascu and Ryans 1997). Therefore, those who have higher education will in general spend more on green products.

Other demographic generalizations show that married persons tend to be more environmentally friendly than singles. The number of children positively correlated to the willingness to purchase environmentally minded goods but negatively correlated to the willingness to help pay for cleanup. Females have shown to be more likely to donate time to environmental programs and concerns with nuclear energy. Males have shown more concern for acid rain (Speer 1997).

There have been discrepancies about the influence of demographic variables over purchase behavior. Findings for demographic and socioeconomic variable appear to be inconsistent. Not all studies have concluded that demographic variables are an influential factor in green product purchase decisions. Studies by Samli (1992) and Miller (1993) both concluded they were, however; a recent study by Bhate and Lawler found that demographics were the “least significant” of variables studied, in determining purchase behavior. Specifically, there was not relationship between age and gender and purchases. In this study they found social class (which would reflect income and education) had some correlation, however; it was still insignificant. Therefore, even though some demographic means can be generalized they are not as predictive as other factors in determining purchase behavior (Bhate and Lawler, 1997). Roberts (1996) found that in the 582 consumers surveyed only 6 percent of the variation in consumer purchase behavior could be attributed to demographic variables. When demographic variables were examined by each variable, such as education and sex, they almost always concluded similar findings as previous studies. That is, older females with higher education tended to be more “green”. However, the percent of variation in purchase behavior for each variable was very small and therefore insignificant (Roberts, 1996). This leads to our first proposition:

**P1**: Demographics relate to green consumer behavior. Specifically, higher incomes and levels of education, as well as other demographic factors such as gender, are more likely to lead to green purchases than lower levels of education and income.

**Locus of Control**

Locus of control is a personality variable that focuses on how a person’s expectations for the degree of control in their lives. In locus of control a person may be classified as either internal or external. Those with internal expectations believe events result from their actions, whereas external orientation perceives events to happen because of “luck, chance or powers beyond their personal control.” Behavior is a function of expectancy and reinforcement value in a specific situation (Strickland, 1989). The way an individual perceives the relationship between locus of control and results is not all external or all internal. It can vary in degree (Rotter, 1966).

There is a positive correlation between persons having an internal locus of control and an index of ecological concern and ecology scale. The ecology construct measures what an individual knows, thinks, feels, and actually does regarding ecology and pollution. Consumers like to feel that their actions will make a difference and will lead to a desired outcome. Therefore, a person would be more likely to purchase products that are environmentally friendly if the purchase provides them with a reward (McCarty and Lowery, 1995). For example, intrinsic rewards are a very powerful incentive, therefore; it would be advantageous for marketers to remind consumers in their advertising of these rewards (Davis, 1993). Consumers will pay a premium when there are explicit benefits that will result which are understood, as opposed to very broad benefits such as global warming. Consumers will respond to issues that directly affect them they believe them to be more important than those they are removed from (Stringer, 1996). Consumers need to be better educated on environmental benefits. Even though the movement has been around for some time, they still
do not know a lot about these issues. As consumers become more educated on the environment they will have greater knowledge of the outcomes of environmental actions, which will allow for more growth in the green market and a willingness to pay higher price premiums (Ottman, 1996).

Locus of control may also be an indicator of a degree of helplessness. Therefore, persons with an internal locus of control are much more likely to be environmentally minded when making purchases. Conversely, externally oriented persons will have a higher feeling of helplessness and will be less environmentally oriented in their purchases. This correlation was found true when surveying persons on the ecological impact of packaged good on the solid waste disposal problem (Osterhus, 1997). In relation to sometimes overwhelming appearing environmental problems very often an external locus of control can be recognized. Consumers often blame only the manufacturers and expect the government to solve the problems without reflecting their own behavior. Nearly 75% of consumers in a survey said they believe business must be forced by government to develop environmental safe products (Hume, 1991).

In a recent study conducted by Roberts (1996), 33% of the variation in ecologically conscious consumer behavior was explained by a persons’ perceived consumer effectiveness. This was the most significant variable, of those studied, in determining behavior. The more consumers believe they can diminish environmental issues the more likely they are to perform ecologically conscious consumer behavior. If consumers believe they have no effect they will not act (Roberts, 1996). This leads to our second proposition.

**P2:** Individuals high on internal and low on external locus of control are more likely to make green purchases than persons low on internal and high on external locus of control.

**Attitudes**

A person’s attitude toward environmental issues begins with social norms. Social norms are defined as the “perceptions about the nature and context of prevailing social sentiments.” What society defines as acceptable beliefs helps to shape they way an individual perceives things (their personal norms). Personal norms are defined as those social norms that are adopted on the individual level. “They are incorporated into ones belief system.” Concern about the environments may be a social norm, given the attention the environment has received in the last decade. Whether or not social norms translate to personal norms is debatable. However, when consumers adopt as a personal norm concern for the environment, their purchasing behaviors will be affected (Osterhus, 1997). This leads to the first part of our fourth proposition.

**P4a:** Consumers who have internalized a personal norm concern about the environment will act more environmentally responsible consumer purchases than those who have not internalized these norms.

Personal norms alone do not influence behavior. They must coincide with a high degree of trust in businesses and their claims and a feeling that the individual is responsible for contributing to the problem and that as an individual they can make a difference (Osterhus, 1997). If there is a high degree of both trust and responsibility then personal norms will influence behavior. If there is a low degree of both it is very unlikely that personal norms will influence behavior. However, it is important to note that trust alone is not the driving force. If the responsibility attribute is low and trust is high, there is still a very negative impact on behavior. Therefore, responsibility is the influential factor (Osterhus, 1997).

Trust is an issue that businesses face when marketing green products. In general, many consumers do not believe business claims about the environmental friendliness of their products. The average consumer thinks that fifteen percent of what is advertised as environmentally friendly is believable (McCarty and Lowery, 1995). They also believe that only about seven percent of businesses are truly concerned about the environment and...
producing green products to make the environmental improvements. In general, consumers feel most businesses are not a reliable source of information. These feelings lead to negative attitudes toward the companies and its product and therefore a reduction in green product purchases (Manrai, Lascu, and Ryans, 1997).

One survey in 1992 found out that 85% of consumers considered themselves “environmentalists”, but only 22% had actually altered their buying habits (Donaton and Fitzgerald, 1992). Approximately 60% of women 18 and older agreed that people should not use aerosol sprays for toiletries and household cleaners. Yet 49% of those women bought aerosol sprays (Mandese, 1991). There appears to be a large gap between consumer attitudes and their actual behavior. When consumers find a new product to be incompetently produced and promoted, they avoid it. In the same way, consumers may be suspicious about green advertising and its claims (Zinkhan and Carlson, 1995).

Research shows there are ways of advertising green products to make them more believable and equivalent to non-green products. First advertisements should be specific in their environmental claims. Those environmental claims perceived to be specific, and therefore provide concrete information on the environmental benefits, result in positive perceptions about the product and the company. Vague claims have the opposite affect, and are perceived to be deceptive and misleading, thereby leading to negative feelings about the company and product.

Second, the strength of the claim impacts the effect of marketing. A perceived weak claim will likely be ignored. If the claim is too strong its integrity may also be questioned. Moderate claims tend to get the consumers’ attention and are perceived as being believable (Davis, 1993).

Finally, environmental sensitivity may be an important secondary consideration when purchasing a product. Consumers still purchase products primarily based on the product attributes. If two products are considered competitive and one provides environmental benefits, consumers may select one product based on secondary environmental issues. Therefore, it is better to use the product characteristics as the primary function of the ad and the environmental as the secondary (Miller, 1993).

Most marketers use general environmental claims when communicating the benefits of their green products. The problem with this is that people interpret the meaning of these terms differently. For example, when a company claims that a product has been recycled, people perceive this to mean different things. For example, many manufactures have recycled waste products for years to cut down on purchasing raw materials, but until recently, they did not promote those claims on the products. Does recycling mean reusing waste material (as you may have always been doing), or must a product pass through consumers’ hands before claiming to be recycled? Thus the term “recycling” is ambiguous and potentially misleading. Other phrases, such as “This product contains 32% post consumer content,” might more accurately describe an environmentally sound practice (Hunt 1993). They have different perceptions about the definition of the term recycled and about how much of the product must be recycled to make the claim. In a recent survey only 5 percent of consumers exhibited a thorough understanding of the terms recycled and recyclable (Morris, Hastak and Mazis, 1995). This leads to consumer confusion and suspicion of environmental claims. The FTC regulations of 1992 may have helped to alleviate some of this confusion (Morris, 1995).

There has been a demonstrated positive correlation between purchasing the product and product evaluation, company image and environmental knowledge. Therefore, an advertisement that is specific, of moderate strength and explaining the actual product attributes, will be more likely to result in green product sales (Mobley and Painters 1995). According to the study conducted by Roberts (1996), a person’s concern for the environment accounts for 5 percent of the variation in their ecologically conscious consumer behavior. Therefore it does demonstrate some influence over purchase behavior however, it would not be a strong predictor.

This leads to the second part of proposition 4.

P4b: Environmentally conscious consumers will purchase more green products from business that are perceived to be trustworthy and who promote environmental
products in an unambiguous and specific way than from businesses who are perceived to be untrustworthy and who are imprecise and ambiguous in their environmental claims.

**Price Sensitivity**

The existence of economic costs could deflect the impact of personal norms on behavior. It has been evident in the 90s that people are willing to purchase green products, however; not if it means paying a much higher price. US consumers have placed more importance on economic interests than environmental interests. They expect the product to be competitively priced with similar products that are not environmentally friendly. Most consumers do not base purchase decisions only environmental factors (Magrath, 1992). Even though most surveys have shown that consumers are very willing to pay more money for environmentally safe products, they are just not purchasing green products the way they say the will. Consumers are reluctant to pay more for a product just because it is good for the environment.

There have been a number of explanations as to what has caused this confusion. First, social response bias may influence responses to these studies. Consumers may not be willing to say that they would not recycle or pay more for green products. Instead, they may simply say what they think is expected of them (Miller, 1993).

Another explanation is that everyone has a range of price indifference. It is possible that this range is five percent. Therefore, this survey is not accurately reflecting a willingness to pay a higher price for environmentally safe products. Consumers are actually saying that they are willing to pay the same price for these products. Also, the early 1990s experienced a recession that made people more price conscious (Adrian and Dupre, 1994). Many people cannot afford to pay a higher price for products in order to get an environmentally friendly product. Especially since this type of purchase requires paying more in the short term for long-term results (Ottman, 1992). Consumer commitment to the environment may not overcome their primary concerns about employment and income (Schlossberg, 1992).

Finally, as was stated earlier environmental products are in their growth stage. When products are in this stage, generally economic forces have a greater impact on product adoption. Then once they have been around and are in their middle and later stage, people tend to rely more on formative influences.

True-blue greens are people who see their environmental concerns as a way of life. They are willing to spend approximately 7 percent more for comparable goods. Greenbacks are willing to pay up to 20 percent more for ecologically friendly products, although they may not be as active in environmental issues as the True-blues’. Sprout will pay approximately 4 percent more, while grousers and browns probably will not pay any extra and may not even care. The overall average eco-premium has fallen from 6.6 percent in 1990 to 4.5 percent in 1996 (Speer, 1997). This could be attributed to the fact that the group showing the largest increase in presence is the sprouts, which are willing to pay a four percent premium. This coupled with the decrease in the group, the Greenback Greens, willing to pay the largest premiums.

**Brand Preference**

Brands have their own identity and an image that will be transported to its consumers. It is own identity that makes a brand unique. Building the brand is not just respecting a product, but also respecting a name. A development of brands is not easy. However, even in the area of green consumers and green marketing such brands can be developed, for example “The Body shop”. These brands are perceived as superior and deliver a special positive benefit to each consumer.

One problem with green products and developing a brand is that environmentally safe products have an image of inferior quality. People think that in order to get a product that is good for the environment they have to give up something (Tibbert, 46). Nevertheless, brand names have demonstrated the ability to influence consumers’ attitudes, often making up for
negative feelings about a product. Therefore, it is possible to attach a brand name to a green product that is perceived to have inferior quality, and improve the image of that product. The brand name can actually set the level of quality that is perceived about a product (Mobley and Painter, 1995). The environmental attributes should be related directly to the consumer benefits (Ottman, 1996, eco-labels). Because no marketing can achieve for consumers what a brand can deliver in desired benefits. Furthermore, the brand process is supported by results of a research, which found out that consumers, either low or highly interested in environmental developments, react on marketing claims in the same way. So, no different approaches are necessary. A brand product has this one approach automatically inherent (Schuhwerk and Lefloff-Hagius, 1995). 18 percent of consumers view the environment as an important factor in brand choice. However, this still falls behind “past experience, reasonable price and quality” in selecting a brand (Ottman, 1994). Only six percent of consumers consider a product’s environmental affect as a main factor in their decision to purchase it, “47 percent rely on past experience, thirty seven percent on price, fifteen percent on brand recognition, 13 percent on the recommendation of others and 12 percent on convenience” (Speer, 1997).

Methodology

Data were collected by the means of a pencil and paper instrument (questionnaire) by which respondents were asked to state their perceptions regarding different pricing mechanisms applied to green and non-green products.

Every variable in this study comprised a section on the survey instrument. Green product purchase behavior was the dependent variable and the first section within the questionnaire. The actual personal behavior of every respondent was investigated by using ratio scales questions. Brand preferences provided a choice of different consumer products with brand character. The range of products was from detergents over batteries, clothes, and food to computers. Within each product category the respondent could choose between a green and non-green brand. The key differentiating factors were shortly explained. All together this section supplied 33 comparisons. Locus of Control was examined by a set of designed statements. The investigation did not use the classic Rotter procedure because a customized design appeared to be more useful. The statements reflected different estimates about the individual and his/her possibilities to act in favor for the environment and the effects concerning an environmental improvement. 13 statements were provided which a five-point Likert scale measured. Both, attitudes toward recycling and attitudes toward green products were measured by using general statements about recycling and green products. The respondent could express his/her answer by circling in an uneven five-point Likert scale. The recycling section was equipped with ten statements and the green product section with twelve. Price sensitivity was investigated by the same range of products like in the brand preference section of the questionnaire. However, the single product categories were consummated by the actual prices of the different brands. The prices did not include any discounts and reflected average daily prices of the different regions.

Data collection and analysis

Data were collected by means of a systematic random area cluster sample in 5 different states along the Eastern seaboard. The five states that were represented were Florida, Maryland, North Carolina, South Carolina, and Virginia. Data Collectors were instructed to go to every third house every fourth street in densely populated areas to insure a representative sample of the entire cluster. 592 questionnaires were completed. Data were transformed and entered into a computer system. Data were analyzed using SAS and the statistical tool of choice was canonical correlation because both sets of independent and dependent variables were continuously scaled.

According to the model of green product purchase behavior, canonical correlations were run between different levels of variables. So, it was possible to assess the different
effects of the sets of variables on each other. All results presented below are statistically
significant supported by a 95% confidence interval and alpha level of .05. Variables’ factors
and attributes were included into the interpretation, if their loadings were at least 0.300 or
higher. Using these results, market segments could be established, which might serve as
starting point for further research activities and as focus groups for product developments in
the future and marketing activities for new product placements.

Results and Interpretations

Table 1. Canonical Correlation of Demographics with Locus of Control

<table>
<thead>
<tr>
<th>Demographics</th>
<th>Function A</th>
<th>Function B</th>
<th>Function C</th>
<th>Function D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
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<td>.6613</td>
<td>-.1171</td>
<td>1927</td>
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<tr>
<td>Age</td>
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<td>-.0315</td>
<td>.2860</td>
<td>.5608</td>
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<td>Marital Status</td>
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<td>.3102</td>
<td>.0899</td>
</tr>
<tr>
<td>Live Alone</td>
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<td>.1048</td>
<td>.1478</td>
</tr>
<tr>
<td>Live with non-related adult</td>
<td>-.3599</td>
<td>.1213</td>
<td>-.1099</td>
<td>-.0947</td>
</tr>
<tr>
<td>Live with spouse</td>
<td>.1940</td>
<td>.0083</td>
<td>.2564</td>
<td>.0852</td>
</tr>
<tr>
<td>Live with spouse and children</td>
<td>.2684</td>
<td>-.3860</td>
<td>.0051</td>
<td>.1122</td>
</tr>
<tr>
<td>Live with children without spouse</td>
<td>1.511</td>
<td>.2346</td>
<td>-.0569</td>
<td>.1940</td>
</tr>
<tr>
<td>Live with parents</td>
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<td>.3087</td>
<td>.0124</td>
<td>.3475</td>
</tr>
<tr>
<td>Other</td>
<td>-.1527</td>
<td>.0884</td>
<td>-.2165</td>
<td>.1751</td>
</tr>
<tr>
<td># of people in household</td>
<td>-.0699</td>
<td>-.0902</td>
<td>-.1050</td>
<td>-.0230</td>
</tr>
<tr>
<td>Highest grade</td>
<td>.0910</td>
<td>-.1378</td>
<td>-.1233</td>
<td>.2689</td>
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<tr>
<td>Job</td>
<td>.1254</td>
<td>-.0287</td>
<td>-.2276</td>
<td>.1634</td>
</tr>
<tr>
<td>Best describes residence</td>
<td>.4535</td>
<td>.2195</td>
<td>-.7794</td>
<td>-.2031</td>
</tr>
<tr>
<td>Income</td>
<td>.5038</td>
<td>.0679</td>
<td>.1252</td>
<td>-.5829</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Locus of Control</th>
<th>Function A</th>
<th>Function B</th>
<th>Function C</th>
<th>Function D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worry about future facing</td>
<td>.1217</td>
<td>-.8652</td>
<td>.1319</td>
<td>.0679</td>
</tr>
<tr>
<td>End justifies the means</td>
<td>-.0834</td>
<td>-.0161</td>
<td>.3786</td>
<td>-.2502</td>
</tr>
<tr>
<td>Frightening to be resp. for protecting env.</td>
<td>.2704</td>
<td>-.2592</td>
<td>.4417</td>
<td>-.1089</td>
</tr>
<tr>
<td>Everything relative, not definite rules</td>
<td>-.0104</td>
<td>-.1737</td>
<td>-.3465</td>
<td>-.2243</td>
</tr>
<tr>
<td>No control over ozone depletion</td>
<td>-.2769</td>
<td>.2208</td>
<td>-.1986</td>
<td>.4338</td>
</tr>
<tr>
<td>So regimented no choice in personal matters</td>
<td>.2378</td>
<td>.2167</td>
<td>.3851</td>
<td>.0817</td>
</tr>
<tr>
<td>People naturally friendly</td>
<td>.7778</td>
<td>.2526</td>
<td>.1929</td>
<td>.1938</td>
</tr>
<tr>
<td>World is friendly place</td>
<td>.5306</td>
<td>-.0586</td>
<td>.0869</td>
<td>.3950</td>
</tr>
<tr>
<td>Future is dismal</td>
<td>-.3729</td>
<td>-.1819</td>
<td>.0925</td>
<td>.4390</td>
</tr>
<tr>
<td>Everyone can protect env.</td>
<td>.0114</td>
<td>-.3461</td>
<td>.0177</td>
<td>.0592</td>
</tr>
<tr>
<td>1 person can make a difference in global</td>
<td>.3594</td>
<td>.3470</td>
<td>.0047</td>
<td>-.3180</td>
</tr>
<tr>
<td>My actions won’t affect the env.</td>
<td>.0109</td>
<td>.3284</td>
<td>-.0188</td>
<td>.2944</td>
</tr>
<tr>
<td>I think about improving the env.</td>
<td>.5132</td>
<td>-.1339</td>
<td>-.2459</td>
<td>.2596</td>
</tr>
</tbody>
</table>

Primary:
This group is predominantly married females living in urban or suburban areas and have a
higher income. They are more positive in their thinking and they have some control over environmental
issues. They believe that people are naturally friendly and helpful and the world is a friendly place.
They believe that one person can make a difference in global issues and they think about what they can
do to improve the environment. They do not feel that the future is dismal.

Secondary:
This group is predominately single males living alone or with their parents. They do not
believe that they have any control over environmental issues and they are not concerned about this.
They do not believe that one person can make a difference in global issues or that everyone can do their
part to protect the environment. They also do not believe that if they buy environmentally friendly
products their actions will affect the environment.

Tertiary:
This segment is married and living in urban areas. They do not believe they have any control over environmental issues, believing that we are so regimented that there is not much room for personal choice and they have many rules to live by. They find it frightening to be responsible for the protection of the environment.

Fourth:
This group is younger and living with their parents in suburban areas who have lower incomes. They feel there is nothing they can do towards preventing the depletion of the ozone layer. They believe the world is friendly but the future looks dismal. They do not believe that one person can make a difference in global issues.

Table 2. Canonical Correlation of Locus of Control with Attitudes Toward Green Products

<table>
<thead>
<tr>
<th>Locus of Control</th>
<th>Function A</th>
<th>Function B</th>
<th>Function C</th>
<th>Function D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worry about future facing</td>
<td>.6015</td>
<td>-.0497</td>
<td>.3277</td>
<td>.3863</td>
</tr>
<tr>
<td>End justifies the means</td>
<td>-.1272</td>
<td>.2870</td>
<td>.5362</td>
<td>.3570</td>
</tr>
<tr>
<td>Frightening to be resp. for protecting env.</td>
<td>.0315</td>
<td>.4237</td>
<td>.1903</td>
<td>.2905</td>
</tr>
<tr>
<td>Everything relative, not definite rules</td>
<td>-.1490</td>
<td>.4177</td>
<td>-.0531</td>
<td>.1981</td>
</tr>
<tr>
<td>No control over ozone depletion</td>
<td>-.4767</td>
<td>.4437</td>
<td>.2780</td>
<td>-.0471</td>
</tr>
<tr>
<td>So regimented no choice in personal matters</td>
<td>.3695</td>
<td>.5262</td>
<td>.3116</td>
<td>.1385</td>
</tr>
<tr>
<td>People naturally friendly</td>
<td>.1832</td>
<td>.3013</td>
<td>-.0548</td>
<td>-.2264</td>
</tr>
<tr>
<td>World is friendly place</td>
<td>.1617</td>
<td>.4068</td>
<td>-.1325</td>
<td>-.0542</td>
</tr>
<tr>
<td>Future is dismal</td>
<td>-.1491</td>
<td>.3822</td>
<td>.0767</td>
<td>.4425</td>
</tr>
<tr>
<td>Everyone can protect env.</td>
<td>.6500</td>
<td>.3363</td>
<td>-.0271</td>
<td>.4666</td>
</tr>
<tr>
<td>I person can make a difference in global</td>
<td>.5914</td>
<td>.0297</td>
<td>.1660</td>
<td>.3419</td>
</tr>
<tr>
<td>My actions won’t affect the env.</td>
<td>-.5232</td>
<td>.4219</td>
<td>.0161</td>
<td>.0064</td>
</tr>
<tr>
<td>I think about improving the env.</td>
<td>.7647</td>
<td>.4184</td>
<td>-.1983</td>
<td>-.2200</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Attitudes towards Green Products</th>
<th>Function A</th>
<th>Function B</th>
<th>Function C</th>
<th>Function D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participant in the env. Movement</td>
<td>.8432</td>
<td>.2497</td>
<td>-.1189</td>
<td>-.3503</td>
</tr>
<tr>
<td>Quality of green products is less the non</td>
<td>-.2988</td>
<td>.5400</td>
<td>.3037</td>
<td>.1583</td>
</tr>
<tr>
<td>Skeptical about environmental labels</td>
<td>.3656</td>
<td>.5295</td>
<td>-.1629</td>
<td>.3188</td>
</tr>
<tr>
<td>My duty to purchase env. safe products</td>
<td>.6798</td>
<td>.0479</td>
<td>.1546</td>
<td>.0978</td>
</tr>
<tr>
<td>Green products market underdeveloped</td>
<td>.3442</td>
<td>-.0089</td>
<td>.4519</td>
<td>-.0244</td>
</tr>
<tr>
<td>Green products same quality as non green</td>
<td>.3130</td>
<td>.0304</td>
<td>.4446</td>
<td>-.1000</td>
</tr>
<tr>
<td>Env. claims may not be valid</td>
<td>-.1523</td>
<td>.1409</td>
<td>.5110</td>
<td>-.0548</td>
</tr>
<tr>
<td>I am confused about env. terms</td>
<td>-.2907</td>
<td>.6110</td>
<td>.0634</td>
<td>.1587</td>
</tr>
<tr>
<td>Doubt about env. claims makes it less likely that I will purchase green products</td>
<td>-.4853</td>
<td>.5731</td>
<td>.3657</td>
<td>.1515</td>
</tr>
<tr>
<td>Americans more concerned about env. today then 5 years ago</td>
<td>.2856</td>
<td>.0541</td>
<td>.0091</td>
<td>.2108</td>
</tr>
<tr>
<td>Cos. env. reputation important</td>
<td>.5475</td>
<td>-.1193</td>
<td>.1292</td>
<td>.7285</td>
</tr>
<tr>
<td>Cos. do not care about env., just want profit</td>
<td>-.1522</td>
<td>.2744</td>
<td>-.0412</td>
<td>.8985</td>
</tr>
</tbody>
</table>

Primary:
This segment has a positive attitude toward the environment, they feel that have some control over environmental issues, and they are willing to purchase green products. They often think about what they can do to improve the environment and believe that everyone can do their part to help protect the environment. They worry about the future facing today’s children, believing that one person can make a difference in global issues. They consider themselves to be participants of the environmental movement and feel it is their duty to purchase environmentally safe products in order to help the earth. They believe that a company’s environmental responsibility is important, the green product market is underdeveloped and the quality of green products is the same as non-green products. This segment disagrees with the following statements: 1. It does not matter if I buy environmentally friendly products because my actions will not affect the environment, 2. There is little or nothing I can do towards preventing the depletion of the ozone layer, 3. We
are so regimented today that there is not room for choice even in personal matters. Because I am doubtful of the validity of environmental claims I am no inclined to purchase products labeled green.

Secondary: This segment believes that we are so regimented today there is not much room for choice even in personal matters. There is nothing they can do towards preventing the depletion of the ozone layer and therefore, it does not matter if they buy environmentally friendly products because their actions will not affect the environment. They do not believe that everyone can do their part to help protect the environment. They perceive people to be friendly and the world to be a friendly place, but they think the future looks dismal. They feel it is frightening to be responsible for the protection of the environment. They believe the quality of green products is less than that of non-green products and they are skeptical about the genuineness of claims that a product is labeled as recyclable, ozone friendly or biodegradable. Because they are doubtful about the validity of environmental claims, they are not inclined to purchase products that are labeled as green.

Tertiary: This group is worried about the future facing today’s children, but they believe we are so regimented today that there is not much room for choice even personal matters. They feel that claims of environmental friendliness are often a way for marketers to appear ecologically correct and may not be valid. Because they are doubtful of the validity of environmental claims they are not inclined to purchase products that are labeled as green. This segment is divided in the perception of the quality of green products; some believe it is equal to non-green and others believe it is inferior.

Fourth: This segment believes the future looks dismal. However, they believe everyone can do their part to help protect the environment and one person can make a difference in global issues. They worry about the future facing today’s children and feel that the end often justifies the means. They believe a company’s environmental reputation is important. Even though this group is concerned and feels they could possibly make a difference, they are skeptical about the environmental claims made by companies.

Table 3. Canonical Correlation of Locus of Control with Attitudes Toward Recycling

<table>
<thead>
<tr>
<th>Locus of Control</th>
<th>Function A</th>
<th>Function B</th>
<th>Function C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worry about future facing</td>
<td>.6099</td>
<td>-.1460</td>
<td>.2570</td>
</tr>
<tr>
<td>End justifies the means</td>
<td>-.1664</td>
<td>.1353</td>
<td>.0903</td>
</tr>
<tr>
<td>Frightening to be resp. for protecting env.</td>
<td>-.0433</td>
<td>.3 607</td>
<td>.6471</td>
</tr>
<tr>
<td>Everything relative, not definite rules</td>
<td>-.2060</td>
<td>.2063</td>
<td>.0087</td>
</tr>
<tr>
<td>No control over ozone depletion</td>
<td>-.6350</td>
<td>.1766</td>
<td>.1014</td>
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<tr>
<td>So regimented no choice in personal matters</td>
<td>.5024</td>
<td>.2346</td>
<td>.2542</td>
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<tr>
<td>People naturally friendly</td>
<td>.0691</td>
<td>.4219</td>
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<td>World is friendly place</td>
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<td>Future is dismal</td>
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<td>.4337</td>
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<td>Everyone can protect env.</td>
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<td>.2209</td>
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<tr>
<td>I person can make a difference in global</td>
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<td>.1203</td>
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<tr>
<td>My actions won’t affect the env.</td>
<td>-.7164</td>
<td>.2467</td>
<td>.1558</td>
</tr>
<tr>
<td>I think about improving the env.</td>
<td>.5666</td>
<td>.6983</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Attitudes toward recycling</th>
<th>Function A</th>
<th>Function B</th>
<th>Function C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Takes too much time</td>
<td>-.6246</td>
<td>-.0294</td>
<td>.1808</td>
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<tr>
<td>Is a part of my everyday lifestyle</td>
<td>.5968</td>
<td>.6591</td>
<td>-.2886</td>
</tr>
<tr>
<td>Makes me feel good about myself</td>
<td>.5863</td>
<td>.3483</td>
<td>.3202</td>
</tr>
<tr>
<td>Do not make a difference in the env.</td>
<td>-.7216</td>
<td>.3246</td>
<td>.4515</td>
</tr>
<tr>
<td>Is morally correct</td>
<td>.6038</td>
<td>.1630</td>
<td>.1811</td>
</tr>
<tr>
<td>Is an inconvenience</td>
<td>-.4317</td>
<td>.0111</td>
<td>.3370</td>
</tr>
<tr>
<td>Cos. should use recycled materials to make products,</td>
<td>.7204</td>
<td>-.3141</td>
<td>.3173</td>
</tr>
<tr>
<td>when available</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is just one step, also find new ways to use recycled</td>
<td>.6550</td>
<td>.0543</td>
<td>.4143</td>
</tr>
<tr>
<td>materials</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Primary:

This market is concerned about the environment, they feel they have control over environmental issues and this influences their recycling habits. They feel that everyone can do their part to protect the environment. They worry about the future facing today’s children and often think about what they can do to improve the environment. One person can make a difference in global issues and companies should use recycled material to make their products when recycled materials are available. Recycling is just one step in the chain. Americans are not recycling enough, too much is being sent to landfills. They would buy recycled products if they were more available. Recycling is part of their everyday lifestyle and makes them feel good about themselves. They do not believe the following: There is little or nothing I can do towards preventing the depletion of the ozone layer, We are so regimented today that there is not much room for choice even in personal matters. It does not matter if I buy environmentally friendly products because my actions will not affect the environment, Recycling takes too much time, Recycling habits do not make a difference in our environment or that recycling is an inconvenience.

Secondary:

They often think about what they can do to improve the environment. They believe that one person can make a difference in global issues. People are just naturally friendly and helpful. Recycling is part of their everyday lifestyles and makes them feel good about themselves, but recycling habits do not make a difference in our environment. They do not believe that companies should use recycled materials to make their products when they are available.

Tertiary:

This segment believes it is frightening to be responsible for the protection of the environment. They think the future looks very dismal and the world in which we live is not a friendly place. Recycling makes them feel good but they do not think recycling habits make a difference in the environment and it is an inconvenience. They believe that companies should use recycled materials to make their products when they are available. Recycling is just one step in the chain and Americans need to also find new ways to use recycled materials because they are not recycling enough, too much is being sent to landfills.

### Table 4. Canonical Correlation of Demographics with Green Product Purchase

<table>
<thead>
<tr>
<th>Demographics</th>
<th>Function A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>.0184</td>
</tr>
<tr>
<td>Age</td>
<td>.7035</td>
</tr>
<tr>
<td>Marital Status</td>
<td>.5151</td>
</tr>
<tr>
<td>Live Alone</td>
<td>.3213</td>
</tr>
<tr>
<td>Live with non-related adult</td>
<td>-.2844</td>
</tr>
<tr>
<td>Live with spouse</td>
<td>.2056</td>
</tr>
<tr>
<td>Live with spouse and children</td>
<td>.3152</td>
</tr>
<tr>
<td>Live with children without spouse</td>
<td>-.0736</td>
</tr>
<tr>
<td>Live with parents</td>
<td>-.3963</td>
</tr>
<tr>
<td>Other</td>
<td>-.4939</td>
</tr>
<tr>
<td># of people in household</td>
<td>-.1641</td>
</tr>
<tr>
<td>Highest grade</td>
<td>-.0341</td>
</tr>
</tbody>
</table>
Job .1828
Best describes residence .2048
Income .2315

**Green Products**

<table>
<thead>
<tr>
<th>Func. A</th>
<th>Function B</th>
</tr>
</thead>
</table>

Money spent on green products -.2596

Types of products purchased:

- Lawn and garden .7496
- Paper products -.0935
- Food products .0417
- Containers -.2770
- Household cleaning products .4612
- Personal care products -.1805
- Appliances .2075
- Water efficient fixtures .3867

Monthly budget spent on green products .0070

# of green products/month .0264

**Primary:**

This group is primarily older, married and living alone or with a spouse and children. They purchase the following green products: lawn and garden, household cleaning products, and water efficient fixtures.

**Table 5. Canonical Correlation of Locus of Control with Green Product Purchase**

<table>
<thead>
<tr>
<th>Locus of Control</th>
<th>Function A</th>
<th>Function B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worry about future facing -.7414</td>
<td>-.1694</td>
<td></td>
</tr>
<tr>
<td>End justifies the means -.0899</td>
<td>.1230</td>
<td></td>
</tr>
<tr>
<td>Frightening to be resp. for protecting env. -.1602</td>
<td>.2374</td>
<td></td>
</tr>
<tr>
<td>Everything relative, not definite rules -.0531</td>
<td>.3089</td>
<td></td>
</tr>
<tr>
<td>No control over ozone depletion .4660</td>
<td>.3695</td>
<td></td>
</tr>
<tr>
<td>So regimented no choice in personal matters .4455</td>
<td>.5491</td>
<td></td>
</tr>
<tr>
<td>People naturally friendly -.1131</td>
<td>.5149</td>
<td></td>
</tr>
<tr>
<td>World is friendly place -.0534</td>
<td>.2083</td>
<td></td>
</tr>
<tr>
<td>Future is dismal .1080</td>
<td>.0794</td>
<td></td>
</tr>
<tr>
<td>Everyone can protect env. -.6738</td>
<td>-.0830</td>
<td></td>
</tr>
<tr>
<td>I person can make a difference in global -.5673</td>
<td>.4826</td>
<td></td>
</tr>
<tr>
<td>My actions won’t affect the env. .4737</td>
<td>.1710</td>
<td></td>
</tr>
<tr>
<td>I think about improving the env. -.6466</td>
<td>.2814</td>
<td></td>
</tr>
</tbody>
</table>

**Green Products**

<table>
<thead>
<tr>
<th>Func. A</th>
<th>Function B</th>
</tr>
</thead>
</table>

Money spent on green products .6865 | -.6291 |

Types of products purchased:

- Lawn and garden .4161 | .2444 |
- Paper products .3667 | -.2353 |
- Food products .6211 | .2959 |
- Containers .3051 | -.2051 |
- Household cleaning products .4705 | .2954 |
- Personal care products .2136 | .1410 |
- Appliances .3784 | .1702 |
- Water efficient fixtures .5413 | .2813 |
- Monthly budget spent on green products .6227 | -.1751 |
- # of green products/month .4157 | -.2708 |

**Primary:**

This segment worries about the future facing today’s children. They believe people to be naturally friendly and helpful and that the world is basically a friendly place. They feel that everyone
can do their part to help protect the environment and one person can make a difference in global issues. They often think about what they can do to improve the environment. They purchase the following green products: lawn and garden, paper products, food products, containers, household cleaning products, appliances and water efficient fixtures. They believe that it does matter if they buy environmentally friendly products, because actions do affect the environment. Therefore; they spend a greater amount of their shopping money on green products.

Secondary:
This group believes that people are naturally friendly and the world we live in is a friendly place. They do not worry about the future facing today’s children. Therefore, they do not spend money on green products.

Table 6. The Canonical Correlation of Attitudes toward Green Products with Product Preference

<table>
<thead>
<tr>
<th>Attitudes Towards Green Products</th>
<th>Function A</th>
<th>Function B</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I consider myself to be a participant of the environmental movement.</td>
<td>-0.8813</td>
<td>0.1224</td>
</tr>
<tr>
<td>2. The quality of green products is less than that of non-green products</td>
<td>0.44 14</td>
<td>0.6966</td>
</tr>
<tr>
<td>3. When I see a product that is labeled as recyclable, ozone friendly, or biodegradable, I feel somewhat skeptical about the genuineness of its claim.</td>
<td>0.5027</td>
<td>0.2207</td>
</tr>
<tr>
<td>4. I felt that it is my duty to purchase environmentally safe products in order help the earth.</td>
<td>-0.6081</td>
<td>0.0829</td>
</tr>
<tr>
<td>5. The green product market is underdeveloped.</td>
<td>-0.1703</td>
<td>0.2516</td>
</tr>
<tr>
<td>6. Green products are of the same quality as non-green products.</td>
<td>-0.1812</td>
<td>-0.7590</td>
</tr>
<tr>
<td>7. Claims of environmental friendliness are often just away for marketers to appear ‘ecologically correct’ and may not be valid.</td>
<td>0.2548</td>
<td>0.1927</td>
</tr>
<tr>
<td>8. I am often unsure of or confused by the meaning of environmental terms (e.g., biodegradable, ozone friendly, recyclable, etc.)</td>
<td>0.3828</td>
<td>0.1468</td>
</tr>
<tr>
<td>9. Because I am doubtful of the validity of environmental claims, I am not inclined to purchase products that are labeled as green.</td>
<td>0.4208</td>
<td>0.3689</td>
</tr>
<tr>
<td>10. Americans are more concerned with the environment than five years ago.</td>
<td>-0.0862</td>
<td>-0.0640</td>
</tr>
<tr>
<td>11. A company’s environmental reputation is important.</td>
<td>-0.4853</td>
<td>-0.1029</td>
</tr>
<tr>
<td>12. Companies don’t really care about the environment, they are just looking for more profit.</td>
<td>0.1241</td>
<td>-0.1252</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Environmentally Friendly Brands</th>
<th>Non-Green Brands</th>
<th>Function A</th>
<th>Function B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bold (re-fill), laundry detergent</td>
<td>Bold regular 90 oz.</td>
<td>0.5036</td>
<td>0.1932</td>
</tr>
<tr>
<td>Shout (no CFC), laundry detergent</td>
<td>Spray N Wash</td>
<td>0.3750</td>
<td>0.1297</td>
</tr>
<tr>
<td>Glad (recycled) trash bags</td>
<td>Hefty regular</td>
<td>0.6280</td>
<td>0.0785</td>
</tr>
<tr>
<td>Earthrite (natural) glass cleaner</td>
<td>Windex regular</td>
<td>0.3084</td>
<td>0.0166</td>
</tr>
<tr>
<td>Product Description</td>
<td>Brand</td>
<td>Price Change</td>
<td></td>
</tr>
<tr>
<td>--------------------------------------------</td>
<td>--------------------------</td>
<td>--------------</td>
<td></td>
</tr>
<tr>
<td>Earthrite (natural) furniture polish</td>
<td>Kleen-guard regular</td>
<td>0.4005</td>
<td></td>
</tr>
<tr>
<td>Earthrite (natural) dishwash liquid</td>
<td>Dawn regular</td>
<td>0.3876</td>
<td></td>
</tr>
<tr>
<td>Generic recycled paper towels</td>
<td>Bounty regular</td>
<td>0.2579</td>
<td></td>
</tr>
<tr>
<td>Duracell (re-usable) ‘C’ 2 pk battery</td>
<td>Duracell reg. ‘C’ 2 pk</td>
<td>0.3581</td>
<td></td>
</tr>
<tr>
<td>Energizer batteries</td>
<td>Eveready regular</td>
<td>0.1825</td>
<td></td>
</tr>
<tr>
<td>America Choice (refined) motor oil</td>
<td>Performance regular</td>
<td>0.4766</td>
<td></td>
</tr>
<tr>
<td>Sierra (less harmful) engine coolant</td>
<td>Prestone</td>
<td>0.4436</td>
<td></td>
</tr>
<tr>
<td>All natural cat litter</td>
<td>Regular cat litter</td>
<td>0.4175</td>
<td></td>
</tr>
<tr>
<td>Scott Free (no/ink/dyes) napkins</td>
<td>Scott regular</td>
<td>0.4988</td>
<td></td>
</tr>
<tr>
<td>Huggies (bio-degradable)</td>
<td>Huggies regular</td>
<td>0.3216</td>
<td></td>
</tr>
<tr>
<td>Starkist (dolphin safe) tuna</td>
<td>Bumble Bee tuna</td>
<td>0.1984</td>
<td></td>
</tr>
<tr>
<td>Juicy Juice (recyclable cartons)</td>
<td>Regular can equivalent</td>
<td>0.2994</td>
<td></td>
</tr>
<tr>
<td>Clean burning lighter fluid</td>
<td>Food Lion regular</td>
<td>0.2553</td>
<td></td>
</tr>
<tr>
<td>Evian spring water</td>
<td>LaBleau regular</td>
<td>0.2623</td>
<td></td>
</tr>
<tr>
<td>IBM Aptiva (more recycled parts)</td>
<td>Parkard Bell</td>
<td>0.2661</td>
<td></td>
</tr>
<tr>
<td>Levis (natural cotton fiber clothes)</td>
<td>Nuovo regular dyed</td>
<td>0.3295</td>
<td></td>
</tr>
<tr>
<td>Nike hiking boot (re-ground sole)</td>
<td>Nike regular</td>
<td>0.4844</td>
<td></td>
</tr>
<tr>
<td>Reebok boot (from recycled mat.)</td>
<td>Nike regular</td>
<td>0.4647</td>
<td></td>
</tr>
<tr>
<td>Casio dual power calculator (solar)</td>
<td>Casio reg. battery</td>
<td>0.2081</td>
<td></td>
</tr>
<tr>
<td>Ruby Tues. fititrim chicken breast</td>
<td>Reg. grilled chicken</td>
<td>0.2569</td>
<td></td>
</tr>
<tr>
<td>McDonald’s ¼ pounder</td>
<td>Wendy’s ¼ pd single</td>
<td>0.2829</td>
<td></td>
</tr>
<tr>
<td>Farmers Market apples (organic)</td>
<td>Kroger apples</td>
<td>0.4460</td>
<td></td>
</tr>
<tr>
<td>Farmers Market tomatoes (organic)</td>
<td>Kroger tomatoes</td>
<td>0.4022</td>
<td></td>
</tr>
<tr>
<td>Ziploc storage bags</td>
<td>Gladlock storage bags</td>
<td>0.5198</td>
<td></td>
</tr>
<tr>
<td>Reynolds wrap</td>
<td>Diamond foil</td>
<td>0.3416</td>
<td></td>
</tr>
<tr>
<td>Pine-sol cleaner</td>
<td>Xtra-pine cleaner</td>
<td>0.3013</td>
<td></td>
</tr>
<tr>
<td>Unique party plates</td>
<td>Disney party plates</td>
<td>0.1529</td>
<td></td>
</tr>
<tr>
<td>Salon selectives hairspray</td>
<td>Clairol hairspray</td>
<td>0.3733</td>
<td></td>
</tr>
<tr>
<td>Carlton greeting cards (recycled)</td>
<td>Canton greeting cards</td>
<td>0.4511</td>
<td></td>
</tr>
</tbody>
</table>

**Primary:**

The primary segment has a very poor attitude toward purchasing green products. The members of this segment are not part of the environmental movement and do not feel that it is their duty to purchase earth safe products. They believe the quality of the green products to be less than that of non-green. These people are often confused by more technical environmental terms and doubt the claims made by manufactures of green products.
These individuals also do not feel that a company’s environmental reputation is important. The purchase preference is entirely non-green products.

Secondary:
The secondary segment doubts the quality of green products. They also are very skeptical about claims for green products. This leads directly to the product preference and purchase of almost entirely non-green products. The only product that this segment would purchase from the selected green list was re-usable battery. The re-usable batteries in this case is probably has the perception of being ‘new’ or not of recyclable materials at purchase which lends itself to higher quality.

Table 7. The canonical correlation of Attitudes toward Green Products with Price Sensitivity:

<table>
<thead>
<tr>
<th>Attitudes Toward Green Products</th>
<th>Function A</th>
<th>Function B</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. I consider myself to be a participant of the environmental movement.</td>
<td>-0.7627</td>
<td>0.1903</td>
</tr>
<tr>
<td>2. The quality of green products is less than that of non-green products</td>
<td>0.4279</td>
<td>0.4041</td>
</tr>
<tr>
<td>3. When I see a product that is labeled as recyclable, ozone friendly, or biodegradable, I feel somewhat skeptical about the genuineness of its claim.</td>
<td>0.5541</td>
<td>0.2409</td>
</tr>
<tr>
<td>4. I felt that it is my duty to purchase environmentally safe products in order to help the earth.</td>
<td>-0.5724</td>
<td>0.2239</td>
</tr>
<tr>
<td>5. The green product market is underdeveloped.</td>
<td>-0.3156</td>
<td>-0.2310</td>
</tr>
<tr>
<td>6. Green products are of the same quality as non-green products.</td>
<td>-0.3181</td>
<td>-0.0480</td>
</tr>
<tr>
<td>7. Claims of environmental friendliness are often just a way for marketers to appear ‘ecologically correct’ and may not be valid.</td>
<td>0.2307</td>
<td>0.4650</td>
</tr>
<tr>
<td>8. I am often unsure of or confused by the meaning of environmental terms (e.g., biodegradable, ozone friendly, recyclable, etc.)</td>
<td>0.4162</td>
<td>-0.1630</td>
</tr>
<tr>
<td>9. Because I am doubtful of the validity of environmental claims, I am not inclined to purchase products that are labeled as green.</td>
<td>0.5203</td>
<td>0.2465</td>
</tr>
<tr>
<td>10. Americans are more concerned with the environment than five years ago.</td>
<td>-0.1667</td>
<td>-0.3053</td>
</tr>
<tr>
<td>11. A company’s environmental reputation is important.</td>
<td>-0.6244</td>
<td>0.0828</td>
</tr>
<tr>
<td>12. Companies don’t really care about the environment, they are just looking for more profit.</td>
<td>0.0695</td>
<td>-0.2372</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Environmentally Friendly Brands (Green Products)</th>
<th>$</th>
<th>Non-Green Brands</th>
<th>$</th>
<th>Function A</th>
<th>Function B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bold (re-fill), laundry detergent</td>
<td>4.97</td>
<td>Bold regular 90 oz.</td>
<td>4.97</td>
<td>0.3493</td>
<td>0.0703</td>
</tr>
<tr>
<td>Shout (no CFC), laundry detergent</td>
<td>2.58</td>
<td>Spray N Wash</td>
<td>2.46</td>
<td>0.6330</td>
<td>-0.1945</td>
</tr>
<tr>
<td>Glad (recycled) trash bags</td>
<td>3.47</td>
<td>Hefty regular</td>
<td>3.37</td>
<td>0.5743</td>
<td>0.0071</td>
</tr>
<tr>
<td>Earthnite (natural) glass cleaner</td>
<td>1.67</td>
<td>Windex regular</td>
<td>1.66</td>
<td>0.3725</td>
<td>0.0156</td>
</tr>
<tr>
<td>Earthrite (natural) furniture polish</td>
<td>2.78</td>
<td>Klan-guard regular</td>
<td>1.76</td>
<td>0.3892</td>
<td>0.0313</td>
</tr>
<tr>
<td>Product Description</td>
<td>Price Comparison 1</td>
<td>Price Comparison 2</td>
<td>Weighted Price Difference</td>
<td>Score Difference</td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------------------------------------------------</td>
<td>-------------------</td>
<td>-------------------</td>
<td>---------------------------</td>
<td>------------------</td>
<td></td>
</tr>
<tr>
<td>Earthrise (natural) dishwash liquid</td>
<td>1.67</td>
<td>1.22</td>
<td>0.4423</td>
<td>0.1320</td>
<td></td>
</tr>
<tr>
<td>Generic recycled paper towels</td>
<td>1.47</td>
<td>1.97</td>
<td>0.1684</td>
<td>0.1395</td>
<td></td>
</tr>
<tr>
<td>Duracell (re-usable) ‘C’ 2 pk battery</td>
<td>4.97</td>
<td>2.18</td>
<td>0.4355</td>
<td>-0.1510</td>
<td></td>
</tr>
<tr>
<td>Energizer batteries</td>
<td>2.16</td>
<td>1.13</td>
<td>0.2792</td>
<td>-0.0243</td>
<td></td>
</tr>
<tr>
<td>America Choice (refined) motor oil</td>
<td>0.94</td>
<td>0.81</td>
<td>0.4840</td>
<td>-0.0553</td>
<td></td>
</tr>
<tr>
<td>Sierra (less harmful) engine coolant</td>
<td>5.47</td>
<td>2.88</td>
<td>0.1521</td>
<td>-0.1606</td>
<td></td>
</tr>
<tr>
<td>All natural cat litter</td>
<td>1.99</td>
<td>0.89</td>
<td>0.3753</td>
<td>-0.0402</td>
<td></td>
</tr>
<tr>
<td>Scott Free (no/ink/dyes) napkins</td>
<td>1.59</td>
<td>1.59</td>
<td>0.4876</td>
<td>0.2682</td>
<td></td>
</tr>
<tr>
<td>Huggies (bio-degradable)</td>
<td>6.99</td>
<td>6.49</td>
<td>0.4454</td>
<td>0.1763</td>
<td></td>
</tr>
<tr>
<td>Starkist (dolphin safe) tuna</td>
<td>0.65</td>
<td>0.63</td>
<td>0.3683</td>
<td>0.1526</td>
<td></td>
</tr>
<tr>
<td>Juicy Juice (recyclable cartons)</td>
<td>0.99</td>
<td>0.75</td>
<td>0.5132</td>
<td>-0.0245</td>
<td></td>
</tr>
<tr>
<td>Clean burning lighter fluid</td>
<td>1.99</td>
<td>1.58</td>
<td>0.4637</td>
<td>-0.0500</td>
<td></td>
</tr>
<tr>
<td>Evian spring water</td>
<td>1.29</td>
<td>0.89</td>
<td>0.4591</td>
<td>0.2222</td>
<td></td>
</tr>
<tr>
<td>IBM Aptiva (more recycled parts)</td>
<td>22.49</td>
<td>19.67</td>
<td>0.2645</td>
<td>0.0774</td>
<td></td>
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<td>Levis (natural cotton fiber clothes)</td>
<td>3499</td>
<td>24.99</td>
<td>0.3 874</td>
<td>0.4352</td>
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<td>Nike hiking boot (re-ground sole)</td>
<td>74.99</td>
<td>64.99</td>
<td>0.5232</td>
<td>0.0546</td>
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<td>Reebok boot (from recycled mat.)</td>
<td>74.99</td>
<td>64.99</td>
<td>0.4866</td>
<td>-0.2083</td>
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<td>Casio dual power calculator (solar)</td>
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<td>12.93</td>
<td>0.4016</td>
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<td>7.99</td>
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<td>McDonald’s ‘1/4 pounder</td>
<td>1.69</td>
<td>1.49</td>
<td>0.3390</td>
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<td>0.99</td>
<td>0.4971</td>
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<td>Farmers Market tomatoes (organic)</td>
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<td>Ziploc storage bags</td>
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<td>0.64</td>
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<td>Reynolds wrap</td>
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<td>0.57</td>
<td>0.5021</td>
<td>-0.0407</td>
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<td>Pine-sol cleaner</td>
<td>2.00</td>
<td>0.97</td>
<td>0.5778</td>
<td>0.0157</td>
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<td>Unique party plates</td>
<td>1.34</td>
<td>1.24</td>
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<td>1.58</td>
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<td>Canton greeting cards (recycled)</td>
<td>1.95</td>
<td>1.85</td>
<td>0.5380</td>
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**Primary:**

The primary segment has almost identical response pattern as the correlation performed prior to revealing price of the products. This segment has a very poor attitude.
toward purchasing green products. The members of this segment are not part of the environmental movement and do not feel that it is their duty to purchase earth safe products. They also do not believe that the green market is underdeveloped. They believe the quality of the green products to be less than that of non-green. These people are often confused by more technical environmental terms and doubt the claims made by manufactures of green products. These individuals also do not feel that a company’s environmental reputation is important. The purchase preference is entirely non-green products.

Secondary:

The quality of green products is definitely questioned by this group. They are skeptical of claims made for these products and believe it is a marketers attempt to be ‘ecologically correct’. This group feels that Americans are less concerned about the environment than they were five years ago.

Conclusions

Based upon the research finding it can be concluded that there exist different market segments for green products. The statistical evaluation of the model demonstrated its validity. Demographics appear to be the weakest variable in the model and had minimal impact upon the actual green product purchase behavior. The locus of control has an impact on how people perceive environmental issues and their willingness to act on these issues. Locus of control positively affected the attitudes toward recycling and green product purchase, as people do want to contribute to the environmental movement. The positive attitude however was still not enough to overcome the strong brand preference and price sensitivity.

Brand preference is still largely driven by a perception of lower quality in green products. People are not willing to pay more if the product is environmentally friendly. There is an obvious bias existent about the quality and the price of green products. However, the chances for success are great, when the products can achieve two main goals: be priced comparable with non-green products and have equal quality. Many consumers want to buy green, but “something has to be in it” for them. (Ottman, 1993). New products must integrate consumer needs to be successful. Companies have to add value for the consumer. Moreover, the consumers are increasingly more skeptical to environmental claims made by the manufacturers.

Therefore, marketing of green products needs more than just redesign packages. Successfully marketing a green product would require the marketer to overcome public skepticism concerning any environmental claims. The primary advertising objective should be to concentrate on the positive attributes and its functionality of the product. A focus solely on recycling or organic materials will quickly lead to a preconceived idea that the product is inferior to non-green products. The functionality of the product must be at least equal to that of non-green and clearly stated. If the industry in which the green good is being marketed cannot produce a competitively priced product that is of equal quality to non-green products, the product will most likely fail.

Managerial implications

Consumers, nowadays, particularly the green consumers are often highly educated and have higher income. They expect more than green advertising. Consumers appreciate real steps and a long-term commitment. But they will not accept the reduction in conventional living standards implied. The factors of safety, competitive prices, and reliability are still the main factors. But the consumers have developed new, additional values. Eco-friendliness is a value added (Adams, 1990).

A long-term commitment is necessary for a successful implementation of green products. Additionally, it corresponds to the unique responsibility of marketing, which it has towards society. To profit from this long-term commitment, several steps appear to be useful. The consumer must be educated about the benefits and attributes of products and the change within the organization. The change has to be demonstrated by using a variety of media. And consequently, the consumer has to feel the possibility that his own change will result in
further benefits. This empowerment offers new marketing possibilities for a green image. (Ottman, 1998).

Image is one key element to profiting from green marketing. It can be improved by doing more than regulations require, by incorporating green marketing in the strategic decision process. Environmental feedback loops during all stages of the product development process not only improve the image, but also reduce risk for society and the organization to suffer from detrimental side effects (McDaniel, 1993; Samli, 1992). However, companies have to find the right communication mix because too much expressed concern in specific aspects can block consumer action, due to resignation. Empowerment and motivation are important communication objectives.

The approach over an environment-friendly image and products with emphasis on quality, price, and planet-friendliness seems to be a good possibility to increase awareness and change the behavior patterns of the consumers in the long run. This survey and other research activities indicate that the green market is growing and not just a trend. It is an important task for the whole society. However, the current strategy is solely a first step. Further steps are necessary to achieve new behavior patterns and production methods in accordance with the environment. Less consumption in the future, due to reorganization of decision processes and redesign of parameters accompanied with a reorientation of marketing, consumption of used resources, and a redirection of consumer choice motivated by a change of important decision criteria, should be the natural, overall target of this environmental development. The presently latent desire for environmental improvements has to be converted into actions and activities (Polonski and Mintu-Wimsatt, 1995). The market is in the first stages of this process and is still growing. Marketing has to concentrate on these first steps of the conversion, to provide a basis for the future successes and the realization of the paradox objective “less consumption”.

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Integrity: A Holistic View of Consumers’ Food System Expectations

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Overview
Recent developments in chemistry and biology, and the use of these technologies in the food supply have created substantial concerns among consumers. As a result, consumers have begun questioning the “integrity” of the overall food system. These concerns have affected the production, processing, and distribution of foods globally. At the same time, consumers throughout the world have differing attitudes toward such food practices. Some authors (e.g. Borger 1999; Mokhiber and Weissman 1999) argue that Europeans for example are rejecting while Americans are accepting genetically-modified foods (GMF). However, Ekici and Price (2001) argue that the tendency among Americans should be summarized as “not rejecting for the time being” instead of a blanket acceptance. American consumers appear to grant a “time credit” to the food system, and will make their decisions about these food practices based on the food system compliance to their expectations.

Studying how consumers in developed countries (e.g. US consumers) view such food technologies has important global ramifications. Agriculture and food applications of biotechnology promise to offer solutions for feeding an ever-growing global population. This promise is particularly extended to underdeveloped countries where there is immediate need not only for increasing productivity in agricultural output but also for nutrition-rich food. The public view in developed countries (where most biotechnology research is conducted) is likely to affect the extent to which public and private organizations commit to biotech research. Earlier studies suggest that American consumers are mostly positive about plant biotechnology (e.g. Hoban 1998). However, at the same time, consumer reactions toward GMF in many European countries have reduced funding for biotech research over the last two years (ISIS Press Release, 2001). Private organizations conduct and therefore control most biotechnology research and its outputs (including various consumer products). Even though many underdeveloped countries look favorably upon food and agriculture applications of biotechnology, it will still be in the hands of consumers in developed countries to encourage or discourage biotechnology research.

In this study, we investigate consumers’ views about GMF and their expectations from various members of the food (distribution) system. This study also investigates the food-system members’ expectations from each other with respect to GMF.

Genetically Modified Foods
The term GM foods or GMOs (genetically-modified organisms) is most commonly used to refer to crop plants created for human or animal consumption using the latest molecular biology techniques. These plants have been modified in the laboratory to enhance desired traits such as increased resistance to herbicides or improved nutritional content. At the same time, many scientists warn that GMOs, and correspondingly, GMF products could pose a threat to human health and the environment. More broadly, people have expressed concerns about the ethical and social implications of genetic modification (Stilwell and Van Dyke 1999).

Penetration of GMF in Consumers’ Diet
The potential benefits and risks of food biotechnologies are well documented. Therefore, I do not intend to repeat them here. I believe an interesting yet understated aspect of the issue, however, is the extent of GMF in consumers’ diet. As I will detail below, a wide
A variety of GM food products are consumed either as a whole and/or as ingredients of processed foods. According to some reports (e.g. Associated Press 2000; Kilman 1999), approximately 70 per cent of all foods that are available in the U.S. groceries contain GMOs. The U.S. produces most of the world's genetically-engineered crops. In 1998, 74% of all GM crops were grown by U.S. farmers. In comparison, Argentina, Canada and Australia produced only 15%, 10% and 1%, respectively. Soybeans and corn are the top two most widely grown crops (82% of all GM crops harvested in 1998), with cotton, rapeseed (or canola) and potatoes trailing behind. 71% of these GM crops were modified for herbicide tolerance, and 28% were modified for insect pest resistance. Globally, acreage of GM crops has increased 25-fold in just 4 years, from approximately 4.3 million acres in 1996 to 100 million acres in 1999. Approximately 81 million acres were devoted to GM crops in the U.S. and Canada alone.

In the U.S. approximately 57% of all soybeans cultivated in 1999 were genetically-modified, up from 42% in 1998 and only 7% in 1996. B.t. corn and B.t. cotton also experienced similar but less dramatic increases. B.t. corn production increased to 30% of all corn grown in 1999, from 26% in 1998, and 1.5% in 1996. B.t. cotton was 27% of the total crop in 1999, up from 23% in 1998, and 19% in 1996.

According to the FDA and the United States Department of Agriculture (USDA), there are over 40 plant varieties that have completed all of the federal requirements for commercialization (http://vm.cfsan.fda.gov/%7Elrd/biocon.html). Some examples of these plants include tomatoes and cantalopes that have modified ripening characteristics, soybeans and sugarbeets that are resistant to herbicides, and corn and cotton plants with increased resistance to insect pests. Not all these products are available in supermarkets yet; however, the prevalence of GM foods in U.S. grocery stores is more widespread than is commonly thought. While there are extremely few genetically-modified whole fruits and vegetables available on produce stands, highly processed foods, such as vegetable oils or breakfast cereals, most likely contain some tiny percentage of genetically-modified ingredients because the raw ingredients have been pooled into one processing stream from many different sources. Also, the ubiquity of soybean derivatives as food additives in the modern American diet virtually ensures that all U.S. consumers have been exposed to GM food products.

Research Questions

In this paper we pose the question of what are consumers’ expectations from the food system (including chemical/seed companies, farmers, food processors, retailer, and government) with respect to “integrity?” Webster Dictionary offers two descriptions for the word integrity: 1- quality of being honest and firm in one’s moral principles, and 2- unity, quality of being united, connected. Therefore, in this study we actually encounter a two-fold question (integrity as honesty and integrity as unity), and correspondingly, attempt to uncover both types of consumer expectations from the food system.

Integrity as Honesty

Food and agricultural industries, mostly in the Western world, have utilized the wonders of science and technology to offer a variety of agricultural supplies to farmers and food products to consumers worldwide. The uses of science and technology (especially chemical and bio-technologies) have been beneficial in increasing productivity levels from the farm to grocery shelves. However, at the same time, the question some people raised was to what extent have these companies informed consumers about these technologies and their potential negative consequences? In other words, to what extent has the food system carried the “quality of being honest?” One way of approaching these questions can be to find out to what extent consumers want the food industry to tell them about their operations, and the processes they use to offer food products.
Integrity as Unity

With respect to the second meaning of integrity, “unity, quality of being united,” we explored both consumers’ expectations from the food system, and the expectations of the parts of the system from each other. In other words, our study explores—through the consumers’ eyes—how should, for example, farmers, food processors and retailers act together to ease consumer concerns. At the same we attempt to identify what, for example, a farmer expects from seed companies in order to maintain the “integrity/unity” of the food system.

In this paper we strive to understand the integrity of the food system as a whole. Such a holistic approach assumes that the whole is understood as a complex system that is greater than the sum of its parts. It also assumes that a description and understanding of a person’s social environment is essential for overall understanding of what is observed. The holistic approach gathers data on multiple aspects of the setting under study in order to assemble a comprehensive and complete picture of the social dynamic of the particular situation (Patton 1990).

The Study

To explore the research questions through a holistic perspective, we collect and analyze two types of data. In the first part we report the findings of data collected through depth-interviews and focus groups with consumers with various demographic backgrounds and lifestyles. Further, we report the findings of the data collected through depth interviews with farmers, seed companies, food processors, and retailers. All interviews and focus groups uncovered a variety of issues including meanings associated with different categories of food, food safety, perceptions about the impact of science and technology on our food supply, genetically modified foods, organic foods, and performance expectations for various food system channel members. In this paper, we focus on reporting expectations.

In the second part of the study, we survey the secondary data (newspapers, magazines, trade publications, and the Internet web-sites) for consumers’, farmers’, food manufacturers’, retailers’, grain elevators, and seed companies’ reactions to a recent biotech food scare: the StarLink corn. The Bt corn variety, sold to farmers under the trade name StarLink, was not approved for use in human food, but it was later discovered in Taco Bell taco shells sold in grocery stores. Late September 2001, Kraft Foods recalled taco shells it made under the Taco Bell name after tests confirmed the presence of StarLink corn. This review of various interest groups can provide a further understanding about consumers’ and food system’s expectations from each other in the case of an actual and well-publicized biotech food scare.

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On the Convergence of Political Marketing and Public Sector Marketing

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Abstract
Rather than continuing to emphasise only the election campaign period, theoretical progress in political marketing needs to recognise the patterns of politicians’ actual work. For most politicians, this involves delivering public services at local level. At the same time, public sector marketing has to acknowledge the role of political actors, not only in policy planning and development, but also in service delivery and implementation. The convergence of these fields provides for a more holistic and inclusive understanding of marketing in context.

The Convergence of Marketing Theories

The process of academic endeavour has involved a continuous division of labour and consequent specialisation:

…we tend to compartmentalise academic knowledge into what are called "disciplines". In medieval times universities tended to recognise only three disciplines: theology, mathematics and philosophy…[W]e have tended to forget that the original "disciplines" were chosen not necessarily because they were based on distinct intellectual tools, but because they related most closely to the needs of the time (Von Prondzynski 2001).

In contrast to the very few subjects recognised at universities in the nineteenth century, a vast array of disciplines, sub-disciplines and specialisms are researched today. This modus operandi is true of all sophisticated enterprises, and is marked by advances in understanding and conceptual clarity. The disadvantage, however, of greater concentration on supposedly discrete areas of study is that broader patterns and potentially useful synergies may be lost. This paper isolates two areas at the interface between marketing and political science that have successfully claimed the status of sub-disciplines; it points to the value of convergence.

This conference is taking place a year from the time that the US presidential campaign was gearing up for the “final push”. Since, there have been major elections in several western democracies, notably Italy, France and the United Kingdom. For each election, the campaigns of the front running parties and candidates seemed to consume major media attention. Election campaigns are atypical periods in the political life of a country. Their beguiling hoopla, and their supposed role in informing the electorate’s views lead to disproportionate attention being paid to them by political scientists and others. However, the notion that political marketing occurs only, or even mainly, during formal campaign periods represents a limited understanding of the process. Political campaigns, rather than being periodic, are permanent.

Although the campaign constitutes the bulk of political marketing analysis and commentary, most elected politicians, even the majority of those in the governing party in parliamentary systems, are not involved in high office and policy development. As backbenchers, they must somehow maintain a kind of permanent marketing campaign also. This process is largely manifested in their constituency work and their association among the electorate with the provision of public benefits and services. Even in presidential regimes, such as that of the United States, few legislators forget Tip O Neill’s maxim that ‘all politics
is local’. Though the rhetoric of the US Senate may be Olympian, the focus is often more mundane. The development and delivery of public goods and services is the central dimension of public sector marketing, and so the role of political actors in the process provides for the convergence of these two marketing sub-disciplines.

**Political Marketing**

Because marketers have developed a body of knowledge and technical expertise directly related to the analysis and persuasion of large groups of people, our discipline can contribute to an understanding of politics. Political scientists have generally overlooked this field, with consequent failure to utilise fully the insights of the marketing discipline (Butler and Collins 1999). But while political scientists have defined marketing too narrowly, it may be put that the marketing discipline has not engaged the political arena with enough conviction. Despite well-recognised recent progress by marketers in the field (see, for example Newman’s 1999 *Handbook of Political Marketing*), the paradigm and agreed focus of study is still under development.

Political parties are obviously busy between elections; a political marketing model should provide a useful theoretical perspective on this activity. At a popular level, the fuller picture is obscured by the attention given in the media to national issues, policy statements, attacks on opponents, and sound bites from the legislature. However, to view the campaign period as the major element in a marketing model of political party activity is equivalent to focussing only on the high profile market activities of mainstream commerce, such as mass advertising campaigns, new product launches or major public relations exercises. That perspective neglects the critical analytical, planning and monitoring roles that both precede and accompany them, such as market research and test marketing, market segmentation and profiling, brand positioning, pricing, channel development and the like.

The emphasis of politics has shifted from the abstract or principled to the tangible or immediate. Citizens as customers are evaluating more closely the measurable outputs of political systems. Many parties face a decline in party identification and membership. In Europe, for instance, Plasser, Scheucher and Senft (1999) report that the erosion of voter loyalty and the decline of political organisation strength has led to the professionalisation of political parties, and consequently to the strategies and explicit practices of political marketing.

With change in political marketplaces, it becomes necessary for politicians and parties to recognise new kinds of demands, and to address them in innovative ways. Ironically, as politics becomes more global, issues become more local. Hence, citizens, as consumers, are concerned less with earlier political heroes and symbols of identity, and more with community infrastructure such as medical and housing provisions. Therefore, the appeals of politicians must change in terms of their ideological tone, the channels of communication and interaction, and the mechanisms for serving their communities. In this situation, the concept of service delivery – so central to marketing theorists and practitioners - is key. That is, parties and individual politicians seek to show they are better at managing such service delivery in the context of public service management.

**Public Sector Marketing**

If the concentration of political marketing has been overly focused on the electoral campaign, the marketing of public sector services has been viewed primarily on managerial reforms. There are increasing parallels between the business of government and the business of business. Indeed, private citizens, used to being treated as discerning customers in other aspects of their lives, are beginning to take a more consumerist view of the public service. Thus, for example, the concept of the “citizen as consumer” has been popularised. Similarly,
the mechanics of service quality, market segmentation and public communication in the context of state services are the subject of considerable research. The obvious absence from the debate has been politics.

Few areas of public life in Western democracies are going through such radical reform as government departments, local authorities and semi-state bodies. Public servants of a previous generation would hardly recognise the language, structure and ethos of the current public service. The public sector is increasingly adopting a business orientation and management terminology. Whether or not organisations employ business terms such as *marketing, customers* and *service quality*, does not altogether matter to a marketing analysis of public service provision. Questions of supply and demand, goods and services provision, communication and consumption are among the central concepts of the field of marketing. All public organisations are providers of goods and services, and are, therefore, engaged in marketing.

Contemporary developments are part of a very broad movement that has come to be known as New Public Management (NPM). A distinctive feature of NPM is its direct reliance upon a number of economic and managerial frameworks. Indeed, it is difficult to think of any aspect of political life that has not been influenced by theories such as rational choice, principal-agent models and consumerism. Two distinct strands to NPM can be identified: the introduction of managerial techniques common in the private commercial sector, and the development and operation of market (or market-like) mechanisms within the public services (Walsh 1995).

The tools and techniques of private sector management are widespread in all kinds of public bodies. Systems approaches prevalent in business are increasingly brought into the public service realm. Indeed, public management theorists explicitly refer to partnerships between the public and private sectors as a ‘learning process’ (Parsons 1995:498). The organisation of budgetary and staff matters are replete with references to ‘performance indicators’, ‘benchmarking’ and other previously private sector techniques.

Citizens and the institutions of the state have a vested interest in an efficient public service. At the simplest, a well-managed public sector means lower taxes and greater potential for government policy. Many would think of politics as being concerned with the legislature, parties, voting and the like. For the citizen, however, the everyday experience of government-run, publicly-owned institutions is political. While some might perceive such matters as administration, the condition of the local school and the length of the hospital queue are political issues. The level, quality and cost of public services are at the core of politics. For this reason, the manner in which services are delivered has become a central focus for analysis.

**Converging Political Marketing and Public Sector Marketing**

It becomes clear that theoretical understandings of political marketing need to recognise the patterns of politicians’ actual work. In the vast majority of cases, even in parliamentary and local government systems, most political representatives are either members of non-governing parties or backbenchers or both. This fact is largely ignored in the literature on political marketing, which tends to emphasise either formal campaign periods and related activities, or policy-level aspects and implications.

Landmark research on the U.S. Congress has argued that members of Congress are overwhelmingly motivated in their behaviours by their desire to be re-elected (Herrnson 1999). Consistent with this analysis, the rational choice literature teaches us that people engage in behaviours that they perceive to be rational efforts towards reaching their goals. In the case of the U.S. Congress, members dedicate a great deal of effort to the time-consuming projects of constituency service and pork-barrel representation. They do so because they see
this as a way to improve their chances of achieving their goal of winning re-election. Indeed, the existing literature suggests that little else but the desire to be re-elected motivates members of Congress to spend their time on constituency service.

The root of the divergence of analytical perspectives of the two sub-disciplines reviewed here may well lie in the strength and insulating qualities of the Wilsonian dichotomy that perceives the separation of policy and administration as essential to good government. This outlook was until recently viewed as dated and jaded. It is, however, making reappearance within the parameters of New Public Management, wherein politicians are again being distanced from actual service delivery. While general issues of allocation are assigned to politicians, and specific entitlements to bureaucrats, the notion that they are disconnected is unrealistic. Politicians are concerned with the implementation of policies on the ground, and public servants, while non-partisan, are rarely politically neutral. Particularly at the local level, public sector service delivery is a joint endeavour: (Scholz, Twobly and Headrick 1991:829). Of course, the political structures and environment determine these combinations. For instance, in the European Union, the Commission is primarily responsible for policy ideas and development, despite its ostensibly executive role. The European Parliament, interestingly, often plays a secondary role in policy generation. In effect, the reality of most citizens’ lives is that there is no obvious separation of politics and public sector services delivery.

Recognising the converging roles of politicians and bureaucrats alike in policy networks and in delivering services, it is incumbent on theorists to include their combined design and implementation efforts in political marketing models. Such convergence is typical in the management field; in the strategic management literature, separation of planning and implementing is considered unrealistic. The "design" school, with Igor Ansoff as its icon, perceives strategy as a logical process in which rational analysis guides strategy formulation, which is then communicated and implemented down through the organisation; it is strongly normative. The "process" school, identified with Henry Mintzberg, argues that strategy formulation and implementation are not dichotomous. Mintzberg’s (1987) ideas on "crafting" strategy emphasise iteration, experience, intimacy, and harmony. For the delivery of public services, and the actual role and functioning of politicians in this, the extent of hands-on experience of politicians in implementing policy on the ground may be argued to be directly related to their effectiveness in developing and framing policy.

Public sector marketing is about politics and, therefore, crucial to politicians and electors. One reason why the convergence of the sub-discipline drawn on here is important is that it would help counter the tendency to measure the impact of political marketing in terms of turn-out at elections. The act of voting is, of course, a highly significant part of the democratic process. It has, this paper contends, been the subject of rather too much attention because it allows for easy measurement. It is much harder to calibrate the other ways in which interests are articulated and aggregated on the continuous basis, which is at the heart of pluralist democracies. Interestingly, the literature on turn-out finds very little impact by election campaigns at various levels of “excitement” (e.g. Miron 1999). On the other hand, evidence is mounting that citizens are participating more in pressure groups of various kinds and that there is little sign that politicians’ constituency workloads are decreasing. Much of this activity is clearly about public service provision.

Two of the more exciting and interesting streams of the marketing literature, which might be expected to have particular commonalities, appear to be developing independently of each other. Political marketing and public sector marketing are each identifiable as growing sub-disciplines, with associated theories, applications, books, academic and professional journals, dedicated conferences and consulting organisations. While it is clear that each has a particular focus, and that fundamental differences between them may be demonstrated, it is nonetheless
argued here that the separation of their subject matter involves lost opportunities for a more holistic understanding marketing that would be of particular interest to macromarketing scholars

So, political parties are obviously busy between elections; political marketing models should provide a useful theoretical perspective on the constituency activities of politicians. Similarly, public sector management models must recognise the role of political actors not only in policy planning and development, but also in service delivery and implementation. The convergence of these fields provides a rich analytical ground.

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Examining the Unintended Consequences of Marketing
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Abstract

While many firms engage in successful marketing activities with outcomes beneficial for both the firm and its stakeholders, there are an increasing number of situations where these successful outcomes impact in an unanticipated negative fashion on consumers, society and other stakeholders. This paper examines the importance of firms evaluating the entire network of exchanges. In this way the firm and other stakeholders can ensure that any unintended consequences of marketing activities are not only considered, but are also appropriately addressed.

Introduction

The marketing concept assumes organisations aim for mutually satisfying exchanges between buyers and sellers that result in positive outcomes for the consumer and/or the organisation. Consequently, organisations adopt a customer-oriented perspective as a source of competitive advantage with success dependent on the determination of needs and wants of target markets and the delivery of satisfactions to those markets more effectively and efficiently than competitors (Kotler 1998). Accordingly, the customer becomes the focal point for all organisational planning, strategy setting, research, product development and marketing activities, with the marketing mix representing the primary vehicle for managing the successful relationship between the customer and the firm as a means to increase profits. However, contemporary views suggest the seemingly sole reliance on the consumer is myopic when one considers today's marketing environment (Polonsky 1996, Kimery and Rinehart 1998).

The dilemma and challenge for organisations in today's marketing environment is to not only produce profits and benefits for their shareholders, but also to manage their affairs in such a way that, at the very least, they are not detrimental to society (Abratt and Sacks 1988). These issues have been broadly examined in the corporate social responsibility literature (for example, see Carroll 1993). Although, for the most part these approaches provide "lists" of stakeholder issues on which firms are evaluated, they do not discuss processes by which any deficiencies in corporate activities can be addressed (for example, see Clarkson 1991, Kraft and Jaunch 1992). It is beyond the scope of this paper to discuss the corporate social responsibility literature in detail. However, it has frequently been suggested that addressing the interests of various social stakeholders is profitable and socially responsible, yet the literature in this area has produced inconclusive results (Wood and Jones 1995). That is, addressing the interests of society does not always improve corporate performance.

Within the marketing discipline macromarketing examines how marketers interact and change society. However, unlike corporate social responsibility there is little examination of the use of macromarketing in setting corporate strategic direction (Hunt and Burnett 1982). While there are firms who have examined how they might use macro-type issues to further corporate strategy (Osterhus 1997), these firms do not necessarily consider the impact of these actions on macro-groups or other stakeholders. Consequently, there appears to be a growing number of situations where the successful marketing activities of individual firms impact negatively on consumers, society or other stakeholders in an unanticipated fashion.
Thus, while firms have focused on the financial benefit to the organisation (i.e. profits, competitive advantage) they have not fully identified the benefits or costs to all those involved in the wider exchange process. As such, firms still appear to consider the marketing concept and even the societal marketing concept to fall within a narrow transactional marketing approach, that is, between the firm and the consumer (Gronroos 1991).

The objective of this paper is to identify situations (pre-production, production and post-production) where unintended harm can occur to a range of stakeholders. These take into consideration complex exchanges that move beyond traditional dyadic exchanges (Rowley 1997). As such, we do not attempt to put forward mechanisms to evaluate these complex exchanges and such mechanisms need to be considered in future research.

**Moving Beyond Dyadic Exchanges**

In evaluating stakeholders, organisations move beyond narrow firm-consumer exchanges to taking into account complex interconnecting networks of exchanges among various stakeholders in the environment (See Figure 1). Stakeholders not only interact directly with the firm, but also interact with other stakeholders thereby reciprocating indirectly with the firm. Whilst these indirect links may seem unimportant when a narrow firm-consumer exchange relationship is considered, their importance is highlighted when these groups have the ability to exert pressure on other direct stakeholders (Miller and Lewis 1991, Polonsky 1996, Polonsky et al. 1999, Rowley 1997). Many public policy initiatives are motivated by advocates for a stakeholder group who is being harmed rather than that group itself, who may in fact have little or no direct "bargaining" power with the regulatory or the industry for which the regulation is aimed (Starik 1995).

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**Example of a Stakeholder Network**

*Figure 1*

Therefore, in reality, stakeholder relationships are not simply dyadic transactions, but complex networks of firm-stakeholder and stakeholder-stakeholder interactions, all of which need to be considered by makers and those responsible for public policy development. While such perspectives have been examined within the management literature (Rowley 1997) and
even within the public policy setting (Altman and Petkus 1994, Carrigan 1995), they have not always been considered within the marketing context, although could be easily applied (Freeman 1984, Kimery and Rinehart 1998).

Inherent in the exchange process is that the exchange effect is positive. The fact that firm-stakeholder exchanges may result in negative outcomes is widely recognised, yet it is frequently not explicitly integrated in exchange theory. Thus, one of several situations may occur during any exchange transaction: parties may miscalculate the effect of their exchange on others; disregard the effect of their exchange due to self-interest; or may not have available market mechanisms to control the known effect (Mundt 1993). Most frequently firms adopt an organisational perspective to evaluate the overall success of the network, rather than considering what individual stakeholders conceive to be an appropriate measure of success. However, even when firms do take into account the impact of their actions upon various members within the exchange networks, they frequently still use firm based evaluative criteria, rather than stakeholder based evaluative criteria (Wood and Jones 1995). This results in a mismatch of objectives and is important, especially when identifying and evaluating the unintended consequences of marketing activities. Increasing profit may not necessarily bring about an improvement in the communities’ quality of life.

As such, taking a broader prospective to marketing means that the firm needs to carefully consider not only the intended exchange related activities but also the unintended consequences of marketing activities on all stakeholders in the network of exchanges. This requires more than simply evaluating traditional externalities, although they would be included. Taking a broader perspective requires an understanding of the goals and objectives of each stakeholder group and attempting to ensure that in achieving organisational objectives these individuals are not harmed. Such a view is consistent with the wider relationship perspective of marketing. The success of both the firm and its stakeholders is dependent on the other (i.e. they are each interdependent). Thus, organisational strategies and actions that are not consistent with the firm's relational members exert pressure on exchange relationships, thus reducing the overall effectiveness of the wider exchanges (Frooman 1999, Miller and Lewis 1991).

In implementing a more comprehensive marketing perspective, it is essential for firms to consider its production-related activities in relation to both intended and unintended exchange activities. It is therefore also important that firms consider all pre- and post-production activities. For example, how might automating production processes impact on employees within an organisation? Or how might the marketing of credit cards to youth (a major target segment in the US) encourage consumption behaviour well beyond their means. More recently, in Australia, it has become a novelty to place "scratchies" (instant lottery-type tickets) in potato crisp packets with prizes that include large sums of money. How might such a marketing strategy encourage gambling among children?

Broadening the set of stakeholders considered in the network of exchanges also involves considering indirect exchanges amongst the firm and its stakeholders (Miller and Lewis 1991, Rowley 1997). For example, might relocating a manufacturing facility impact on the local community and does the firm have a responsibility to minimise this impact? Some products (such as smoking) not only harm the user, but also others in the community not involved directly in a buyer-seller exchange relationship. Alternatively, the demarketing of "unacceptable" products (such as tobacco and alcohol) often involves the use of high levels of fear, which may be counterproductive in achieving the desired effect. What is the impact of these fear arousal strategies upon, not only target markets but also those markets not considered within the direct exchange relationship?

For the most part, it can be argued that the majority of products and services are marketed in an environment where the unintended consequences of marketing activities are
simply not considered during the corporate strategic decision making process. However, there are several categories of products for which the marketing environment is hostile and explicitly requires the consideration and continual monitoring of other stakeholders in the exchange relationship. Products such as pornography, guns, gambling, tobacco and alcohol are legal but have a high probability of being consumed in a socially unacceptable way (Davidson 1996). The social detriment associated with these products provides a motive for these products to be considered unacceptable. Thus, firms producing "socially unacceptable" products face a complex challenge of increasing sales and profitability for the firm and its stakeholders, whilst simultaneously taking into consideration the views of stakeholders to whom they are ideologically opposed to the marketing of these goods. In these situations, marketers must balance or more aptly trade off complex and competing interests.

The process of identifying all relational members of the stakeholder network is a complex process and involves more than simply monitoring the wider business environment (Kimery and Rinehart 1998, Miller and Lewis 1991, Polonsky et al. 1999). The firm must recognise the interdependence of itself and stakeholders in the external environment and then ensure inclusion of these external stakeholders in strategy development. Rather than focusing solely on firm-consumer relationships, it is argued that marketers need to move towards a mind-set that integrates firm-stakeholder interactions. Whilst potentially costly due to possible integration of links with the wider set of environmental members and a more complex planning process, it is suggested the benefits of involving relational members will outweigh the costs (Polonsky et al. 1999). While some “stakeholder management” processes have been suggested (for example see Kimery and Rinehart 1998, Freeman 1984), it is unclear whether these practices have been effectively adopted by firms. As such, the implementation and effectiveness of general “stakeholder management” processes needs further examination.

**Addressing Unintended Consequences**

The complexity surrounding the uncalculated effects of marketing transactions centers on the ability to identify all stakeholders in the exchange process. Releasing the burden from individual firms it seems, in both practice and literature, that these issues are primarily considered from three groups: government, not-for-profits and firms themselves. Much of governmental policy in relation to business activities is primarily designed to address issues of unintended consequences of marketing. That is, addressing issues that were not considered by firms in the design, development or marketing of corporate products. In this way governmental bodies seek to minimise the impact of these unintended consequences and have been used to address pre-production, production and post-production issues. For example, deaths and injuries from motor vehicles might be minimised by developing vehicle safety requirements for manufactures (i.e. pre-production/production measures) or imposing fines for speeding and legislating driver refresher courses for repeat offenders, thus modifying usage (i.e. post-production). Governments are primarily instrumental in legislating restrictions on the way firms market products, especially those considered socially unacceptable, to attract vulnerable segments such as children (Heckman 1999). In the case of tobacco restrictions, prohibiting advertising and promotion as well as informing consumers of the detrimental effects of product use through warning labels are post-production activities.

While instrumental in addressing negative outcomes of marketing activities on society, government policy less frequently addresses the fundamental cause of the unintended consequence. This may be due to governmental activities being considered as an external constraint on the firm or alternatively that the firm may not consider itself to have any direct firm - governmental exchanges. While governments strive to protect stakeholders from any unintended negative consequences, it is unclear if they (government) really understand all the
stakeholder relationships. As such, government policy cannot succeed to adequately address the root issues.

Strategically important in influencing policy and motivating consumer awareness, the not-for-profit sector also acts as a powerful body addressing the unintended consequences of a firm's marketing activities. While not actively involved in a firm's production process, not-for-profit organisations deal primarily with existing problems, thereby modifying pre-production or post-production related marketing activities. For example telephone help-lines or offering counseling services to assist those who have problems with drug, drinking, gambling, or children/adolescent issues. Other situations may necessitate non-profit organisations to use formal and/or informal political pressure to motivate government to regulate corporate activities or have the firm/industry body institute voluntary guidelines to attempt to minimise the impact of their activities (i.e. modifying pre-production activities).

Finally, firms themselves appear to be gaining a better understanding the importance and significance of their wider responsibility to minimise the unintended consequences of marketing their products. This not only involves pre-production and production issues, such as reducing the negative environmental impact of their activities by redesigning processes and products, but they are also increasing becoming involved in attempting to minimise unintended consequences associated with post-production production activities. For example, in the US beer manufactures are actively promoting the responsible use of their products and are modifying other activities that would “encourage” inappropriate usage. Tobacco companies are promoting the detrimental and health consequences of their product on web sights, specifically appealing to the child and adolescent segments, those considered most vulnerable to product use.

Conclusion

Cooperation amongst key stakeholders is central in ensuring the firm considers all relevant interests. For example it has been suggested that businesses alone have been unable to address many environmental issues because a diverse range of other stakeholders are involved (Lober 1997). Solutions to these broad-based environmental issues are frequently only developed when firms cooperate with other stakeholder groups (e.g. governments, not-for-profits and other firms).

Whilst it may be difficult for firms to identify the relevant stakeholder groups with whom it should communicate, without attempting to identify relevant stakeholders the firm is more likely to impact on these "other" stakeholders in unintended ways. As such, one of the most pressing issues is for firms to identify where unintended consequences might occur. While undertaking social audits is one mechanism that might enable firms to identify some of the more apparent issues, it is unclear if this will result in all unintended issues being considered. However, even this type of activity requires a forward thinking firm and one, which does not place profits above all else.

In evaluating activities organisations must consider both organisational profits and any harm that occurs to stakeholders. Effective decisions must “trade-off” these positive and negative outcomes. In this way firms consider the full set of exchanges and thus move beyond simple dyadic transactions.

References


Resurrecting Food Marketing Systems in War-Ravaged Transition Economies

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Introduction

More than 40 countries, with a collective population of over 1.5 billion, are currently involved in some form of ethno-political conflict (Central Intelligence Agency 1999; Peace Pledge Union 2000). As these economies transition from war, many of the basic institutions must be reconstructed. In some regions, such as in the former Yugoslavia, these institutions also struggle with the shock of moving from state to private-control.

Among the most urgent needs for these war-ravaged transition economies is to reconstruct the food marketing systems, obviously to ensure that citizens have adequate food, but also to fuel much needed trade in early transition, as countries leverage basic sources of comparative advantage. Trade, in turn, stimulates further institutional reform and economic performance (Thomas and Nash 1991). However, from producers to retailers, the entities that comprise the food marketing systems often face formidable barriers. For example, market-driven private farms and cooperatives have replaced the collective farms throughout the countries that constituted the former Yugoslavia. Many agricultural sectors that previously received heavy subsidies are finding themselves unable to operate profitably under free market conditions. In Croatia, for example, processors and manufacturers, suddenly without the benefit of state funding, struggle with adequate capitalization, and are forced to limit production. Retailers are unable to maintain adequate inventories due to limited resources and credit. In addition, many retail transactions move to informal markets outside of the government taxation and regulatory systems. Finally, consumers are faced with high unemployment and inflation, forcing them to spend the majority of their incomes on basic needs, such as food.

In this paper, we report preliminary results from a longitudinal study of the food marketing systems in the war-ravaged transition economies of the Balkans. This study, funded by the United States Department of Education and the Croatian Ministry of Science and Technology, will describe the food marketing systems of the regions through the development of emergent themes gleaned from intensive immersion in the food marketing system of Croatia. These themes, once verified through replication and expanded into other countries, will form the basis for policy recommendations to support the rapid development of the food marketing systems. Below, we briefly provide an overview for the region of study; we then discuss methodology, and conclude with findings and a discussion of future research.

The Region

This study is generally focused on the Balkans, with current data coming from Croatia; in the next phase we have plans to expand into other Balkan states, including Slovenia and Bosnia-Herzegovina. See the Figure for a map of the region.
The history of the Balkans is dominated by mistrust and often devastating conflict, with the most recent being the Balkan wars fought throughout much of the 1990’s and continuing today (e.g., Pecotich, Renko and Shultz 1994). Progress towards transition in the region declines from West to East, with Slovenia and Croatia leading others in development/transition indicators, such as private sector share of GDP, price liberalization, and banking reform (European Bank for Reconstruction and Development 1999).

Methodology

The overarching methodology employed is an ethnographic approach described as intensive microcycle site-immersion (Shultz 1997; Shultz, Pecotich and Le 1994; cf. Holtzman 1986). It leads to theory development through the identification of emergent themes from intensive study of a system in time, or microcycle. The microcycle for this study focused on the activity evinced throughout the Croatian food channel, including producers, processors/manufacturers, distributors/retailers and consumers. The specific techniques included site observation (e.g., Lincoln and Guba 1985) and depth interviews (e.g. McCracken 1988). The findings were verified through “persistent engagement, persistent observation, and triangulation across sources and methods” (Wallendorf and Belk 1989, p. 71). Building upon earlier fieldwork conducted during the last eight years, data were collected during a 10-day visit to Croatia in September 2000; these findings will be verified and expanded during future visits, commencing July 2001. Interviews and observations were conducted with officials from government, business, academia, and non-governmental organizations, as well as consumers.

Some Initial Findings

The thoughts expressed below are a synopsis of site observations and interviews. The discussion is organized around the institutions and some of the stakeholders of the food system.

Producers

Similarly to many transition economies, a substantial percentage, about 25%, of the Croatian population are involved in production agriculture. The average farm is comparatively small, approximately 2.9 hectares. The highly fragmented production results in relatively high production costs, making Croatia a net importer of food. However, the farmland is diverse and has tremendous productive potential. Along the Adriatic coast, Mediterranean products, including grapes, honey, and olives dominate. Grains, such as wheat and corn, grow in the more continental climate of the interior. Because the country never widely adopted herbicides and pesticides, the government has established organic agriculture, along with eco-tourism, as a major strategic initiative vis-à-vis business development.
Despite constraints, there exists an evolving entrepreneurial spirit among producers. Gliviva d.o.o., for example, produces champignon mushrooms in an abandoned railroad tunnel. This start-up enterprise typifies the “new entrepreneur.” They supply domestic demands and also export to Italy. The firm has benefited from a joint venture with an American organization. Gospoja, operating on the island Krk, is a family-owned, integrated winery and another “new entrepreneur.” They have been among the first producers to adopt organic production processes. Moreover, they enjoy 30%-40% annual growth, but are severely limited due to supply. They must rely on other producers, as there is a strong cultural barrier against what is considered “excessive” land acquisition, by neighboring Croats.

Processors/Manufacturers
The large corporations that process and manufacture most of the food in Croatia face barriers as well, as they struggle through privatization to a marketing orientation. Those firms that received significant government support through the privatization process enjoy the benefits of capitalization necessary to fuel growth. However, there seem to be more firms that received less favorable treatment and suffer from under-capitalization.

Agrokor, an example of the former, exemplifies the “tycoons”. They are a large, diversified food processor/manufacturer/retailer. They consider their most important competitive advantage to be their knowledge of the Croatian consumer and their commitment to information technology. Agrokor interestingly was the only organization identified that wants to return to Bosnia-Herzegovina and Serbia, as soon as possible. Most firms in Croatia do not want to be associated with “oriental” markets, irrespective of brand equity and market potential.

The Podravka Group, another large food manufacturer, is traveling a more difficult road to privatization. This firm typifies the “oldies but goodies.” To illustrate, consider Danica, Podravka’s processed meat division. Danica has strong brand loyalty, domestically and regionally, but is unable to meet consumer demand because they cannot access adequate supplies of raw materials. This unfortunate reality is partly due to the decimated domestic livestock industry and partly due to import restrictions. However, the overarching constraint is under-capitalization.

Distributors/Retailers
A significant amount of the food in Croatia is distributed through very short channels, often direct from producer to consumer. The majority of retail transactions occur in the numerous open-air markets or in very small food stores that support the Croatian habit of daily shopping for food. This channel structure is typical of less developed economies (Sharma and Dominguez 1992). However, there is a noteworthy shift occurring, as hypermarkets and other large food stores are becoming more prominent. With the exception of the Super Konzum stores owned by Agrokor, these retailers are based in Western Europe; they are large, approximately 100,000 square feet, and carry a wide variety of imported products. Most Croatian consumers are not yet able to shop in these stores regularly due to income and transportation constraints.

One of the most robust findings from this initial study is that these large, efficient stores will diffuse rapidly. However, the government is pushing ahead with a plan to construct six wholesale markets throughout Croatia. These facilities will provide both wholesale and retail service. Suppliers will be able to transact with resellers. There also will be an adjacent green market where resellers will transact with final consumers. This government-sponsored plan exemplifies the “dinosaurs” of the Croatian food industry; that is, organizations that likely soon will be extinct because they have not responded to market forces.

Summary
Food and agribusiness form a major national strategic initiative in Croatia and the other countries of the Balkans. The food systems, however, are in very early transition.
Throughout the channel, there is evidence of successful adoption of marketing orientation, but many barriers exist, most notably capitalization and infrastructure devastation resulting from the most recent wars. An additional barrier is indigenous cultural forces, such as daily shopping and limits on land ownership versus the optimal efficiency of market-based economies. These entrenched values can be a considerable impediment to more efficient food distribution throughout the region. Clearly, consumers in Croatia and elsewhere in the Balkans spend an excessive amount of their incomes on food, which is counter to rapid economic development. It is imperative that the food industry becomes more efficient so consumer spending can be directed at other growth-stimulating sectors. There are market forces in place to foster this change, but clear policy directives must be also be implemented. 

Future Research

Again, our initial fieldwork will be replicated in Croatia and expanded into Slovenia and Bosnia-Herzegovina, in the coming months. In addition to expanding our ethnographic fieldwork, because the consumer will be a major driver of change in the region, an extensive consumer study, for which we will implement experimental methods, will also be administered to access consumer attitudes towards food consumption. In the end, it is hoped this longitudinal, multi-method study provides insights that improve the food marketing systems, not only within individual countries, but across national borders as well. In so doing, we are guardedly optimistic that a transnational, integrative food marketing system can play a pro-social role to abet cooperation among historically adversarial peoples, to the benefit of individual consumers, regional welfare, and global harmony.

References


Ethical Decision-Making in International Markets: Hypernorms and Social Traps

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Abstract
Most of the empirical as well as conceptional work in the field of international marketing ethics focuses on the question of differing ethical values. It is often assumed that marketers’ decisions in ethically relevant situations can be explained by cultural differences and differing value structures. The paramount problem in international marketing ethics is mainly seen in the question: What is ethical? We argue that phenomena that resemble social traps in international marketing might have an influence on marketers’ decisions independent of culture and ethical values. Accordingly, the main question would shift to: How to be ethical in situations where you do not know the actions of the other marketers while these actions have an impact on the economic well-being of your company?

Introduction
Due to technological and political developments throughout the world people are in ever-closer contact with each other. Therefore, more and more enterprises act on a global basis and do business within foreign cultures in some manner. As documented by an increasing deluge of literature, marketers often struggle with different values and ethical norms in a cross-cultural environment. Indeed, international marketers are often criticized for ethical misconduct (Armstrong and Sweeney, 1994). Which ethical position should a company take when acting in a foreign culture? When are the ethical norms of a foreign culture merely different, and when are these norms unethical? The answer to these questions is not only of academic value but also of practical interest. When a US marketer is doing business in Mexico, for example, whose moral code should be adopted, the Mexican one or the one from the United States?

Study Question
Most of the empirical as well as conceptional work in the field of international marketing ethics focuses on the question: What is ethical? (Dunfee, Smith, and Ross 1999; De George 1993; Dobson 1990; Donaldson 1996; Kohls and Buller 1994; Robertson, Hoffman, and Herrmann 1999; Schlegelmilch 1995). It is often assumed that marketers’ decisions in ethically relevant situations can be explained by cultural differences and differing value structures. Finding universally valid or at least acceptable norms and values is considered to be a cumbersome problem in the field of international marketing ethics. We argue that, while the quest for globally acceptable ethical values remains to be an important problem, phenomena that resemble social traps in international business might have an influence on marketers’ decisions independent of culture and ethical values. Accordingly, the main question would shift to: How to be ethical in situations where you do not know the actions of the other marketers that have an impact on the economic well-being of your company? International marketers might be aware of an ethical problem but consciously decide not to be ethical in the rational pursuit of economic interests.

Social Traps in International Marketing
A prisoner’s dilemma played between many people is known as a social trap or tragedy of the commons. Hardin (1968) chose the example of medieval common land, which was widely believed to have been ruined by overgrazing:
“The rational herdsman concludes that the only sensible course for him to pursue is to add another animal to his herd. And another; and another... But this is the conclusion reached by each and every rational herdsman sharing a commons. Therein lies the tragedy. Ruin is the destination towards which all men rush, each pursuing his own best interest In a society that believes in the freedom of the commons” (Hardin 1968).

We assume that some ethical issues in international marketing such as the destruction of the environment and depletion of resources are closely related to the problem of the tragedy of the commons. The destruction of the environment is in many respects a commons or free-for-all and as such disastrously vulnerable to free riding. Accordingly, we try to shed some light on marketers’ decision-making process when faced with ethical dilemmas that correspond to social traps. Specifically, we investigate whether marketers make decisions against their ethical beliefs in these situations.

Two scenarios were used where subjects had to make a decision whether to build a factory, which is destructive to the environment and potentially hazardous for workers, in a less developed country:

“As the international director of a multinational company you have to make a decision about opening a new factory in a developing country. The country in question has literally no laws regulating the protection of the environment or the safety of the workers. The new factory would provide cost advantages but would also expose employees and citizens of the community to potential health risks. This type of factory, which is illegal in your home country due to environmental and safety concerns, is destructive to the local environment. It can be expected that the factory’s emissions will pollute the air and contaminate the water in the long run. Please imagine the following two scenarios:

Scenario A
If you should decide NOT to build the factory, your company will forgo a great opportunity to increase its profits, since none of your competitors will build this type of factory.

Scenario B
All of your competitors might use this type of low cost factory in various parts of the world, where there are no laws protecting workers and environment.
If you should decide NOT to build the factory, the long-term survival of your company is at risk. You will have to fire people and your company might even go bankrupt as a consequence of your decision because all of your competitors might produce at a lower cost.”

We argue that the situation in scenario B resembles a typical social trap. The situation can be compared to a typical prisoner’s dilemma. The metaphor of the prisoner’s dilemma, which has been used in economic, sociological and psychological research to analyze the behavior between two or more interdependent actors, illustrates situations germane to this type of conflict (Binmore 1994; Shultz and Holbrook 1999; Hardin 1968; Hardin 1988; Messick and Brewer 1983; Dawes 1980; Rapoport and Chammah 1965). The metaphor alludes to the case of two criminals caught by the police. The police interrogate the two subjects separately in order to prevent any communication between them. The two criminals are both offered independently the same deal: If you admit (cooperative strategy) to the crime and the other subject does the same (cooperative strategy) both of you will go to prison for one year (reward payoff). If you admit to the crime (cooperative strategy) and the other subject does not (defective strategy) you will go to prison for 10 years (worst payoff) and the other subject will be set free (best payoff). If both of you do not admit (defective strategy) to the crime, both of you will go to prison for 5 years (punishment payoff). It becomes obvious that the rational hedonic calculus of each actor, not knowing the action of the other, suggests pursuing the defective strategy even though both subjects were better off if they cooperate.
Accordingly, we depicted the situation described in scenario B in a prisoner’s dilemma matrix.

Fig.1. Prisoner's Dilemma Matrix

As we have depicted in figure 1 building (Build) the factory is the optimal choice for a rational actor who does not know his counterpart's action but who is affected by these actions. With this choice the marketer would achieve the best payoff (b) if his competitors should decide not to build the factory (not). In case the competitors also build the factory the marketer has at least avoided the worst payoff (w). However, if all marketers would decide to not to build the factory they were collectively better off than with any other strategy by achieving the reward payoff (r).

The prisoner’s model that assumes rational actors trying to pursue their own self-interests resembles the situation of marketers doing business in an environment where many marketers might opt to destroy the environment. This is not to say that people, in contrast to the assumptions of the model, have the capacity to sympathize with others. However, it suggests that destroying the environment might offer short-term economic benefits at the expense of all stakeholders in the long run. As long as the company cannot predict the behavior of its competition, building a low cost factory and destroying the environment decreases its exposure to economic risk.

Study Design

The data for this pilot study were collected via self-administered questionnaires from a convenient sample of 120 American, German, and Austrian students. About half of the sample population has an educational background in business and work experience of more than five years. The other half consists of philosophy students with no or limited work experience. The following research hypotheses and questions were formulated:

H1: Individuals are less likely to build the factory in scenario A than in scenario B.
H2: Individuals’ decision in scenario A is more in harmony with their ethical beliefs than in scenario B.
H3: Individuals who decided not to build the factory are more satisfied with their decision than individuals who decided to build the factory.
H4: The higher the perceived importance of an ethical issue (PIE) the less likely are individuals to build the factory.

Research Question 1: Does culture have direct effects on PIE?
Research Question 2: Does culture have direct effects on individuals’ decisions?
Research Question 3: Does the educational and professional background of people have direct effects on PIE?
Research Question 4: Does the educational and professional background of people have direct effects on their decisions?

The analysis path of hypotheses and research questions is depicted in Figure 2. The results, implications for macromarketing, and limitations of this study will be discussed.

Figure 2. Antecedents and Consequences of Behavioral Intentions in Situations that Resemble Social Traps

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