THE IDEOLOGY OF MARKETING

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Paper Presented to the 1987 MEG Conference, University of Warwick

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WHO DO WE SERVE?

Who do we serve as marketing academics? For whose benefit do we teach, write and research? Stanislav Andreski has urged social scientists to be critical of their disciplines and give consideration to the interests they serve\(^1\). His advice to sociologists has an equal if not greater relevance to marketing academics. Asking for whom we teach, write and research is not the irrelevant - though worthy - inquiry it might at first appear. The interests served by a discipline shape its very substance and have a considerable impact upon its advancement and academic standing. This paper examines marketing thought and concludes that it contains a sizeable ideological component. The appropriateness of this element to an academic discipline is considered and alternative approaches advanced.

CAPITALISM AND CONSUMER SOVEREIGNTY

In addressing the ideology of marketing, a suitable starting point lies in the origins of the discipline. Bartels, in *The History of Marketing Thought*, shows that marketing has its origins in economics\(^2\). Both economics and marketing, now conceived as separate disciplines, are concerned with how markets work. (Indeed, it is instructive to note that the word marketing is largely comprised of the word market.) Marketing, however, as this paper will show, is principally concerned with how markets work from the point-of-view of the producer. The extent and implications of this perspective are addressed after the market mechanism has been briefly considered from an economics standpoint.

The role of the market in a society is the major distinguishing feature in identifying the form of the political-economic system. In his treatise on the world's political-economic systems, Lindblom writes:

> "Aside from the difference between despotic and libertarian governments, the greatest distinction between one government and another is in the degree to which market replaces government or government replaces market. Both Adam Smith and Karl Marx knew this"\(^3\).

Western society is characterised by the extent to which the market predominates. This system is then justified in terms of efficiency and the freedom of the individual.
Although simplistic (and in accord with Western ideology), it can be claimed that decisions are decentralised and in the hands of 'the people' in a free-market form of economy, and centralised and in the hands of the state in a command form of economy. Most western economists claim that the mixed economy in the West, which has a tendency towards the free-market extreme (notably so in recent years in the UK and the USA) and is known as capitalism, is more efficient. Most Western politicians, not surprisingly, tend to agree with them, and claim that capitalism also means greater freedom. As Galbraith puts it:

"Its solution of the problem of efficiency was what commended the competitive model to the economist ... For the businessman and the political philosopher, by contrast, the appeal of the competitive model was its solution of the problem of power."

According to this competitive model of capitalism, the individual's pursuit of self-interest results in the welfare of the community. This is expressed in the well-worn quote from Adam Smith's Wealth of Nations: "every individual ... neither intends to promote the public interest ... he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention."

The competitive model of capitalism is the dominant interpretation of capitalism, but there are other models. Alternative interpretations have been offered by Marx, Schumpeter, Mill, Keynes, Winkler, and others, many of whom are less certain of the benefits of capitalism. The purpose of economic systems is to allocate scarce resources. As Le Grand and Robinson observe, society specifies four objectives determining the operation of such systems: efficiency, equity, freedom or civil liberty, and altruism. Critics of the competitive model of capitalism are mainly critical of the model's negative impact on equity and altruism. They generally accept its potential to realise high levels of efficiency and, to a lesser extent (depending on what one means by the word!), freedom.

Central to markets, and a necessary feature for the achievement of these benefits of freedom and efficiency, is consumer sovereignty. Decentralised decision-making by consumers in markets is the expression of consumer sovereignty. Capitalism, consumer sovereignty and the
benefits which accrue are then inextricably linked. This understanding of market forces and the authority of the consumer in the marketplace goes right back to Adam Smith, as he also noted in the Wealth of Nations, "consumption is the sole end and purpose of all production". In a similar vein, Ludwig von Mises offers an apt analogy in explanation of how markets operate:

"The direction of all economic affairs is in the market society a task of the entrepreneurs. Theirs is the control of production. They are at the helm and steer the ship. A superficial observer would believe that they are supreme. But they are not. They are bound to obey unconditionally the captain's orders. The captain is the consumer".9

Smith, Mises, Hayek, Friedman and other free-market economists, praise the virtues of a society operating under conditions where consumers are free to choose and dictate their preferences in the marketplace. However, the reality of mixed markets suggests a different view to this notion of a sort of absolute consumer sovereignty. The concept is more accurately understood as referring to degrees of consumer authority relative to producers. Galbraith goes further than this, in noting that in "virtually all economic analysis and instruction, the initiative is assumed to lie with the consumer". He suggests this "uni-directional flow of instruction from consumer to market to producer may be denoted the Accepted Sequence;" this sequence he rejects:

"The accepted sequence is no longer a description of the reality and is becoming ever less so. Instead the producing arm reaches forward to control its markets and on beyond to manage the market behaviour and shape the social attitudes of those, ostensibly, that it serves ... it may appropriately be called the Revised Sequence".10

Fulop (and many others) suggest a more balanced view - that there are degrees of consumer sovereignty in the real world: "Broadly the more competitive the market the stronger the power of the consumer; the larger the element of monopoly, the more he is at the mercy of the producer".11 This accords with Galbraith, although she disputes the extent to which the producer, in Galbraith's analysis, predominates in the real world. Consumer sovereignty is limited by information, income, and state restrictions on certain goods such as drugs, or drink before driving. She concludes that the degree of
soverignty will be determined by information and, above all, choice:

"In particular, the consumer must have the authority to exert his sovereignty over the producer by exercising the strongest sanction of all — the ability to take his custom elsewhere. Information, advice and guidance are valueless unless the customer has a choice between alternatives."\(^{12}\).

So, the competitive model of capitalism and the accompanying notion of some sort of absolute consumer sovereignty must be held to be ideological. There is producer sovereignty as well as consumer sovereignty. The degree of consumer sovereignty is a matter of considerable debate within economics. It has only been considered at a superficial level here, for the purpose of this paper is to demonstrate marketing's ideological underpinnings. These are revealed when it is recognised that marketing thought is predicated upon the competitive model of capitalism.

MARKETING AND CONSUMER SOVEREIGNTY

There are many definitions of marketing\(^{13}\). Yet expressed in most, if not all of these definitions, is the central idea within marketing thought: the imperative of customer satisfaction. In other words, there is the underlying concept of consumer sovereignty. The marketing discipline and a marketing orientation in practice are based on a belief in consumer sovereignty. As Kotler puts it:

"The marketing concept expresses the company's commitment to the time-honoured concept in economic theory known as consumer sovereignty. The determination of what is to be produced should not be in the hands of the companies or in the hands of government but in the hands of consumers. The companies produce what the consumers want and in this way maximise consumer welfare and earn their profits."\(^{14}\).

However, this is erroneous in two ways. Firstly, the concept of consumer sovereignty (other than as a technical term to refer to a mechanism within the price system) is only found in perfectly competitive markets, not the mixed markets within which firms operate. Secondly, perfect competition would not permit marketing
activities because firms cannot have strategies, they are price takers and can only compete in this sense. Hence, not only is consumer sovereignty unlikely to be found in practice, but it is incompatible in theory with the notion of marketing strategies. So even if markets in the real world were characterised by perfect competition one could then not have marketing. The notion of marketing and of consumer sovereignty are not, at least in a pure sense, complementary, they are contradictory.

This seemingly irreconcilable connection between marketing and consumer sovereignty is dominant within the marketing discipline. Indeed, without this connection, there could not be marketing as it is currently understood and practised. However, this is ideology at work!

MARKETING AS AN IDEOLOGY

Ideologies serve two purposes: they provide an explanation for and the justification of interests. Berger and Kellner briefly define ideology as "a set of definitions of reality legitimating specific vested interests in society". Berger has earlier written:

"We speak of an ideology when a certain idea serves a vested interest in society. Very frequently, though not always, ideologies systematically distort social reality in order to come out where it is functional for them to do so ... The ideology of free enterprise serves to camouflage the monopolistic practices of large American corporations."

So in a paper comparing business ideology in the UK, US and Australia, Jenner writes (quoting B K Marshall):

"Business ideology seeks to sanction or legitimise the distribution of power, wealth and prestige and it may be defined as 'those ideas expressed by or on behalf of the business class with the manifest intent of creating attitudes favourable to private capitalism.' Accordingly, the ideology of the competitive model of capitalism, one of the most dominant ideologies in the West, both explains capitalism and justifies the interests of capitalists (producers). A cynic might be tempted to observe that the activities and power of business are made acceptable to society by an ideology that proclaims business is not powerful at all, but under the control of consumers. This is the latent function of marketing. To twist a quote from Lindblom, consumers are
not really sovereign under capitalism; they only think they are\(^18\). Marketing fosters this belief.

Ideology serves as an idea structure, both for understanding and for legitimising one's interests. Founding the marketing concept on consumer sovereignty might be seen as highly convenient. At the base level it permits corporate power - expressed in strategies and other ways - while claiming the corporation has no power and is merely acting in accord with the wishes of the consumer. Of course, this is not the way the corporations would see it - or, perhaps, marketing academics speaking on their behalf. Corporate executives believe in the power of the consumer because this is how ideologies work. Any guilt they may have, about dubious practices that are a consequence of corporate power or merely the recognition of that power, is allayed in the process. For as well as justifying interests, ideologies also offer explanations, which are likely to be adhered to by their subscribers. As Silk and Vogel write of the ideologies of managers: "Ideology functions not simply to advance a particular interest ... but to enable people to orient themselves to a complicated and confusing world"\(^19\). It is naive to think of them in Machiavellian, manipulative terms. Such ideologies should be respected as legitimate views of the world. This said however, what is their place within an academic discipline? Insofar as it is possible to disentangle the ideological from the 'scientific' or 'factual', how large an ideological component can a respectable academic discipline tolerate?

To address this question, it is useful to move from the abstract to the concrete and consider a specific part of marketing practice and theory. Perhaps what matters most is the degree to which ideology conforms with reality. While many marketing academics and practitioners may genuinely believe that consumer sovereignty is the basis for marketing thought and action, what evidence is there for this? Surely if practitioners and academics alike believe in consumer sovereignty, then their actions will reflect this?

CONSUMERISM - THE ANTITHESIS OF MARKETING

The advent of consumerism provides evidence that consumer sovereignty is the basis for marketing thought, but not necessarily marketing action. It also questions whether
belief in consumer sovereignty will be reflected in action.

Baker observes that "the nature of marketing and consumerism reflect a fundamental paradox for while they are invariably seen as being in conflict both activities possess the same objective - consumer satisfaction". That such a paradox should arise, he attributes to the changes in society's expectations of business and some firms being less responsive. This is acceptable, but not if one claims some sort of absolute consumer sovereignty, as he implies in observing:

"free market economics largely permit the evolution of consumer sovereignty by allowing consumers to express their preferences as between goods and services through the daily casting of their money 'votes' ... marketing economies and the marketing philosophy rest upon the same fundamental proposition that consumer preferences will determine the allocation of available inputs to the creation of the most desired outputs".

Consumer sovereignty is not in this sense reconcilable with consumerism. Perhaps it was the ideology of the competitive model of capitalism, expressing consumer sovereignty, that led to consumerist demands; the ideology and the reality were too far out of step. However, the reply to consumerism as advocated by Baker, Kotler, and others is that it should be seen as an opportunity. Somewhat reluctantly, it seems, this idea was adopted by business. Consequently business now claims to practice consumerism! Consumerism has been incorporated within the ideology and become consumer sovereignty; as this definition of the latter concept reveals:

"Consumer sovereignty: Power of consumer to influence production presentation and distribution of goods and services in a competitive market, thus expressing demand, and emerging more recently as consumerism".

A remarkable example of doublethink. So consumerism results in the reaffirmation of consumer sovereignty in marketing thought but not, necessarily, in action. The ideology is upheld. Consumer sovereignty as a determinant of marketing action will still be but a consequence of the degree of competition within the market. The response to consumerism is then a
demonstration of the ideological basis of marketing thought.

IDEOLOGY OR MYTHOLOGY?

Consumer sovereignty has been shown to be central to the marketing discipline. Given the doubts expressed as to its prevalence, does this make marketing a mythology?

Marketing suggests the firm is at the beck and call of the consumer and if firms ignore consumer preferences they do so at their peril. Yet clearly this is a response to competitive conditions which are not found in many markets.

Marketing thought is based on the competitive model of capitalism, its flaws stem from this. Under this model, consumption is the sole end and purpose of all production and, hence, the consumer is sovereign. The consumer may be said to be the one for whom all production takes place. A milling machine may be a long way removed from the consumer. It may be sold to a firm producing other types of industrial equipment or even military equipment. But, ultimately, it can be said to be for the consumer. The consumer is the ultimate end user of the output of the industrial equipment and is defended by the armed forces using the military equipment. However, though ostensibly for the consumer, the consumer does not necessarily control the process. There is a relationship between consumption and production but it is not so simple as to give rise to the claim that the relationship is controlled by the consumer.

There are many intervening and complicating factors in this relationship. A key factor in considering who we serve as marketing academics, is the power of business. Yet while consumer sovereignty may be a questionable concept, this does not make the competitive model of capitalism and the marketing thought which flows from it a mythology. The power of business may give rise to the consumer consuming that which he or she would not choose to consume, such as pollution and unemployment; or, if better informed, would not choose to consume, such as infant formula in the Third World. Where markets are competitive and consumers are informed then the mythology becomes more real. Yet the notion of consumer sovereignty persists regardless.
Marketing thought is more accurately described as an ideology than a mythology. Some degree of consumer sovereignty — rarely absolute — can be found in some markets. The markets for fast moving consumer goods are generally considered competitive. One marketing practitioner, McLure, as Vice-Chairman of Beechams, has written about competition in the proprietary drugs and toothpaste markets. He very convincingly describes a tough world subject to the cut and thrust of the marketplace. Yet the competition he refers to, keen though it is, is still only restricted to product attributes and price, to the marketing mix of the 4 P's. No consideration is given to the social impacts of the companies concerned. They do not feature as a factor in competition and therefore the consumer is not sovereign over these impacts.

Ideologies mask and justify the exercise of power. Marketing does this. It says 'we the producers are not powerful at all, it is you the consumer who is powerful'. Yet, as earlier noted, ideologies also serve to explain the world to their adherents. McLure and other marketing practitioners understand their world in terms of consumer sovereignty in (for many of them at least) competitive markets. As indicated above, and as this author has elsewhere noted, consumer authority in markets is a matter of degree but also jurisdiction, or the domain over which the consumer has authority. So, even in what are widely considered to be highly competitive markets, there is only competition up to a point. In many competitive markets, the producers determine the character of that competition — seeking to avoid price competition in particular.

This does not suggest the marketing practitioner's understanding of markets and competition is 'wrong'. It is 'right', but only insofar as it explains and justifies his or her interests. Neither would competition which includes a concern about the social impacts of firms be incapable of explanation by the marketing practitioner's model of the market. It might be difficult to accept, but it could, with a little thought, be understood as consumers determining the character of competition. The response remains the same; keeping consumers happy — or, at least, thinking they're happy.

Why worry? This might well be a widespread and initial response to these observations. One may be similarly unconcerned when confronted with the writings of such as Honour and Mainwaring, who criticise the "attitudes and
values of business studies lecturers who seem untroubled by the bases and uses of the knowledge and values they seek to pass on.\(^{27}\) In a society which seems to be increasingly driven by self-interest the espousal of the producers' ideology seems unimportant. Yet as academics, does our vocation not demand the pursuit of objectivity or some sort of 'truth'? Moreover, there may be reasons of longer-term self-interest prompting consideration of different perspectives and some undermining of the ideology we are party to.

CONCLUSIONS: MARKETING AS THE STUDY OF MARKETS?

This paper is indicative of a wider domain for marketing than the narrow concerns of producers, yet is not reiterating the micromarketing/macromarketing dichotomy of Hunt and others.\(^{28}\) It suggests that consumers and their interests, as they relate to markets, are appropriate to a discipline studying markets. This is more than saying marketing should take an interest in consumer behaviour - because it will affect the firm's performance in the marketplace. This is focusing on producers' interests. Consumers may have interests that conflict with those of producers; the game of the market does not necessarily produce a win/win outcome. Marketing should address the interests of both parties in markets.

Where is marketing now? It is not feasible to discuss here the many attempts to define marketing, but one definition is proffered. After pointing to the problems in the definition of marketing, Baker concludes:

"From a negative point of view, then, marketing is just a hodge-podge of ideas 'borrowed' from other disciplines. More positively it rests on the simple principle that supply must be a function of demand. In the opinion of marketing men this offers the best approach to the solution of the central economic problem - the allocation of scarce resources so as to maximise satisfaction.\(^{29}\)

If one also acknowledges that marketing has developed some unique concepts and techniques, this seems a reasonable position to adopt. Hence, in the light of the foregoing analysis, the marketing discipline may be described as:
The study of the application of the ideology of the competitive model of capitalism, central to which is the notion of consumer sovereignty, by drawing on the social science disciplines and by developing unique concepts and techniques so as to enable producers to most effectively realise mutually beneficial exchanges with consumers in markets.

The substance of most marketing teaching, writing and research reflects this. Within the many articles attempting to define marketing, a great deal has been written about marketing as a developing science in Kuhnian terms. However, the position taken here, despite their arguments, is that marketing cannot appropriately be seen as a science because of a lack of objectivity. These enthusiastic tirades look forward to the day when the marketing discipline is respectable, a recognised science complete with paradigm. Their authors bemoan the slow progress towards this goal, pointing to the absence of central theories, general principles and so on. These writers - their consciences salved, another publication under their belts, and the academic status of marketing defended, if not enhanced - then go back to their teaching of marketing and the 4 P's, to managers or would-be managers. Is it really surprising that, despite these many apologists for the marketing discipline, little progress is made?

If marketing is to become a social science, then it must at least become less partisan. It must address the interests of consumers, the other major party in markets. It should get back to its economics roots and reorient its emphasis to the study of markets. Perhaps then, those who write in criticism of marketing's achievements might be appeased, for as Barnhill and Lawson observe:

"There has been little development of the theory of markets in the field of marketing, yet markets are a central and necessary state of being as well as a precondition for the function of common marketing components such as buyer behaviour, pricing ... None of these marketing components are viable without a market in which to function".

Unlike Hunt, it is argued here that micromarketing as well as macromarketing can be scientific. Or, at least, as scientific as economics and other social sciences. But only if the interests of both parties or the process involved are attended to.
So, to conclude. If marketing is (or wants) to become less ideological and more scientific as a discipline, then it must be concerned with the study of markets. In so doing, it must address the interests of consumers as well as producers. A neutral position is often unobtainable, except perhaps in looking at social processes, a perspective is largely inevitable. Yet this perspective is too often that of management for a discipline about the study of markets to advance.

Marketing academics, within their teaching, writing and research, are encouraged to stand back from their work and survey its perspective and consequences. Whose interests do we serve? In teaching - even of managers or would-be managers - it could at least be acknowledged that the consumer interest does not always equate with the producer interest, that the market mechanism is flawed, and that where there is the imperative of customer satisfaction it is simply a consequence of supply exceeding demand and a response to high levels of competition. After all, if these structural conditions changed, marketing teachers would, like those that taught time and motion study, find that their subject had disappeared. If we continue in the mould of marketing trainers rather than educators, we too may find our jobs disappearing! There is a clear case for at least acknowledgment of the ideological basis to current marketing thought. As sociologists are wont to ask: "where are you coming from in saying what you do?"
NOTES AND REFERENCES


2. Bartels, Robert (1976) *The History of Marketing Thought*, Grid, Columbus


4. The standard economics texts observe that the form of an economy will tend towards one or the other of the two possible extremes of the free market economy and the centrally controlled or command economy. Neither of these two extremes has ever existed, at least in recent history, and in practice all economies are mixed economies with some decisions taken by firms and households and some by central authorities. See, for example:


6. See for a good overview:


8. This is discussed in more detail in:

   - Smith, N Craig (1987) *Consumer Pressure for Corporate Accountability*,


Ibid, p 86

See, for example:

Crosier, Keith (1975) 'What Exactly is Marketing?', Quarterly Review of Marketing, Winter 1975


In a closely analogous way, Lindblom notes that liberty may have the form of freedom from indoctrination, for under liberal democracy men are not really free, they only think they are; op cit, p 265
A number of sources suggest corporate responses to consumerism have been in the form of token gestures rather than affirmative action, as in Webster's study:

Webster, Frederick E, Jr (1973) 'Does Business Misunderstand Consumerism?', Harvard Business Review, September-October

Interestingly, Kotler offers this definition of consumerism: "an organised movement of citizens and government to enhance the rights and powers of buyers in relation to sellers"; op cit, p 85

As Thomas observes: "every purchase of a product or service could become a 'vote' for a marginal change in the shape of society, as well as for the product purchased. For example, Procter and Gamble and Unilever share the detergent market in this country, and to all intents and purposes, despite differing advertising, their products are the same. But the social impacts of these two companies differ substantially. If they chose, or were compelled to
broadcast those social impacts, detergent buyers in their purchasing could vote for their preferred set of social impacts"; Thomas, Raymond E (1974) 'Marketing a New Capitalism', CBI Review, Autumn


27 Honour & Mainwaring, op cit, Preface


29 Baker, op cit, pp 21-2


31 Baker suggests technology will ensure this situation continues; op cit