

Brave New Marketing Revisited

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In an article entitled "Brave New Marketing," which appeared in the last edition of this journal, C. Samuel Craig presented a fable which bears some similarity to Aldous Huxley's *Brave New World*.¹ Craig's piece has as its theme "... the advancement of science as it affects human individuals."² Huxley's story, projected six hundred years into the future, opens with a tour of the Central London Hatchery and Conditioning Centre, where babies are decanted and prepared for life in the World State. Part of their preparation is the development of a hatred for flowers, by associating flowers with electric shocks, on the ground of economic policy: "Primroses and landscapes . . . have one grave defect; they are gratuitous. A love of nature keeps no factories busy."³ "In the nurseries . . . the voices were adapting future demand to future industrial supply. 'I do love flying,' they whispered, 'I do love flying, I do love having-new clothes . . .'"⁴ Assuredly the role of marketing is altered by such a political environment.

But Craig's predictions are no more inevitable than those of Huxley. Eighty-five years ago Bellamy foresaw a distribution system much like Craig's, where direct distribution from national ware-

houses took the place of trade, and money was unnecessary.⁵ "Immediate Consumption Outlets" existed in the form of public service centers, dining halls, and music rooms. "Programmed Consumption Centers" were located within a few minutes walk of all residents. Each outlet carried samples of all the varieties of goods produced or imported, and provided a complete description of each product. Clerks recorded orders which were sent to central warehouses by pneumatic transmitters. Orders were assembled and shipped to purchasers' residences through underground tubes.

Demand was regulated by estimates obtained from current sales figures, which were maintained on a weekly basis. Moreover, if a new product was required, a popular petition which guaranteed a certain sales volume was sufficient to compel the administration to produce that product. Thus demand stimulation was accomplished directly by the overall social organization, not a specialized subsystem such as marketing.

It is this control of the system by society which differentiates Bellamy's world from Craig's statist planning system. Furthermore, in his *Brave New World Revisited*, Huxley suggests that

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the omni-present central state which Craig foresees can be avoided by education "... for freedom and self government."⁶

The Economic Subsystem

In the same issue of *Business and Society*, George S. Goodell follows Craig with an article titled "Social Responsibility and the Profit Motive." In his treatise Goodell also suggests that education is an answer, but the kind of education recommended is more limited than that which Huxley suggested.⁷ It is not sufficient that we understand our economic system. The economic system is but a subsystem of our societal system, and economic activity is only one aspect of society. Economics is simply a means of accomplishing some of the goals of our society. Goodell confuses the economy and the society when he argues that "The public has the ability to confer success or failure on any business."⁸ Within the economic system, customers, not the public, confer success on a business.

To illustrate this difference let us examine further Goodell's hamburger stand example. If profitable, this firm can be presumed to satisfy its customers, and in turn, the profit earned is a reward to the owner for assuming the risks of investment. But the owner is not the only "investor" in the hamburger stand; the whole of society has an investment in that business. The hamburger stand exists within the social fabric and affects that fabric; furthermore, the firm owes its existence to a social framework which permits individual ownership and protects the individual's property and profit.

The customers of the hamburger stand represent but a small fraction of the public. Suppose that the non-customer public, which is the majority, objects to this firm. Such objection may arise because the business causes traffic congestion and endangers pedestrians or motorists, or it is located at the end of the runway of a

busy airport so that it offers the opportunity for a major disaster, or it is located at the top of a specially-built tower which intrudes upon an otherwise attractive and historically significant national park.

In the context of economic analysis there is nothing that the majority of the public, who are not customers of the hamburger stand, can do to rid themselves of this unwanted business. As long as a sufficiently large minority "cast their dollar votes" in favor of the business, a "moral" profit will be earned.

But what is the reward to the non-customer public who is assuming the social risk of such an enterprise? Are social costs and revenues to be ignored completely because this is an "economic" problem?

The Societal System

What both Goodell and Craig fail to recognize is that the issue is one which requires a General Systems Theory approach. The economic system is but a subsystem of our societal system, with the assigned task of utilizing raw material to meet the needs of society. The economic system thus must be subservient to the societal system; it must be subject to social control, so that it not only performs its task effectively but also performs it in a manner which is in tune with society's needs.

Craig assumes that the only way in which this will be possible in the future is by state control, and that there is an inexorable force acting in this direction. On the other hand, Goodell assumes that the only way in which an economic system may be operated is in accordance with an unrestricted competitive model.

But it cannot be assumed that our society must be controlled either by our political subsystem or our economic subsystem. Society must be viewed as a social system, consisting neither of political units, nor economic units, but of

people and their social interaction. Political power and markets are both created by man for the uses of man; society is subject to the will of man.

Within society as a whole, both the allocation of effort through the division of labor and the allocation of rewards are socially determined. This social ordering, or regulation of what tasks shall be done by which individuals, and in what way these tasks will be performed, is the task of culture.

Each society chooses different materials from its natural environment to create in its own way a man-made environment according to pre-existing patterns of thought and behavior. The wide range of action and feeling, which human nature and natural environment make possible, is narrowed by cultural influences upon the development of individual preferences and personalities. Cultural influence also guides the individual, through the social approval or disapproval of the preferences he has developed. Approved behavior is rewarded by popularity, power, etc. Behavior which is out-of-bounds incurs penalties such as conspicuousness, or ostracism.

Among the common understandings which constitute the basis of society are those which attach to things which may be used, disposed of or enjoyed. Where the understandings limit or otherwise define such rights and obligations of one individual or group with respect to others, the concept of property is involved. Property operates to keep use and enjoyment and disposal in expected channels, and thus contributes to the working of society. Property consists of tangible goods as well as intangibles, which may include magical spells, hunting and fishing rights, patents and copyrights. In some societies personal names are owned and may be disposed of by gift or sale, much as a trade name is treated in our society.

For the individual member of society, culture has a double significance. First, for each member, culture constitutes part of the environment of his action. Its existence, and the ways in which it guides the action of system members, are social facts which the member must take into account. These facts include the probabilities of the imposition of sanctions for conformity and negative sanctions for non-conformity. Second, the culture becomes internalized in the personalities of individuals and institutionalized in collectivities and thus comes to control action in part by moral authority.

The mechanism by which an individual achieves his place in society is status assignment and role differentiation. To maintain itself as an orderly and continuous unit, a society must provide statuses or places and attached roles sufficient for the performance of necessary tasks. By attaching roles or behavior expectations to these different positions, and then by socializing individuals into accepting their statuses and performing the attached tasks, the society ensures its survival.

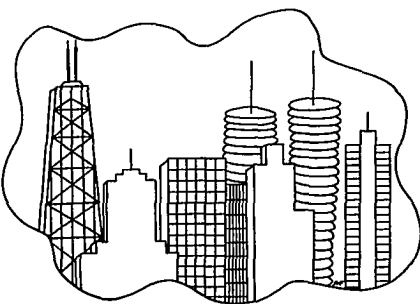
Education and Social Control Systems

If human behavior is to conform to the prescriptions of the cultural process, two tasks must be performed: (1) the major values of the culture must be passed on from one generation to the next, and (2) there must be a social control process.

Culture is transmitted through learning, which requires social interaction. Every society has some means, the "family," to which is assigned the primary responsibility for providing new members, initiated into the basic values of the society. A second institution, education, is to provide the child with the values, skills, knowledge and techniques he will need to take his place in society and make a contribution to its functioning.

Since perfect internalization and compliance with social norms are never achieved, society requires a means of social control to prevent individual caprice in matters essential to its welfare. The political and legal systems of any society have among their primary functions the restraint of offending members. Political institutions, which formally and publicly express or enforce the common will, do not always exist. For example, in the Andaman Islands, individuals lived without chiefs, law or administrative regulation; no one exercised any general authority. But in more complex societies political institutions keep people's behavior more or less within the rules, and at the same time are a means for reconsidering and changing the rules.

The process of education must include an analysis of the economy, but economic education should indicate the interrelationship of the economic subsystem and the societal system. The economic system is tied to the society as a whole in three ways. First, by normative integration; second, by functional interdependence; and third, by causal interaction.



The ends sought in the economic sphere must be consistent with goals in other spheres of society. Economic activity derives its meaning from the general values of the society, and people

often engage in economic activity for rewards which are not relevant to the economy *per se*. In this context, there are no economic motives, but only motives appropriate to the economic sphere of action. In a primitive society the norms governing economic activity are not so different from those governing the society as a whole, so that this integration is more readily observed.

The functional interdependence of the economy and the society stems from the fact that the same persons are participants in economic and other spheres of activity. The interdependence of parts of a society means that there are limits to the sorts of economies and societies that may coexist at a given time. The causal interaction of the economy and the society appears because particular social structures require a particular variety and volume of goods and services, and changes in social structure will alter the demands made upon the economic system.

Thus the future development of the economy, and marketing activity within the economy, is subject to social control. Indirectly, social control is achieved by means of education and its long term impact upon the cultural context of economic activity. More directly, social control is achieved by the legal and political system, as well as the immediate social impact of all of us who participate in the economic process.

Conclusions

It is not inevitable that a statist system will develop as Craig suggests, unless we persist in misunderstanding the role of business activity in our society. We cannot continue to base education upon defenses of the profit motive as "moral" in terms of economic analysis, as Goodell suggests, because morality is not derived from the economic, but from the *social* effects of human behavior. It is incorrect

to argue that the free exercise of the profit motive in the economic subsystem will result in unqualified benefits for the larger social system through the workings of Adam Smith's "invisible hand." The profit motive is relevant to the economic system alone; its benefit to the social system must be demonstrated by analysis, not accepted on faith.

Business education must recognize that the manager is a person—a member of society—not a mechanical allocator of resources guided by the single-valued economic objective of net return for the owners of the business. The task of the manager is to mediate the conflicting goals imposed upon him by his various constituencies, which include owners, customers, and other members of society who may be neither stockholders nor customers. Indeed, if the customer becomes "more cerebral" as Craig suggests, the task of the mediating manager will become easier. This in turn should increase rather than diminish the possibility of a self-adaptive economic mechanism and reduce the pressure for a statist system.

But, most important, we must realize that freedom will exist to the extent that we deliberately create safeguards and opportunities for its extension. The answer to Craig's threat is not found in the economic model of a market-directed economy, but in the creation of spheres of social freedom protected by political power. Where economic freedom impinges upon social freedom, the latter must be protected even at the expense of economic "efficiency."

In general, we must recognize that economic and political systems are institutions created by man to serve the purpose of man, and the educational process must continue to emphasize this fundamental proposition.

NOTES:

1. C. Samuel Craig, "Brave New Marketing," *Business and Society*, Fall, 1972, pp. 17-22.
2. Aldous Huxley, *Brave New World* (New York: The Modern Library, 1956), p. vi.
3. *Ibid.*, p. 24.
4. *Ibid.*, p. 57.
5. Edward Bellamy, *Looking Backward* (New York: The Modern Library, 1951).
6. Aldous Huxley, *Brave New World Revisited* (London: Chatto & Windus, 1959), p. 145.
7. George S. Goodell, "Social Responsibility and The Profit Motive," *Business and Society*, Fall, 1972, pp. 23-27.