

MARKETING SCIENCE



EDITOR ■
KENNETH A. LONGMAN

Letters on Marketers and Consumers

Last June, the column was devoted to a brief discussion of a sermon I helped to write about the Newark Riot of 1967. At that time, I suggested that alterations of marketers' objectives may be in order in response to the racial divisions in America, and I suggested that it seemed quite sensible for management scientists to concern themselves with this subject. It was my assertion that most marketing models sub-optimize by their omission of social variables. At the end of the column I asked the following five questions:

1. Is the division in America correctly identified?
2. Is it true that to belong to our culture, respectable people must want both our business and labor?
3. Have American marketers acted irresponsibly?
4. Can management science stop the kind of sub-optimization which has led to the problem?
5. (Because these questions are "loaded") Have I asked the right questions?

Readers reacted with more quantity and quality than usual and herewith I reproduce exchanges of letters about that column.

To the Editor:

Your discussion of the racial "problem" in America is interesting primarily because it provides an example of the rather mythical fashion in which this and other social "problems" are often formulated.

First, it seems to me that there is no surer sign of a country with a racial division than one in which intellectuals and politicians formulate social and economic "problems" in racial terms. We keep forgetting that racism is a way of thinking and not a way of being. We seek to integrate by the numbers (as if a 50-50 distribution is somehow less discriminating than 80-20) and we seek to avoid making the kinds of judgments and maintaining the kinds of divisions that define "respectable people" in the first place.

Second, the racial "problem" is all too frequently formulated in social terms. For example, we use terms like "Negro community," "business," "the system," "our culture" and so on. All of these terms are both convenient and, in certain cases, even useful. But let us not forget that "society" and the "Negro community" and "business" have no reality apart from our concepts and talk about them. They are terms which name certain classes of things or people; they are not "causes" or "effects" or even purposeful "systems". There is something strangely naive about naming a certain

group of people “Negroes” and another “the system” and then proceeding to use these names in a casual way (Negroes riot because of the economic system).

Third, we have a kind of mechanistic view of problem solving which too often leads us to ignore the basic continuity and complexity of behavior processes. But, of course, problems are never “solved.” Action in the interest of some “problematic” situation will, if effective, result in some other situation which, in turn, may be more or less “problematic” depending upon whose model we prefer to use.

Fourth, we seem to have an “activist” bias which leads us to attach benevolence to our attempts at interfering with economic or social “systems”. Perhaps this bias is helped along by our tendency to attribute conspiratorial malevolence to these “systems” themselves. Perhaps Marx has shook us up more than we like to admit.

Fifth, we are slowly corrupting the meaning of the term “freedom”. Rather than advocate the right of freedom *to* succeed or fail we are advocating the right to freedom *from* failure. Yet, the realities of economics are such that to guarantee someone *from* failure, someone else must pay with his success—a success which was not guaranteed by anyone.

I am not advocating a “survival of the fittest” theory, if for no other reason than that would be as unrealistic as “guaranteed survival.” I am advocating, however, that we not “solve” our racial and poverty “problems” by interfering with the activities of those whose performance, competence and entrepreneurial spirit made it possible for us to even conceive of a difference in the first place.

To your questions: The division you have identified is just one of many, most or all of which we will undoubtedly get around to “eliminating” sometime. When we do eliminate them all we will, of course, have the “problem” of homogeneity—we will all think alike—except that homogeneity will not be a “problem”—like fish in water we will be unable to conceive of anything else. The point is not, it seems to me, whether existing divisions are “correctly” or “incorrectly” identified—rather the point is whether this particular way of thinking is useful—and if it is not, let us think about it some other way. It’s that simple—and that difficult.

It seems to me that the premise underlying your second question is part and parcel of the whole “problem”. If my self-respect really was dependent upon what “respectable” people want, then I would be in serious trouble. Those who really make a difference in this country are those who had their own standards and values. Self-respect is dependent upon one’s ability to achieve success in some measure.

On the assumption that your third question goes beyond the rather trivial issue of free samples it becomes too vague. With respect to whose values have American marketers acted either responsibly or irresponsibly? With respect to their own values they presumably have acted responsibly—with respect to the values of some politicians it seems that they have acted irresponsibly. But though it is quite possible to name some “public interest” or other which has ostensibly been violated by some marketers—let us not forget that these marketers are no less representative of that “public interest” than are government officials. The question might equally well be: Have we defined the “problem” responsibly?

To your fourth and fifth questions the answers will have to be no. Management scientists can optimize only in terms of numbers, and the things that count here are not countable. In fact, the point is not optimization and the measurements that go with it, since few of the factors involved here have any existence apart from our conception and talk about them. The point is reconceptualization of the situation—to understand it as a phenomenon rather than as a “problem”.

All this by way of a reaction to your "column". I realize that we are both disadvantaged by the need for oversimplification. One could write a big book about these things and then not be able to say everything there is to be said. But I wanted to say that, as a marketing "scientist", I think we should be far more concerned with things as phenomena and with the issues involved in problem formulation than we should be concerned with actually "fixing" the world.

Bent Stidsen
Philadelphia, Pennsylvania

Dear Mr. Stidsen:

In reading your letter, I am not sure we have much disagreement with each other, but as you said, we are both disadvantaged by over-simplification.

You do, I think, correctly point out that problem formulation is the big part of our difficulty. It was precisely this I wished to point out by posing the question of coupons and free samples. There is little doubt that current practice is a correct solution to that problem as currently formulated. The evidence of my cleaning lady's reaction suggests that another formulation might have been better. It at least demonstrates that there can be negative effects associated with non-receipt of free samples and that has never been included in the models of the situation.

I am a little less agreeable about your observations concerning the language. It strikes me a bit absurd to argue that "racism is a way of thinking and not a way of being". A way of thinking that leads to the Ku Klux Klan, White Vigilantes, Black Nationalists, and thousands of "nice" people who flee the arrival of Negroes in the neighborhood is a way of being. These ways of thinking which lead to words in the language (the most popular model of the real world) do have causal connections to what happens.

Finally, I agree with your notion of what freedom entails, but I would like it to be equally distributed throughout the populace. I don't like having black people more free to fail and white people more free from failure.

Kenneth A. Longman

To the Editor:

I believe that in addition to poor basic conditions (which have existed for a long time), there are two forces that are creating new tensions. First, the opening of new opportunities to Negroes has made the "relative failures" far more conscious of their failure and hopelessness. Sustaining and fanning this consciousness is the marketing industry that stimulates buying and wanting to buy. In large part, due to the persuasive efforts of American marketing, large numbers of families who could live a decent life suffer from many of the disabilities of poverty because they do not have the knowledge, will power and orientation to withstand the pervasive efforts of the advertising and credit fraternity. What is badly needed is an effective counterforce to advertising and easy-credit terms, in the shape of an enhanced consumer capability. One can go only so far with legislation. It is the individual family that needs strengthening in this regard.

Following is a proposal for an experimental effort to learn how to upgrade the individual family's ability to manage its income. There is an urgent need for research in this area. The University of Maryland is currently considering such a program.

Mr. Solomon's proposal is too long to publish in its entirety here, but I have tried to provide its basic elements and rationale in the following excerpts.

Proposal

The objective of the proposed program will be to learn how families can be induced to upgrade their money management. This is seen as a research task and is not to be confused with fulfilling the immediate operational goals of any organization, because, at present, there is no proven set of procedures that can be depended on to upgrade a family's use of income. To the extent that successful procedures have been developed, they are partial or are in a form that is not readily reproducible on a large scale. To achieve an operational set of procedures suitable for large scale adoption will require a series of cycles consisting of design of operational experiments, measurement of costs and effects and re-design of procedures on the basis of measured results, with the continuation of cycles until results are satisfactory. The hope is that the end product of the research process will, in fact, be a set of procedures that can be adopted by organizations concerned with upgrading family use of income on an operating basis.

At the beginning of the effort, families will be chosen on the basis of characteristics that make the task of upgrading less difficult (annual income \$4,000-\$10,000). If substantial success cannot be achieved with such families, then success with more difficult types would be very unlikely. Satisfactory progress with families with favorable characteristics would be used as a point of departure for reaching out to other types of families. . . .

The food budget would be the initial focus of the program. Food normally represents the largest single group of expenditures that can be controlled by the family, particularly in the short run. But as the covered families make progress in the sphere of food, other aspects of family spending and management will be covered, preferably on the initiative of the families themselves. We would expect to cover such items as choosing a place to live, rat control, buying life insurance, credit purchasing, choosing brands and quality of appliances, resisting salesmanship, allowances for children, vocational training and education of children and possible sources of additional income. The orientation will be to have the family choose its own goals. The role of the counsellor, whether operating with a group of families or with the individual family, will be to help each family articulate its own goals and to explore with him the alternative ways of meeting the expressed goals, with the family making the final choice.

The following steps are proposed for organizing the program:

- A. Formation of a Steering Group,
- B. Application for Grant by Sponsoring Organization,
- C. Appointment of a Full-Time Director,
- D. Review of Past Efforts to Upgrade Family Spending and Management,
- E. Initial Design of a Proposed "Training Effort,"
- F. Testing of "Training Effort" and Re-cycling.

Success in the proposed efforts should bring many useful results. Because the whole family will be involved, we can expect that the individual family will achieve greater

solidarity and better control of its fate, with undoubted spillovers in other aspects of family life. There should be favorable effects in the areas of crime, civil order, juvenile delinquency, the dropout problem, the ability to pay for better housing, housekeeping and maintenance of housing and other aspects of family living.

Dear Mr. Solomon:

You asked for my comments on the proposal, and they follow. To begin with, I would never be against efforts which honestly seek to alleviate our so-called urban crisis. If I may sound a little unenthusiastic, it reflects only my own notions of priorities in our search.

My family has been very heavily involved in the Headstart program and other similar activities in New Jersey. From this experience, I have become convinced that the life of low income ghetto residents represents a much better adaptation to the environment than the sociologists give them credit for. To be sure, we have encountered people who live on inadequate diets due to ignorance, we find others living sexually promiscuous lives, and we find abnormally high rates of alcoholism and drug addiction. These people seem to be those against whom your proposal is aimed (except that you exclude alcoholics and, I presume, drug addicts). My feeling is that these people are, even in the ghetto, a relatively small minority.

What I find most amazing (and amusing) is that the normal ghetto resident decries middle class values, yet has the strongest middle class morality to be found anywhere. These people have decent aspirations for themselves and their children. They both revere and resent education. They are, as are most Americans, anti-intellectual and pragmatic. They have almost unbelievable inner strength often based on deep religious fervor. But they are also tolerant of the failings of their neighbors because they know the temptations and the aggravations are hard. I suspect that as the Black Power movement gains support all of those statements will become even more descriptive of life among the poor.

Into this environment we must, I think, inject not only hope but opportunity. If finding ways to improve the allocation of income will help, as you propose, I'm all for it. But I'm skeptical on two counts. First, this approach seems, like the welfare system, designed to make a low income more tolerable but not to provide hope and opportunity. Second, it is an area heavily researched by others, particularly the Department of Agriculture. The problem with these research projects does not seem to be a lack of useful information resulting. Instead it seems to be finding an economical way to transmit the knowledge. I've often thought that the Department of Agriculture should have an advertising budget to promote its documents. Relying on word of mouth and letters from congressmen to constituents has struck me as highly inefficient.

These considerations lead me to believe that we must find the means for American business to serve the needs of the disadvantaged. Obviously, this means also a necessity of innovation in marketing and employment practices so that the businessman can expect some return on his investment in providing service. My column was meant to show that we have suboptimized by finding means to use current practice most efficiently; that we have short-changed both our clients and the people by omitting the search for innovation. Thus, I would like to see proposals for that purpose which I would, if they can be obtained, give higher priority than your proposal.

Kenneth A. Longman

You state that the approach of my proposal "seems like the welfare system, designed to make a low income more tolerable but not to provide hope and opportunity". Well, first I specifically exclude low income families from consideration. The purpose of the proposal is to make it possible for families to grasp opportunities that are open to them. An enhanced capability to manage money is significant for ghetto families because:

- a. There are at present significant numbers of families in the ghetto whose income would permit them to enter the mainstream of American life, if among other things they learn to manage their income better.
- b. On the basis of strong political and economic trends we can confidently expect a very substantial movement of families into the \$5,000 to \$10,000 income levels. The quality of living of this income group is especially sensitive to management.
- c. Taking advantage of new opportunities opening up in housing, education and economic security will require substantial changes in patterns of money management.

Ghetto families who keep getting caught in a web of impulse buying, over-extended and expensive credit and other management practices that may have represented some kind of adjustment to past conditions can hardly take full advantage of new opportunities. The newly trained truck driver who was doing intermittent work netting him some \$2,000 per year with another \$1,000 earned by his wife in domestic work, who finds himself making \$6,000 or \$7,500, has a lot of adjusting to do if his family is to take full advantage of his new economic opportunity.

As for your second reason for skepticism about my proposed program, it is true that the Department of Agriculture and others have been doing considerable research in family money management. There are what appear to be some success stories, but these are scattered, undocumented and have not been put in a form which would warrant a large scale effort by government, foundation or private effort. My proposal is to build on what has been done so that a basis exists for planning large scale effort in this area. This requires more rigorous tests of effectiveness, more systematic efforts to innovate, costing out and testing of promising alternatives, determining reproducibility and testing conditions under which effectiveness is maintained.

The proposed program can be justified even if there were no ghetto problem. There are a substantial number of other middle level income families whose response to American marketing practices leaves very much to be desired from the point of view of the fulfillment of the individual. The building of a humanist oriented countervailing force to commercial marketing would seem to be an important item on the agenda, if we want profit making marketing efforts to be harnessed to social welfare.

In fact the innovation which marketing can consider on a profitable basis is very much conditioned by the environment it faces. Among the important elements in the environment are laws, research, incentives, restraints and taxes provided for by public authorities; the information which is available to consumers and the orientation of consumers. Families that have better information about costs, quality and service will provide a significantly different environment for marketing to operate in. Consumer is king in our economy, but if he has poor or misleading information and he is fuzzy about his needs and desires, he becomes a puppet that will dance to a profitable

but whimsical tune provided by marketers. Rapid technological change, the increasing complexity of goods and the greater sophistication of marketing have made it increasingly difficult for the consumer to take action on the basis of knowledge. Indeed, one can argue that there has been a comparable difficulty with public issues that stem from technological change. To the extent that its customers are not armed with disinterested knowledge and a deliberate orientation, we can expect marketing to respond with marketing systems that capitalize on impulse buying, expensive credit, medical quackery, bogus fears and hidden or unforeseen costs.

So, while I yield to no one in my admiration of the ingenuity and potential of American marketing, I think it is most urgent that other strategic elements in the environment are appropriately redesigned.

My concern with consumer information and the environment may seem undue and remote to marketing people. But they may be enjoying a calm before the storm. To get an inkling of some possibilities I suggest that the marketing fraternity look at a movement that appears to be picking up steam in the Philadelphia Area. It is called CEPA, Consumer Education and Protective Association, 6048 Ogontz Avenue, Philadelphia, Pa. 19141. A subscription to its publication (\$3.00) will reveal possibilities of challenge that could pick up tremendous steam in the coming years. When you look at this movement with its guerrilla-like tactics, you will have to agree that it is potentially very powerful with substantial possibilities of abuse as well as good.

Morris J. Solomon

To the Editor:

Thank you for allowing me to examine the correspondence you received in response to your column last June which began with "our sermon" last March. The letters are interesting principally in the way in which they diverge on what I took to be the central issue, namely, whether or not marketers had any social responsibility in actively seeking the business of presently disadvantaged racial or minority groups.

It strikes me that both writers decided you were discussing the race problem with an eye to both its cause and cure. Mr. Stidsen, it seems to me, is right in reminding you of the complexity of the phenomenon of the racial distress but wrong in assuming that in your view adjustments in marketing practice are the primary or important cure to seek. I have no particular stake in an analysis of the past, but I think we all have a critical investment in the present and the future, ministers and marketers alike. In my judgment, too much of the discussion of the current crisis in the nation has been focused on the past. We seem more interested in finding how the crisis came about than in moving beyond it. In all smacks of the somewhat fruitless discussion this year following the two tragic assassinations. "Is America a sick society or not?" Clearly, the question itself reveals a certain pathology. Better surely to ask, "What are the elements that will make for our health and how can we better go about appropriating them?"

Mr. Solomon, on the other hand, believes that you will succeed and that more effective marketing in the disadvantaged community will create added difficulties in the area of domestic finance. He begs the question of your article, however, since if the illustration of the mail samples is typical of current practice, the worrisome situation his proposal anticipates will not be worsened by the efforts of those in the marketing field.

The question you raise is a genuinely moral one but difficult to raise in those terms in America today. In our nation, morality has become a private, or at best, a family affair. For all of its distress, the urban crisis has at least redressed the balance on this score. We are learning again what our forefathers knew well, that genuine moral concerns arise from and take effect upon those issues related to the common good. The notion of the assumption of corporate responsibility was long ago given to the politicians and then to the corporations. The historical record of both groups has not enhanced the notion of the public conscience and its ideological power remains diminished while the nation languishes for need of it. In a small way, this seemed to be the issue and the challenge of your column. Should a marketing policy be altered for other than a marketing purpose? If the answer is yes, then the way is clear for various social innovations using a variety of economic *instruments*. If the answer is no, then it is hard to identify the greater-than-market stake that the marketer is willing to exercise in the total social unit. The question, really, is one of the relative power and priority of various value systems. It's not now, nor ever has been, enough for each group to follow their own best lights. The issue is the adequacy of the lights themselves and their sufficiency when put together to help us all to make our way together. It may well be that business and industrial groups will not take the dislocation and distress of our cities to heart until they deteriorate to the point where enterprise itself is no longer viable.

This may be a tarnished motive late in coming, but it is much to be desired for its power and the attention it will attract. Innovations and changes will probably be small in number and marginal at the outset. What does seem called for, however, is at least another element in the formula; a social factor in the consideration. Marketing *may* be too important to leave to marketers as politics is to politicians and indeed, religion to ministers.

Rev. Roger Alling
Newark, New Jersey

Letters on any subject related to marketing science are welcome. Please address mail to:

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