



# Revisiting Drucker's theory Has consumerism led to the overuse of marketing?

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## Abstract

**Purpose** – This paper sets out to review the business history of consumerism and to ask whether over-consumption is leading to an unacceptable level of inappropriate social behavior that is detrimental to both society and business.

**Design/methodology/approach** – The paper reviews Peter Drucker's writings on management and explores the meaning of consumerism and how it could have led to the over-use of marketing. The paper discusses how the word "consumerism" has evolved and brings attention to the role of the internet in consumerism. It explains why poor knowledge management strategies are presenting a new set of challenges for business. Finally, it discusses the reasons why the balance of power between businesses and consumers needs to revert to a status of equilibrium.

**Findings** – The paper contends that the growth of consumerism has led to the over-use of marketing and it explains why, in twenty-first century marketing, social responsibility should be extended to a wider group of stakeholders that includes government, businesses and consumers.

**Practical implications** – The "consumer is king" concept has implications for management because of the emphasis businesses have placed on their customers. The paper asks managers to review their knowledge management systems and processes. Electronic document management systems (EDMS) and business process management systems (BPMS) will protect corporations from some of the cybercrime examples discussed here.

**Originality/value** – The research reviews Drucker's work on knowledge management and asks why management continues to fail to implement appropriate knowledge-based systems for protecting their business.

**Keywords** Consumerism, Internet, Social behaviour, Customers

**Paper type** General review

## Introduction

Peter Drucker is renowned in both academia and business for his insightful contribution to the growth of business studies and his attitudes towards management practice. His writings have been instrumental in developing management direction across the decades. By the 1950s Drucker was already considered probably the best-known writer in the world on both the philosophical and practical aspects of industrial management, and since then his reputation has grown to the point of being called the "father of modern management" (Hargreaves, 2006). He became a legend in his own time as a major shaper of today's management thought among both business scholars and managers. His books about society established him as a leading social writer (Schwartz, 1998).

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For many, he is regarded as one of the greatest thinkers in management. His works show not only his ability to generate dialogue around management practices and processes, but also his concern and sensitivity towards consumers (Drucker, 1989). Drucker advocated that “the purpose of business is the customer” (Drucker, 1989, p. 85) and disagreed with the classical economists’ view that implies the purpose of business is profit maximisation. He argued that:

profitability is not the purpose of business enterprise and activity, but a limiting factor on it. Profit is not the explanation, cause or rationale of business behavior and business decisions, but the test of their validity (Drucker, 1954, p. 33).

Drucker initially wrote about the emergence of big business as a social reality (e.g the concept of the corporation), one of the more important developments in the recent socio-economic history of the Western World. As pre-eminent institutions of society, corporations exert significant social power, for which they have to take responsibility; and the managers of these corporations have to take a leading role, which is not compatible with the inflated CEO salaries we have seen during the 1980s and 1990s on which Drucker made despairing comments (Hargreaves, 2006). The collapse of companies like Enron and the 2008 financial crisis highlight both the applicability of Drucker’s work and the way the dynamics of consumerism have changed over time. Drucker was concerned with the lack of congruency between the behavior of corporations and the expectations of society, which threatens the legitimacy of the corporation as a social institution. He warned that, to ensure legitimacy, corporations should define their purpose and ensure their objectives are aligned with the objectives of society, since organizations exist only as long as the society and the economy believe that they do a necessary, useful and productive job. What Drucker meant by the “the customer is the business” is that if customers lack trust and confidence in businesses because they are not meeting customers’ and society’s expectations then such businesses are rendered unnecessary, useless and unproductive. This implies that businesses must constantly renew their legitimacy, by reconnecting with human society, if they are to survive (Drucker, 1954).

Under this rationale he suggested that businesses need to think less about the attributes of the products and services that they wish to sell and more about the psychology of the customer’s buying experience. Customer satisfaction is paramount because:

It is the customer who determines what a business is. For it is the customer, and he alone, who through being willing to pay for a good or service, converts economic resources into wealth, things into goods. What the business thinks it produces is not of first importance – especially not to the future of the business and its success. What the customer thinks he is buying, what he considers “value” is decisive – it determines what a business is, what it produces and whether it will prosper (Drucker, 1954, p. 35).

In a truly global world, globalization should encompass not just the economic sense but also global citizens, global rights and global responsibilities (Klein, 2000). In line with this, Drucker (1999) acknowledged that neither government nor businesses alone can take care of community problems, but there has to be a third sector, the social sector, comprising mostly non-profit organizations (e.g. NGOs), looking after the common good. The difference between the consumer movement of the 1960s and that of the twenty-first century is that the latter resides in the individual citizen, as stated by

Klein, “we will find our way out as citizens, on our own” (Klein, 2000, p. 442). Drucker foresaw this many years earlier when he asserted that ethical inquiry can come not from business ethics but from the individual (Drucker, 1954) since “. . . in a good, a moral, a lasting society, the public good must always rest on private virtue” (1954, p. 465). This demands hard work, commitment, conviction and dedication to the common good, in Drucker’s own words: “Yes, each institution is autonomous, and has to do its own work the way each instrument in an orchestra plays only its own part. But there is also the score, the community” (Drucker, 1999, p. 5). From a philosophical standpoint, Drucker believed in the personalist ethic and criticized the impersonalism of business ethics. He did not deny ethics in business, but he believed that any ethical inquiry could proceed only with reference to the individual (Schwartz, 1998, p. 1692).

The over-emphasis on customers’ needs, wants and desires has perhaps catapulted consumerism – consumption as a means of happiness and wellbeing. Some argue that consumerism not only does not promote consumer wellbeing, but has damaging consequences for consumers and society (Abela, 2006; Burroughs and Rindfleisch, 2002). In addition, the dominance of Western multinationals and alternative forms of behavior driven by globalization has complicated the issue around civil responsibility.

In this paper, we explore how the term consumerism has evolved over time and we discuss the three definitions of the term that presently coexist in the literature. Specifically, we explore the way these definitions interface with our current understanding of business, marketing and the consumer and we discuss the relevance of Drucker’s work to twenty-first century marketing.

### **Consumerism: the three definitions**

#### *The first definition – manipulative techniques*

In their article entitled “A guide to consumerism: what is it, where did it come from and where is it going?” Day and Aaker (1997) asked us to evaluate what we understand by the term consumerism, given the differences in meaning that the word has acquired over time. They explained the word’s historical origins and reminded us of the original definition which was given to the world by Vance Packard (Day and Aaker, 1997, p. 44) who “linked consumerism with strategies for persuading customers to quickly expand their needs and wants”. Packard associated consumerism with the overuse of advertising and selling to create customers. In his book “The hidden persuaders”, Packard explained vividly the reasons why consumerism is detrimental to society, accusing organizations of being manipulative in their approach to marketing (Packard, 1957). In his condemnation of marketing in general (and advertising in particular), he expressed his concern around their potential to harm consumers. While this is a populist book rather than academic, it attempts to demonstrate the subconscious manipulations consumers can be exposed to by marketing.

More recently, and consistent with Packard’s views, Lambin (1997) spoke against the exploitation of the population through advertising and hard-selling techniques but, instead of calling these practices “consumerism” like Packard, he referred to them as “manipulative” or “wild” marketing. This type of “marketing” is characterized by an emphasis on selling at the expense of meeting consumers’ needs and expectations. Examples of this include: enticing people to overconsume; exploiting the insecurities, the anxieties or the suffering of individuals; resorting to promotional techniques that exploit impulsive consumer behavior; and exaggeration of a products content through

packaging design (Lambin, 1997, p. 20). The first definition of consumerism (Packard, 1957) as the over-use of advertising and selling to create customers encompasses practices of manipulative marketing that are self-destructive for the organization in the long run. Therefore, Drucker (1980) rightly asserted that it is in the best interest of companies to embrace their social responsibility by enacting appropriate behaviors. For Drucker, corporate social responsibility did not mean that corporations have to be apologetic about making profits but, on the contrary, he argued that the first responsibility of business is to make enough profit to cover the costs for the future and that if this social responsibility is not met, no other social responsibility can be met (Drucker, 1986). Furthermore, Drucker argued that the quest for social responsibility is not a result of hostility towards businesses but rather it is the price of success, since the social responsibility expected of an organization should be measured according to the size of the social power it exerts. Drucker believed in the free market and thought that capitalism could be managed to achieve superior economic performance while achieving societal objectives and maintaining the dignity of workers.

*The second definition –organised consumers' movement in the USA*

In an effort to counteract the excesses of manipulative or wild marketing, public authorities have enacted legislation for the protection of consumers' rights, and consumers have banded together to form consumers' organizations to protect themselves, giving birth to the second definition of consumerism. This is a much wider definition that includes societal reactions to the type of marketing described in the original definition. In this sense, consumerism is defined as "a social movement seeking to augment the rights and powers of buyers in relation to sellers" (Kotler, 1972, p. 49). Organized consumer movements have their origin in the USA and have taken place at different stages in history (Kotler, 1972). From the USA they have spread to the rest of the world, becoming a major political force in the last four decades. There were three organized consumer movements in the USA. The first consumer movement, taking place at the beginning of the twentieth century, was caused by rising prices and scandals in the meat and drug industries. The second such movement was sparked in the mid-1930s by an upturn in consumer prices during the Great Depression and another scandal in the pharmaceutical industry (Kotler *et al.*, 2005). The third consumer movement began in the 1960s when consumers became more knowledgeable about the products as they had access to more information, which led to a greater awareness of more complex and potentially hazardous products. In addition, people became unhappy with American institutions. In 1962, President John F. Kennedy's "Consumer Bill of Rights" asserted consumers' rights to safety, to be informed, to choose and to be heard. This, coupled with consumer groups' protest marches, and frequent boycotts, attracted strong media attention, forcing government to enact legislation protecting consumers (Kotler *et al.*, 2005).

This second definition argues that marketing focuses on consumers' short-term needs to the detriment of their long-term wellbeing. This argument is shared by another social movement, environmentalism, which is "an organized movement of concerned citizens and government agencies to protect and improve people's living environment" (Kotler *et al.*, 2005, p. 184). While this definition of consumerism is concerned with the efficient satisfaction of consumers' needs and wants, environmentalism is a much broader concept whose actions have had a great impact

on business organizations and consumers. Environmentalism affirms that the objective of the marketing system is not to maximize consumption, consumer choice or consumer satisfaction, but to maximise the quality of life, particularly in terms of the quality of the environment. The first wave of environmentalism took place in the 1960s and 1970s when consumers were concerned with damage to the ecosystem caused by forest depletion, mining activities, acid rain, loss of the ozone layer in the atmosphere, toxic waste and litter, as well as loss of recreational areas and bad health caused by pollution and chemically treated food. The second wave of environmentalism, led to government passing legislation during the 1970s and 1980s to regulate business practices, which had an impact on the environment. Heavy industry, public utilities and the chemical, oil, and car industries had to take actions that would minimize the impact of their activities on the environment. These two waves of environmentalism merged into a strong third wave, environmental sustainability, in which companies are accepting responsibility for the environment, as part of their social responsibility (Kotler *et al.*, 2005).

Other important arguments of the second definition of consumerism are that marketing exploits consumers' emotions and feelings by emphasizing the symbolic value of products at the expense of their functional value; that firms favour their profit objective rather than trying to meet consumers' needs and expectations; and that there is an imbalance between buyers' and sellers' legal rights. What these arguments show is that consumers are not essentially against the marketing concept – to satisfy consumer needs and wants – but rather they demand its full application (Lambin, 1997), i.e. that business put to the forefront the needs, the realities and the values of consumers. In other words, consumerism demanded that business move from the selling concept – trying to sell what they make by using large-scale selling and promotion effort – to the marketing concept – making what the market wants. Drucker precisely noted this when he stated that “consumerism is the shame of marketing” (Drucker, 1980, p. 85). What he meant was that, if marketers would fully apply the marketing concept of satisfying customers' needs, then consumers would be happy to buy products that readily meet their needs, rather than having to protect themselves from the excesses of business.

In response, “the consumer became king” (Sorell, 1994, p. 913) and Drucker's emphasis on “the purpose of business is the customer” (Drucker, 1989, p. 85) received support from management, with customer satisfaction becoming management's high priority. The new management style pursued by firms not only encompassed Drucker's notion of business but it embraced Dawson's (1969) theory of the “human concept” as a broader business philosophy. This concept states that the organization should aim at the fulfilment of human needs at three levels:

- (1) People in the organization.
- (2) Consumers, competitors, suppliers and distributors.
- (3) Society as a whole.

From this philosophy, the “societal marketing concept” emerged to extend the scope of the traditional “marketing concept” (satisfy consumer's needs better than competitors) involving a concern for the consumer's and society's wellbeing (Kotler and Keller, 2006, p. 22). Carroll (1979) offered a four-level perspective on the responsibilities of business organizations. Carroll viewed the organization on a continuum of responsibilities

ranging from economic to discretionary as follows: economic: a firm must produce goods/services of value to society at a profit; legal: a firm has to obey the law in order to continue its existence; ethical: a firm should meet society's expectations, which are not yet laws; discretionary: a firm might engage in voluntary obligations, which society has not (yet) decided are sufficiently important to warrant compulsion. The first two are basic responsibilities, while the other two are strategic in nature, social responsibilities (e.g. self-regulation to avoid government actions, which will, in turn, reduce efficiency). Carroll's management perspective complements Drucker's ideas because it reminds managers of the Hippocratic Oath enforced through ethical professionalism (Drucker, 2001). Practically, Drucker and Carroll can be reconciled through widening the strategic perspective to encompass "enlightened self interest". Firms should be encouraged to search for opportunities that are not only socially responsible but may benefit them in the long run: that is, social responsibility may be capitalized and turned into a competitive advantage.

Drucker's writings illustrate his deep preoccupation with morality, promoting an ethical stance for people working in business. This stems from his belief that the opposite of sin is not virtue but faith, which he defined as the ability to believe in an existence beyond man (Schwartz, 1998). As stated previously, Drucker denied profit maximization as the purpose of business and criticized the splintering of today's society into a myriad of institutions with leaders pursuing their own interests while doing no harm to others – known as social responsibility. In pursuit of the common good, he urged these leaders to go beyond the walls and move from social responsibility to civic responsibility, giving to the community in the pursuit of their own interests or tasks (Drucker, 1999).

#### *The third definition – the consumer culture*

The third definition of consumerism refers to consumption as a means for happiness and wellbeing. In this sense, consumerism is defined as "the doctrine that the self cannot be complete without a wealth of consumer goods and that goals can be achieved and problems solved through proper consumption" (Murphy, 2000, p. 636). A culture that is permeated by consumerism can be referred to as a "consumer culture". From an economic perspective, the consumer culture reflects a shift in the basic emphasis of economies from exchange or production to consumption. From a social perspective, the notion of a consumer culture is well-established in the literature, particularly since the end of the nineteenth century, when Thorstein Veblen (1899), a social analyst, coined the term "conspicuous consumption" to refer to the attempts by the developing leisure class to enhance their status by displaying their material possessions (Gorn, 1998) and, particularly, by providing visible evidence of their ability to afford luxury goods. He was the first to discuss the role of products used as instruments to communicate their owner's wealth. According to Veblen, the motivation underlying conspicuous consumption was to deliberately create envy in others. Unfortunately, this unhealthy motivation has not only persisted with the passage of time, but is widespread in the twenty-first century, when a major reason for purchases is to acquire products that are "status symbols". People use these products as communication devices to signal to others their social standing or power. As stated by Slater (1997), p. 31 "It is partially through the use of goods and services that we formulate ourselves as social identities and display these identities". Alain De Botton attributes individual wellbeing to

happiness. In his book entitled *The Architecture of Happiness* he described the way environmental surroundings enable people to connect with self by highlighting the way architecture can have positive and negative effects on our mental programming (De Botton, 2006).

Furthermore, the third definition of consumerism can be better understood with the help of role theory. According to role theory, consumers are actors on the marketplace stage and, like in any play; each consumer has lines, props and costumes necessary to a good performance. Because people have many roles to play in their daily lives, they will choose those products and services according to the particular "play" they are in at the time (Solomon, 1983). Products not only help consumers to play their roles but they help them to define these roles, hence the statement "You are what you consume" to describe how products shape the self. Since people see themselves as they imagine others see them, and since what others see includes a person's clothing, jewellery, furniture, car, and so on, therefore, it is clear that these products also help to determine the perceived self, because people use these products to make judgements about that person's social identity. Consequently, "A consumer's products place him or her in a social role, which helps to answer the question 'Who am I now?'" (Solomon *et al.*, 2006. p. 212).

Two perspectives have evolved on the benefits or otherwise of consumerism and the development of the consumer society. The first is modelled around the belief that marketing is not necessarily responsible for developing a materialistic society. The second perspective argues that consumerism not only does not promote consumer wellbeing but it has damaging consequences for consumers and society at large (Abela, 2006; Burroughs and Rindfleisch, 2002). For example, O'Shaughnessy and O'Shaughnessy (2002, p. 524) have published empirical studies that "consider the connection between marketing, the consumer society, globalisation and the hedonistic lifestyle" and have concluded that "marketing does not create or invent wants" (O'Shaughnessy and O'Shaughnessy, 2002, p. 545). These researchers do not support the notion that consumer marketing is detrimental to society since they argue that "materialism became part of the human condition long before the first advertising executive" (O'Shaughnessy and O'Shaughnessy, 2002, p. 545). In contrast, Abela (2006) has challenged this perspective concluding that "the association between marketing practice and the harms of consumerism may be greater than is generally believed" (Abela, 2006, p. 5). Abela's study "found associations between consumerism and reduced personal wellbeing and between the historical development of consumerism and the rise of modern marketing" (Abela, 2006, p. 11). This perspective is consistent with Packard (1957) and Galbraith's (1969) argument that consumers are manipulated by business.

Furthermore, Ritzer (2000) affirmed that customers are being dehumanized. In his book *The McDonaldization of Society* he described Western society as a fast-food restaurant. The paradox here is that the fast-food restaurant instantly fulfils the needs of the consumer because the consumer is "the king", whereas at the same time that consumer is nothing more than an anonymous number. He argued that while McDonaldization does have advantages, the irrationalities it has counterbalance and even overwhelm them. These irrationalities create many problems for customers, including inefficiency rather than increased efficiency, relatively high costs, illusory fun and reality, false friendliness, disenchantment, threats to health and the

environment, homogenization, and dehumanization. Ritzer contended that “by eating on a sort of assembly line, diners are reduced to automatons rushing through a meal” (p. 137). Customers are also dehumanized by scripted interactions in an effort to make interactions uniform, taking the place of authentic human relationships. In this system, we need to ask whether the customer is “the king” advocated in the marketing concept discussed earlier or is he just an anonymous number?

Consumers' responses to the previous arguments are evident. While some consumers are showing anticonsumption attitudes in an attempt to achieve peace and wellbeing in their lives because they seem to have found that higher-order needs cannot be met with material consumption (Zavestoski, 2002), others are showing rage. Naomi Klein (2000), in her book “No logo”, shows how in the late nineties there has been a surge in anticorporatism from various, albeit scattered, groups whose focus of attack is the brand-name corporation – Nike, Shell, Wal-Mart, McDonald's, Microsoft, Disney, Starbucks, Monsanto and so on. Successful multinational corporations – the engines of our global growth – are increasingly finding themselves under attack. Businesses have moved away from selling products to selling brands. These brands constitute identities and represent a way of life, a personality, an attitude, a set of values, a look, or an idea. As a result of the pre-eminence of their brands in this globalized consumer culture, multinational corporations have themselves created the surge of opposition against them. Klein (2000) argued that “by abandoning their traditional role as direct, secure employers to pursue their branding dreams, they have lost the loyalty that once protected them from citizen rage. And by pounding the message of self-sufficiency into a generation of workers, they have inadvertently empowered their critics to express that rage without fear” (pp. 441-2).

To summarize, the first definition of consumerism refers to manipulative business activities to entice consumers to buy products; the second refers to consumer groups and government activities to protect consumers' rights; and the third refers to consumption as a way of life or ideology. In the remainder of this paper, we use “consumerism” in the third sense, i.e. equating personal happiness with material consumption, and we suggest that the growth of consumerism has led to the over-use of marketing, creating a wider range of social problems that are being fuelled by the internet.

### **Consumerism, technology, social problems and illegitimate customers**

A total of 20 years ago, Drucker (1988) anticipated a new type of organization, the information-based organization that would replace traditional corporations, and would closely resemble the hospital, the university or the symphony orchestra. In these environments, highly trained specialists operate in ad hoc teams led by an executive with the same skills an orchestra conductor would have (Drucker, 1988). Later, in his book *Post-Capitalist Society*, Drucker (1993) argued that the world is moving from a society based on capital, land, and labour to a society whose primary resource is knowledge. In this new structure, organizations play a central role and are led by knowledge workers.

However, the growth of the internet has shown the way to a different type of marketing, where the enterprise seems to have vanished. An e-(flea) market of consumers has emerged as the traditional enterprise structure erodes, further augmenting the notion of consumer power. Consumer attitudes and behaviors have



been further influenced by direct-to-consumer e-marketing. The use of the internet as a marketing channel has increased consumer choice and consumer empowerment. Consumers in general, can now find their way and assert their rights because individual citizens in the twenty-first century have the internet at their disposal. In response, consumer power has risen because the consumer has become central to the process of online communication (Moynagh and Worsley, 2001; Pitt *et al.*, 2002; Rezabakhsh *et al.*, 2006; Umit Kucuk and Krishnamurthy, 2007). Rezabakhsh *et al.* (2006) concluded that the internet has changed consumers' sanction power in two significant ways:

- (1) The effective exertion of consumers' sanction power no longer has to rely on organized policy interventions, but now mainly depends on individual consumers' motivation and willingness to become active. The households themselves decide how much of their potential sanction power is used.
- (2) The exertion of consumer power via the Internet might even become excessive or morally unjustified, since the dissemination of rumours and untrue statements on the Web is sometimes sufficient to heavily damage a firm's reputation and turnover (Rezabakhsh *et al.*, 2006, p. 14).

Customer value has been maximized via mass customized e-consumer services, which have identified new ways to delight consumers (Lee and Overby, 2004; Greci and Watts, 2007). Experiential communications enhance the level of engagement that the consumer has with the product, creating value for online shoppers by permitting consumers to self-indulge in new ways (Hicks *et al.*, 2005, pp. 94). However, the practical problems associated with consumption, and the ethical issues associated with the way organizations use persuasive tactics to entice consumers into purchasing products, have social consequences. Nevertheless, as Drucker pointed out, it is not possible to prevent social problems from arising, but it is possible to turn social problems into business opportunities (Drucker, 2001). He justified this by arguing that: "It is the function of businesses . . . to satisfy a social need and at the same time serve themselves by making resolution of a social problem into a business opportunity" (Drucker, 2001, p. 55).

This is important because social problems have the potential to create harm. The way information is presented will determine behavior, which may exert a positive or negative impact on business performance (Milliman and Fugate, 1988; Meyers-Levy and Malaviya, 1999; Hesritt *et al.*, 1997; Cialdini, 2001). For example, when consumers are satisfied, price becomes less sensitive and loyalty increases (Guo and Jiraporn, 2005). This in turn exerts a positive impact on profit (Hesritt *et al.*, 1997; Kennedy and King, 2004) since "delighted consumers buy again" (Hicks *et al.*, 2005, p. 94). In contrast, when consumers are dissatisfied they may exercise their rights for the product to be replaced by:

- renegotiating directly with the company concerned; or
- they may display undesirable behaviors which seek to damage business.

The morality of the demands they place on business is, in some cases, highly questionable and might be coercive (French and Raven, 1959; Rezabakhsh *et al.*, 2006) because of the way they exert their influence on the business relationship (Hirschman, 1970; Lovelock, 1994, 2001; Harris and Reynolds, 2004).

Recent studies highlight the new social problems that are emerging in response to "the customer is king" ideology (Sorell, 1994, p. 913). For example, it could be argued that too much emphasis on consumers has been detrimental to business and that a network of social deformity has manifested itself because business models have aspired to achieving too much satisfaction. In response, this seems to prompt some consumers to behave in an unscrupulous manner. These consumers seem to enjoy defrauding business by accepting compensation packages from companies in response to the illegitimate complaints that they have chosen to make (Reynolds and Harris, 2003, 2005; Harris and Reynolds, 2004). These acts of deception pose new challenges for business because they require organizations to re-think the metrics they use to measure consumer satisfaction, if satisfaction is not to translate into compensation.

The social consequences of giving consumers too much power has been compounded by the internet. The digital revolution has changed the dynamics of consumers and has provided them with an environment to speak more loudly about their complaints. The gain in social power brought about by the growth in technology has again challenged the authority of business, since the interactive dimensions of the technology enable the e-consumers to further increase the basis of their power on the business relationship. An article by Ward and Ostrom (2006) entitled "Complaining to the masses: the role of protest framing in customer-created complaint web sites" describes the "rhetoric" internet "tactics" used by a group of farmers to communicate their dissatisfaction and to exert power and voice (Ward and Ostrom, 2006, p. 220). Forums for internet complaining are powerful media tools because of the communication capabilities that they offer consumers (Harrison-Walker, 2001). Not surprisingly, as the number of internet users increases so does the number of "e-consumer complaints about on-line stores" (Nasir, 2004, p. 17) and while the need of individuals to display their acts of self-importance among peer groups has perhaps always been personality-driven, it has undoubtedly increased in response to the internet because of the potential for mass communication. The drive to ensure that customers are satisfied increases the influence that consumers exert on products and services and enables consumers to re-define the buyer-seller relationship and the control that they exert on suppliers. In response, what we are experiencing is a change in the relationship between buyers and sellers as the practice of management is unhealthily focused on the consumer.

Dysfunctional customers (Reynolds and Harris, 2003) have satisfied their egos by making complaints in pursuit of rewards and some consumers have become provocative because these acts of deception appear to be both calculated and conscious. Illegitimate complaints are a consequence of businesses failing to implement systems that engage knowledge management. Drucker's plea to industry to position the customer "as the business" has been, perhaps to a certain extent, in vain. First, because corporations have failed to adopt Drucker's principles on knowledge management. Second, because the modern consumer has chosen to disregard the social principles of what customer satisfaction models set out to achieve. Drucker's work highlighted the importance of knowledge management and the importance of good record keeping but businesses failed to recognize the importance of knowledge management in the technology era (Drucker, 1986). In the twenty-first century, marketing managers might well have achieved the ultimate goal of delighting their customers, but one could argue that this is primarily because the modern consumer has chosen to indulge in a

shopping experience which is sometimes apparently motivated by sheer greed, and giving the consumer what he or she wants has become costly as a result of the fraudulent behaviors some consumers have reverted to. This behavior contradicts Drucker's perspective on not knowingly creating harm (Drucker, 2001), because his work focused on the social and ethical responsibility that businesses have to consumers. While his assertion that organizations were morally responsible for setting and implementing strategies (which at least attempted to achieve this goal) was instrumental in highlighting the need and responsibility of business to "give consumers their rights", it was less insightful in predicting the corrupt social environment that over-consumption might bring.

For these reasons, we suggest that some companies have over-exerted themselves in their focus on customer care. Too much emphasis on customer satisfaction has resulted in businesses not investing the time and money that was needed to counteract cybercrime. Instead of embracing the opportunities that technology offered for knowledge management (e.g. Electronic Document Management System – EDMS and Business Process Management Systems – BPMS) corporations have ignored their own backyards. Mass customization and the need to please may have damaged the structure of management. The social climate of power has changed, leaving symptoms of social deformity and disease as consumers turn the process of aspiring to business quality into an act of self-indulgent greed. The implication for Drucker's theory of management is that his thesis is being caricatured on the premise that "the purpose of business is to create customers" (Drucker, 1954). For businesses to endorse Drucker's ideas in twenty-first century marketing they would need to embrace both the social problems that have arisen in response to mass customization and the cause and effect factors that have motivated some consumers to transform the shopping experience into an act of immoral behavior.

Consumerism requires us to re-examine buyer-seller motives at all levels of the value chain and to develop social and business frameworks that go beyond the notion of the *primum non nocere* (Drucker, 2001, p. 65) to the notion of creating a civic community (Drucker, 1999). Marketing practitioners, marketing academics and consumers need to help re-dress the balance of power in the marketplace so as to advance the integrity of business and marketing.

### Conclusion

We have discussed and clarified the three definitions or meanings of the word "consumerism". The original definition refers to manipulative advertising and marketing practices to entice consumers to buy and consume more (Packard, 1957). The second definition refers to the consumer movements to protect their rights against the excesses of marketing (Kotler, 1972). The third definition refers to consumerism as a consumer ideology, which suggests that happiness and wellbeing can be achieved through suitable consumption (Murphy, 2000). Drucker's work (Drucker, 1954, 1977, 1978, 1980, 1986, 1988, 1989, 1993, 1999, 2001, 2002) has provided an insightful conceptual framework for management since his first publication. His philosophy "the customer is the business" revolutionized the shopping experience for consumers because it required companies to think about the way they maximized both service and product value by enacting an environment which focused on delighting their customers. The fact of aspiring to achieve satisfaction required management to think

more carefully about the way service impacts on profit (Heskitt *et al.*, 1997) and the corrective actions that organizations need to implement should quality problems arise. In response to Drucker's assertions, consumers have become powerful influencers in business-consumer relations. Achieving this objective was important because Drucker believed passionately that building good relationships with customers was paramount to business success.

While Drucker's emphasis on customer knowledge and relationship cultivation was originally deemed to be insightful, this has been criticized in recent years because of the social problems that appear to be emerging in response to consumerism and the growth of e-technology. The new e-marketing environment has not only expanded choice but has empowered consumers giving them both flexibility and mobility (Thompson, 2003). The second definition has perhaps achieved what it set out to do i.e. "augment the rights and powers of buyers in relation to sellers" (Kotler, 1972, p. 49). But equally one could argue that the third definition has produced over-consumption, with detrimental consequences on society. The new "visibility", "voice" and "power" (Rezabakhsh *et al.*, 2006) exerted by on-line shopping have engineered a social environment whereby consumers are over-exerting their authority on business. Too much emphasis on the cliché the "customer is always right" has increased the opportunity for some customers to be morally irresponsible. This is demonstrated by the number of illegitimate complaints and the unethical practices that appear to be occurring in the marketplace. In short, the growth of consumerism has led to the over-use of marketing. The acts of deception that appear to be ingrained in the motives of some consumers lead us to suggest that such consumers may have themselves to blame for some of the practices of marketers that some deem unethical.

If illegitimate complaints are to become the new motive for shopping, then clearly the customer is no longer always right (Sorell, 1994, p. 913) and neither is the customer king. Twenty-first century consumerism commands that managers re-think the way they manage and market quality so as to ensure that consumers enact behavior, which demonstrate an appreciation of the customer-orientated value systems achieved in part by the demands of consumer groups. A new dimension must be added to Heskitt *et al.*'s (1997) service profit framework so that it encapsulates the consequences of not only satisfaction, loyalty and profitability, but also service motive. If business can achieve this, it will have abetted against the carcinogenic growth described by Drucker (2001, p. 66) by turning "a social problem into a business opportunity and economic benefit, into productive capacity, into human competence, into well-paid jobs, and into wealth".

The balance of power between businesses and consumers must revert to a status of equilibrium, encompassing a heightened level of social responsibility, which integrates government, business and consumers. This means that there should be a healthy balance, which reflects a more harmonic coexistence of the different actors in the marketplace: government, businesses, consumers, workers, NGOs, and the community or society at large. We believe that the key to achieve this balance is by reference to individual human beings assuming a heightened level of responsibility, accountability and citizenship.

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