2-2016

Conceptualisations of the Consumer in Marketing Thought

Ann-Marie Kennedy
Gene R. Laczniak

Follow this and additional works at: https://epublications.marquette.edu/market_fac

Part of the Marketing Commons
Conceptualisations of the Consumer in Marketing Thought

Ann-Marie Kennedy
Department of Marketing, Advertising, Retail and Sales, University of Technology, Auckland, New Zealand

Gene R. Laczniak
Graduate School of Management, Marquette University, Milwaukee, WI, USA

Abstract

Purpose
This paper seeks to gain an understanding of how different consumer conceptualisations in marketing may lead to negative outcomes. Every profession has its grand vision. The guiding vision for most marketing professionals is customer orientation. Of course, reality is more complex and nuanced than a single unified vision. Organisations tout their consumer-centric marketing decisions, in that they use consumer research to make operational decisions about products, prices, distribution and the like. However, marketers’ treatment of consumers is often far from the customer’s best interests. It is proposed that by understanding the different conceptualisations of the consumer over time, we can explore their implications for putting authentic consumer-centric marketing into practise.
Design/methodology/approach
A thematic analysis of marketing thought as reflected in the marketing literature.

Findings
This review of the history of marketing thought bears out a diversity of opinions concerning the role of consumers in aiding marketing efficiency and effectiveness. Not all views of the customer are nurturing of the marketing concept nor predicated on a solicitous relationship with consumers. A demonstrable lack of consumer orientation can lead to a distrust of marketers as well as the extant marketing system. Often additional regulation of marketers and markets is a compensating result and sometimes the structure of the marketing system itself may require adjustment.

Originality/value
This paper is intended to nudge marketing academics to more thoughtfully examine the pragmatic implications of how marketing managers conceive of the typical consumer. After conducting a thematic analysis of marketing thought, a normative ethical argument is then put forward concerning why an adherence to this fragile grand vision of marketing – genuine customer concern – is important for prudential marketing and the overall health of the marketing system.

Keywords
Relationship marketing, Marketing concept, Macromarketing, Consumer conceptualisations, Marketing history

Introduction
“The consumer is visualized as being a king [...]. He is considered as being at the apex of the marketing system. He calls forth supplies of goods when he wants to do so, and inhibits the production of others that he does not want by means of [...] his expenditures in the market. He is king whom all enterprisers must please [...] (p. 87).”

– Professor William T. Kelly (1973), The Wharton School, characterising the customer is king point-of-view.

Ask most marketing professionals what constitutes the essence of Marketing and they will inevitably mention an orientation toward the customer – that is, the consumer (and/or buyer) of their product should be the strategic focal point of operations (Kane and Kelly, 1994). Authentic consumer focus, as we shall argue below, can be acclaimed as a grand vision of marketing. Authentic consumer concern is defined as what customers broadly desire and expect from marketers. Marketing philosophy, as articulated in textbooks, corporate mission statements and MBA classrooms set this expectation and, when too many consumers perceive that they are not being well served by practitioners, the effectiveness (and status quo) of the marketing approach itself is questioned (Murphy et al., 2007; Treacy and Wiersema, 1995).

What exactly is a grand vision? The grand vision of any discipline is what it drives, its core purpose, stated in its most essential form. For sociology, it is a focus upon the effect of groups; for anthropology, it is the impact of cultures. And so, for Marketing, we have consumer focus and concern as the presumptive drivers and shapers of the exchange experience. But while grand visions are neatly idealistic and compact, reality is far more challenging. In the real world, marketers have diverse conceptions of the role of consumers in their business models. Some of these conceptualisations, such as the neo-consumer sovereignty (CS) approach, contain a pathology that is damaging to the marketing system. When members of the consuming public grow cynical about marketer motivations, the climate becomes ripe for over-regulation of marketing by government which adds to the costs for ethical marketers and creates barriers for smaller firms wanting to enter the market.
The history of marketing thought clearly bears out a diversity of action concerning the role of consumer focus in aiding marketing efficiency and effectiveness (McNamara, 1972). Not all views of the customer are nurturing of the marketing concept nor predicated on a solicitous consumer orientation. Marketing, just like the rest of the professions, will always have its share of hucksters and cheats. However, insofar as marketers profess and customers expect consumer focus and concern, deviation from that grand vision can be troublesome for the well-being of the marketing system (Schnaars, 1998). A demonstrable lack of consumer orientation leads to a distrust of marketers as well as the extant marketing system. Often additional regulation of marketers and markets is a compensating result and sometimes the structure of the marketing system itself may require adjustment (Peterson, 2013). Ironically, such adjustments may prove counter-productive, especially if business forces are able to shape the actions of regulators whom they control via lobbying or other influences over the governing process (Green, 2002).

For marketers to disappoint a few consumers is to be expected in complex economies but to exploit, mislead or disrespect many clients as a matter of ideology – often partially rooted in a conceptualisation of the consumer – is a clear ethical problem, especially when sellers have professed to be consumer centric, which they almost always do as part of their mission statements (Murphy, 1999). Failed consumer orientation is a distinct transgression of understood ethical norms by marketers based on the marketing ethics literature. For example, reviewing 50 years of ethics and social marketing thought, Laczniak and Murphy (2006b) conclude that the number one normative ethical proposition for marketers should be: “Ethical marketing puts people first”. They write (at p. 159):

“[...] the marketing system is primarily to be at the service of people. Hence, this proposition strongly suggests that persons, especially consumers in a marketing transaction, should never be viewed as merely a means to a profitable end.”

In Ghoshal’s (2005) well-known article on the link between theory, ideologies and business practise, he points out that many (both good and bad) outcomes of business practise are often directly linked to the ideologies and assumptions about theories that managers are taught at universities. By undertaking a thematic analysis of marketing literature, our objective in this paper is to uncover marketers’ consumer ideologies as embodied by their conceptualisations as depicted in the marketing literature. The implications of different consumer conceptualisations for the practise of marketing are then briefly discussed. Specifically, we focus on the disconnected logic between a consumer focus “in theory” but not “in practice”. We are concerned with the ramifications of professing a grand vision of genuine consumer focus but then pursuing another conceptualisation in the marketplace. Finally, we sketch out an ethical argument for the continued centrality of genuine customer orientation and for a tracking of it in marketing scholarship.

We should also mention that while we are well aware of the technical distinctions between buyers, customers and consumers, for purposes of this article, we will normally use the terms interchangeably. We recognise that it is not usual to find circumstances where the buyer may not be the consumer of product/service or that the customer might utilise an agent to serve as purchaser. However, with respect to our general exploration of “consumer conceptualisations”, we think the terms overlap sufficiently in most cases to utilise them synonymously.

Marketing’s grand vision: genuine consumer focus

A major and enduring theme that pervades the marketing literature is to be customer centric. This view is embodied in core marketing ideas such as the marketing concept, relationship marketing (RM) and co-creation with customers. To make this point, one can revert back to the most seminal of all economic thinkers, Smith (1776) who opined:
“Consumption is the sole end and purpose of all production; and the interests of the producer ought to be attended to only insofar as it may be necessary for promoting that of the consumer, p. 625.”

And, in marketing textbooks (McCarthy, 1960), the customer for many decades has been portrayed as the literal target of all marketing operations; i.e. the iconic bulls-eye of a firm’s focus. Management theory guru Drucker (1973), stated that the purpose of a company is “to create a customer” (p. 64) and was adamant about the importance of customers to business success in all of his writings. Kotler (2003), a major synthesiser of the marketing cannon, similarly saw organisational planning as rooted in customer understanding and satisfaction.

Such connected perspectives are neatly captured in the well-known marketing concept, first popularised by McKitterick (1957), who opined:

“So the principle task of the marketing function [...] is not so much to be skilful in making the customer do what suits the interest of the business as to be skilful in conceiving [...] what suits the interests of consumers, p. 79.”

During all of the latter part of the twentieth century, the marketing concept and its various extensions such as customer relationship marketing (CRM) and consumer responsive innovation were seen in marketing thinking as “a way of business life” – an organisational approach that embodied a grand vision for the ideal practice of marketing (Udell and Laczniak, 1981).

In effect, according to such doctrine, the marketing concept serves as an implicit social contract between marketers and the consumers in the marketing system. Consumers are targeted for high satisfaction and should be seen to be [almost] “always right”. The marketers’ part of the bargain comes in the form of increased profits for adhering to this vision of consumer service. When marketers collectively are not especially consumer centric, it raises societal questions about how well intentioned the operation of the extant marketing system might be.

Over the years, the consumer movement and its advocacy for greater power were characterised as social movements by customers to address assorted failures by marketers (Kelly, 1973).

With the evolution of greater product complexity, more Internet selling and the onset of “big data” being used for marketing purposes in the twenty-first century, there is ever increasing evidence that many consumers are once again not being well served (Cukier and Mayer-Schoenberger, 2013). Indeed, while today’s marketers may be more oriented to consumer attributes and their past purchases than ever, this information is not necessarily being used for the best interests of customers – the basic aim implied by the grand vision of authentic consumer orientation.

Consider the following illustrative situations, which are at odds with authentic consumer orientation.

Marketers profess that the customer is “king” but too often the consumer is treated as a “thing”

- Marketers use “customer relationship management” (CRM) tools to drive away even clients who are relatively content with their exchanges (Kotler, 2003). For example, some banks and financial institutions formulate ABC analysis to strongly discourage the patronage of smaller “C” rated customers with lower profit-potential. Others have been fined tens of millions of dollars for transgressions against consumers such as needlessly delaying product recalls (The Associated Press, 2012) or paying bribes to get their products favourably treated (Bradsher and Buckley, 2014).
• Marketers extract valuable consumer information from their clients (which marketers can then monetise); data extraction occurs surreptitiously aided by oblique agreement forms and difficult to opt-out of procedures. Once in control of the customer information, too often marketers do not protect the data files adequately or they sell it to others who do not insure its safety, and/or they do not provide redress mechanisms for incorrect information (Walters, 2011). Most of the information gathered ends up in the hands of data aggregators, who create enhanced consumer profiles available for additional resale. This commercialisation of personal information is an outcome which most customers did not contemplate nor approve of (Laczniak and Murphy, 2006a).

• Marketers exploit megatrends such as sustainability and healthy nutrition by “greenwashing” environmental product claims or exaggerating the wellness effects of unproven items (Lauer, 2003).

Marketers acclaim product/service choice as a hallmark of the free market system but then they manipulate choice so that it does not serve customer interests

• Cable TV and satellite TV providers have the technology to customise program delivery but buyers are typically saddled with bundled tiers of channels requiring them to pay for channel services they never use. As “live sports” generate the largest cost sector of Cable/Sat-TV bills, the customer who does not care about sports programming (think of female pensioners on fixed income) have to disproportionately bear the relatively biggest burden (Flint, 2014).

• In contrast, in the airline industry, where many consumers desire an integrated package of airline services, operators have instead unbundled their offerings to the frustration of many customers – i.e. there are often separate fees for: checked bags, meals, early boarding, aisle seats, head-phones, extra-leg room and many other dimensions that are now leveraged to maximise the amount of rent extracted. In many (smaller) markets, consumers are without basic choice as to which carrier to fly (Elliot, 2013). Irish Ryan Air once even proposed selling standing room tickets to travellers as well as charging flyers a fee to use the restroom on short flights.

• In the USA, insurance companies offer an array of coverage options for healthcare services that are so convoluted that even specialised consultants admit they cannot confidently comprehend all the permutations (Garland, 2014).

Marketers extol the free market, unfettered by regulatory interference, but then, do all in their power to influence policymakers, create monopolies, quasi-monopolies or to secure favourable subsidies from government (Thiel, 2014, Open Secrets, 2015)

The Porter (1985) “Five Forces Model” of strategy, a staple of most MBA instruction, implicitly recognises this approach to enshrine competitive advantage and higher margins:

• For instance, utilities, casinos and local telecoms are granted monopolies or quasi-monopolies with a safety net assuring at least minimal profit, even while their CEOs are paid as handsomely if they assumed a maximal risk-bearing situation (Thiel, 2014).

• Special operating rules apply to local businesses, while “outsiders” face a much higher hurdle to assure their operating efficacy. Company lobbyists often write such “barriers to entry” regulations, protecting local or “favourite” businesses and thereby add to consumer costs (Surgey, 2014).

• Corporations threaten to move operations from a state or country unless tax credits, infrastructure projects helpful to business or other governmental subsidies are provided. Such practices are often a zero-sum game with “traded” company relocations equalising their lost/gained employment, but with
each move involving incremental public subsidies. Some might fairly describe such tactics as corporate blackmail or, at minimum, corporate welfare (Warren, 2014).

When situations such as these occur, sometimes pervading the strategic approach of entire industries, consumers obviously are not well served; they begin to question the fairness of the marketing system; they distrust it and they are increasingly unhappy. Not surprisingly, according to the respected American Customer Satisfaction Index (2013), airlines, cable/satellite TV providers, health insurance companies and Internet service providers – the industries used in the above examples – have the lowest customer satisfaction scores among a wide array of industries. Advocates of genuine consumer focus might expect better but, perhaps, some companies or industries simply understand consumers in a manner not consistent with marketing’s grand vision. To be sure, this possible discrepancy in consumer conceptualisations may both explain some customer exploitation as well as growing distrust of the marketing system.

Below, after some commentary on the analytical approach we follow, we begin to further sketch our argument by laying out various consumer conceptualisations apparent in marketing thought. Among the conceptualisations of consumers we find are: analytical consumers, imperfect consumers, as well as consumers who are seen as kings, partners, vulnerable persons and sovereign beings. In so doing, we discern that some consumer conceptualisations are more compatible with being authentically consumer centric than others.

The research approach
Our research method consists of a thematic analysis of marketing thought. We first accumulated key literature that reflected various conceptualisations of the consumer. Consistent with a snowball approach (Patton, 1990), this process began by consulting “The History of Marketing Thought”, the three-volume reader edited by Tadajewski and Jones (2008), as well as “Marketing Theory”, a three-volume anthology edited by Maclaran et al. (2008). Beyond those works, we reviewed the reading list articles for Hollander’s famous doctoral seminar in the history of marketing thought (Jones and Keep, 2009); the classic “History of Marketing Thought” by Bartels (1976) as well as other manuscripts reflecting on the development of marketing theories (Domegan, 2010; Hubbard et al., 2005; Jones and Shaw, 2006).

We do not claim that this is a comprehensive review of the full marketing literature. We instead have aimed at identifying those sources key to the history of marketing thought, insofar as they discuss ideologies surrounding the consumer. This hermeneutical approach seeks a fresh understanding of the latent conceptualisations of the consumer and its implications (Palmer, 1969). Thus, we acknowledge that, as is typical for such interpretive research, our subjectivity will influence the interpretation of literature that we present (Crotty, 1998, Gadamer, 1989). However, we hope that such reflection, based on the multitude of viewpoints revisited, will help uncover novel insight about how different consumer conceptualisations impact marketer perceptions and strategies (Crotty, 1998, Creswell, 2013).

Further credibility for our approach was sought by obtaining peer critique, whereby articles cited and their interpretive summaries were reviewed by three expert judges for confirmation of logical interpretations (Guba and Lincoln, 1985). Our approach does not seek to give specific managerial implications, but instead, focuses mainly on providing societal and ethical implications for marketing and other scholars based on assumptions about the consumer.

It seems appropriate for us to offer some possible limitations to our analytical approach. The consumer conceptualisations that we discuss below are not mutually exclusive. Also, we do not claim that because a source recounts a particular consumer conceptualisation that the cited writer(s) believes it above all others. We do not assert judgement on which is the “most accurate” consumer conceptualisation as seen in the marketing literature, although some resonate as more consumer-centric and buyer-friendly than others. Clearly as we shall
discuss below, we are concerned about the growing prominence of the neo-CS conceptualisation of customers and how it might lead to consumer abuse.

We should also state that our classification of consumer conceptualisations is complementary to previous renditions and that other valid conceptualisations exist (Sheth et al., 1991; Trentmann, 2005). For example, Gabriel and Lang (2008) thoughtfully explore the cultural contradictions of some classes of consumers seeming “triumphant” in a choice-laden/Internet-empowered marketplace, while others, especially those in developing countries, seem to be without good options. We do not offer our classification as “better than” others that have been previously put forward, but only constructed to be more suited for helping scholars see how the perception of consumers that is embraced can shape the manner in which customers are treated in the marketplace.

While each of our consumer conceptualisations is featured within its historical context (Gadamer, 1989), we are not implying they are restricted to certain periods of time. In fact, the conceptualisations discussed below, while having an historical flow, are temporally over-lapping. For a complete understanding of the dominant eras of each conceptualisation, we leave the final word on these matters to the marketing historians. With all that said, we begin our discussion of alternative consumer conceptualisations.

Analytical consumers: marketing’s first take
Marketing, as an academic discipline, was developed originally by institutional economists (Bartels, 1951; Dixon, 1981). At the beginning, as Dixon (2002) puts it, the consumer was seen as “rational-analytical” in their decisions to purchase. Alderson (1958) looked at the consumer as an analytical problem solver who calculates current and future utility of their purchases. Here is how Alderson viewed it in his classic book *Marketing Behavior and Executive Action* (Alderson, 1957): “One of the basic doctrines to be expounded here is that rational problem solving is a key aspect of consumer behaviour,” p. 164. Bartels’ (1976) categorisation of approaches to marketing (circa 1910-1920) also suggests consumers as predominantly *economic men*. Bartels (1976) writes of this era, “[…] analyses of the consumer tended to explain his operation as an economic unit in the market rather than a consuming unit in the market […]” (p. 14).

Webster (1988), in discussing the historical development of the marketing concept, emphasises the view that, up to the 1950s, marketing really equated with “selling” and that business strategy was product *push* rather than customer *pull*; the consumer was perceived as an analytical decision-maker, whose focus on utility allowed them to assess product-price trade-offs and the inevitable cost-benefit analysis of choice (Harris, 2007).

Observation #1: The historical “analytical consumer” view is quite different than marketing’s later (post-1950s) espoused grand vision of genuine consumer orientation because, according to the economic man perspective, analytical consumers are already looking out for their own interests and do not need significant help from marketers.

Consumer as king I: imperfect consumers
The *imperfect consumer* conceptualisation presents an alternative view of the consumer as being “imperfect” in their decision-making abilities, sometimes succumbing to irrational motivations. For example, Katona (1953) strongly questioned the analytical man concept. He stated that to be a rational decision-maker, one must have *full information* and knowledge of future conditions; complete *ability to execute* those decisions with regard resources and access to exchange; and *pure competition* where a single entity does not materially affect price. Instead, Katona saw consumers using partial information, having limited choice sets and building on previous experience to make decisions rather than re-evaluating every purchase decision anew (Katona,
Most of the time, assorted decision-making shortcuts are used resulting in consumers not getting the most efficient purchase choice from them.

Motivation research evolved to uncover expressed, hidden and unconscious motives of consumer purchasing behaviour. Britt (1960) underscored the term “the consumer is king” (p. 36), from such a novel perspective: because there were so many product options for consumers, it was vital to understand the different reasons why they chose the brands as they did. Dichter (1955) opined that the marketer could not afford to view the consumer as purely rational. However, with detailed observation and crafted studies of consumption, a pattern of behaviour might be identified which could then be used to explain and predict consumer choices (Dichter, 1955).

This conceptualisation of consumers is very different than the “analytical consumer” model. By understanding consumption practices – whether rational or irrational – marketers became an aggregator of multiple consumer motivations about why products might be purchased (Britt, 1960).

Observation #2: The “imperfect consumer” conceptualisation of the customer focus (described above) is quite distinct from a genuine consumer focus because it is grounded in the largely instrumental notion that “to understand the consumers psychologically” culminates in more efficient consumer transactions for marketers. Thus, this “imperfect consumer” approach represents only a weak version of the “customer is king” approach because it is selfishly geared, using psychology to match what sellers already have available.

Consumer as king II: genuine customer focus

This second iteration of the consumer as king orientation expanded further the customer’s complex decision-making abilities and influences. Scholars such as Keith (1960) embraced the “customer as king” adage as translating to authentic consumer focus. He wrote:

“[...] the consumer, the man or woman who buys the product, is at the absolute dead center of the business universe. Companies revolve around the consumer, not the other way around, p. 35.”

*This view is in clear contrast to the customer being a grateful recipient of business offerings, as implied in the previous two conceptualisations.*

Some prominent practitioners also espoused this view. For example, F.J. Borch, the CEO of General Electric, argued that enlightened businessmen should have been following a customer orientation from the beginning. Borch (1958) remarked in an address to the American Marketing Association:

“[...] we feel that marketing is a fundamental business philosophy [...] Under marketing, the customer becomes the fulcrum, the pivot point about which the business moves in operating for the balanced best interests of all concerned.”

By doing this, he contended that business gains customer’s preferences through meaningful *interactions* with consumers. Drucker’s (1954) analysis is similar: an organisation creates their own customers and that happens through marketing when firms are able to “convert latent demand into effective demand”. Levitt (1960) referred to “buying customers” as he urged the marketer to create products that consumers truly wanted. Together these views began to coalesce into a marketing *philosophy* of authentic customer orientation rather than a disaggregated set of marketing *functions* that only helped to sell products.

Advancing behavioural sciences now gave the marketing discipline the impetus to start studying why consumers responded to marketing efforts instead of only using descriptions of who responded (Myers et al., 1980; Converse et al., 1958; Karesh, 1995). Practitioners acknowledged that consumers were less predictable than had previously been thought (Green, 1952). This realisation became the foundation for authentic consumer
orientation as the grand vision of marketing including research about actual consuming behaviour (Newman, 1955).

McCarthy (1960) noted that firms sought to satisfy consumers while meeting their own objectives for profit by placing the customer as the “bulls-eye” for all marketing efforts. Relationship Marketing (RM), a somewhat more recent manifestation of the marketing concept, can also be said to follow such a genuine consumer orientation; RM is defined as looking at long-term relationships for mutual benefits and profit through exchange (Grönroos, 1994; Ravald and Grönroos, 1996). With RM, customer orientation was now extended throughout the on-going buyer-seller consumption cycle (O’Malley and Tynan, 2000; Leahy, 2011). One thing to note here is that only profitable customers are considered as meriting such special treatment (Tadajewski and Saren, 2009). Therefore:

Observation #3: Profitable customers are always to have their preferences met and are to be treated as “kings” with an authentic customer orientation (Ivey, 1926; Nystrom, 1936; Leigh, 1921; Kelly, 1973; Hollander, 1986).

Consumers as persons
An early view of the consumer as still a more complex being can be seen in the work of Kyrk (1923), who wrote on product consumption, beyond simply product purchase. As Kyrk (1923) outlined, the traditional view of an economic, analytical purchaser was far from the complicated human consumption that actually occurred. She did not agree that consumers were passive actors in the market system and was concerned with the complete psychological process by which a person made active buying choices. That process might be guided by total personhood, including the goods used to express consumer identity.

Thinking along similar lines, Levy (1959) extensively developed this conceptualisation of “consumers as persons” and acknowledged the buyer as a thinking and dynamic being, able to interpret their environment and use consumption patterns to shape identity (Bartels, 1988). Levy was concerned with the reasons behind every non-necessary purchase including the deeper meanings of consumer rituals. He postulated that consumer identity was sculpted through the symbolic attributions of products purchased (Levy, 1981).

Gardner and Levy (1955) extended this to look at consumers as complex persons whose decision-making could include likes/dislikes, attitudes/motivations and also one’s life experiences. It is in a symbolic context where consumers are most seen as human persons with their own biases, idiosyncrasies and “meaning creation” affecting consumption (Levy, 1959, 1974).

Observation #4: The “consumer as person” conceptualisation in marketing thought is perfectly consistent with marketing’s grand vision of consumer orientation as its central focus. The “consumer as person” perspective appropriately broadens the human dimensions of customers that marketers may address as they pursue the mutually beneficial grand vision of consumer focus and its satisfaction of buyer needs.

Consumer as partner in exchange
The idea of marketing as a social process, where exchange of complex value occurs, introduces the conceptualisation of a consumer as a full partner in exchange (Kotler and Levy, 1969). The Exchange School, as it is characterised by some (Shaw and Jones, 2005), considers marketing as creating a forum of exchange which focuses on the social influences and parties to that exchange. Exchange is expanded beyond just the transaction of goods for money, to include the whole social process (Shaw, 1995) including the unique psychological value to each party. Considering Kotler’s requirements for exchange – i.e. two parties, each with something of value, communicating honestly and able to freely accept/reject the exchange (Kotler, 1972) – we can see that this
approach bends toward seeing the sentient consumer as a multifaceted human being with free will and enormous complexities.

Bagozzi (1975) further broadens the concept of exchange from that of a transactional exchange of goods for money to various intangible aspects as well. Intangible aspects specifically refer to perceived value. Power, persuasion, money and psycho-gratification are all possible vehicles of exchange for consumers.

Moorman and Rust (1999) extend the exchange perspective stating that marketing organisations offer assorted knowledge and skills to customers to interpret value as they please. Marketing functions, such as price and advertising, help determine customer value perceptions but this is of secondary importance. Building on such paradigms, the emergent services-dominant (or S-D Logic) logic outlined by Vargo and Lusch (2004) states that for all exchange, it is services that are offered. According to S-D Logic, it is skills and knowledge services that are co-created by consumers and marketers to generate distinctive value propositions, which then perhaps become the firm’s competitive advantage (Vargo and Lusch, 2008). Consumer co-creation presents a highly sophisticated view of the customer, not merely as fickle controller of preferences but a real partner. As co-creators of the market process, consumers are partly responsible for what they gain from the marketing system. Organisations can provide value propositions, but it is up to the consumer as to whether they accept them (Grönroos, 2006).

Observation #5: Much of current marketing thinking is about the co-created value exchange where the consumer is the ultimate judge of value in the consumption process. As such, the “consumer as partner” conceptualisation, especially as revealed by social exchange theory (Bagozzi, 1975) and S-D Logic (Vargo and Lusch, 2004, 2008), is extremely consistent with marketing’s grand vision of authentic consumer orientation.

Consumers as vulnerable

Some theorists also have portrayed customers as “vulnerable” persons in need of protection. Consumers can be somewhat naïve and passive, unaware of what is influencing them (von Wieser, 1914). For instance, Houston (1986) argues that marketers have misunderstood customer orientation to mean that sellers should only respond to consumer’s expressed needs and wants. He suggests that consumers are sometimes unaware of what is in their best interests. Instead, marketers and product designers are better suited to telling them or nudging them toward what they need.

This implies a view of marketers as “consumer life guides” aiding the successful use of the market system (Alderson, 1957; Wooliscroft, 2005; Davies and Elliot, 2006). Marketers could go beyond organisational goals and consider marketing’s impact on society as a whole (Arnold and Fisher, 1996; Berry, 1971). For example, a humanist societal perspective, that takes marketing’s social influence into account, was advocated by Spratlen (1970) and others.

In placing the protection of the vulnerable in its historical context, Wilkie and Moore (2003) identify consumers’ inadequate information and bad experiences in dealing with poor-quality products or misleading pricing schemes as bringing consumer vulnerability to the fore. The American Marketing Association (AMA) seemed to acknowledge this conceptualisation of “consumers as vulnerable” with the launch of The Journal of Public Policy and Marketing in 1982. A similar but more global platform was established by the Macromarketing Society with the debut of The Journal of Macromarketing in 1981. These journals provide an academic forum for research analysing larger societal questions evoked by marketing practices, including the notion of vulnerable consumers being taken advantage of by marketers.

This conceptualisation of consumers as vulnerable often has a regulatory or advocacy slant. Andreasen (1975) opined that consumers were disadvantaged due to one of three possibilities:

1. The consumer is unsophisticated or discriminated against, having little knowledge of the market.
2. The structure of the market works against consumers, such as where some consumers lack access to a variety of quality products at decent prices.

3. Consumers are taken advantage of with unethical marketing practices (e.g. unfair pricing and misleading advertising).

Ideally because many consumers are vulnerable, marketers realise their responsibilities to provide consumers with guidance; if not, perhaps regulation is required. In the USA, the professed Consumer Bill of Rights (1962), first articulated in a speech by then US President John F. Kennedy, embodies such protectionism (Wilkie and Moore, 2003). While Larsen and Lawson (2013a) state that these consumer rights suggest a growingly analytical consumer, we submit that, it is also a conceptualisation consistent with vulnerable consumers needing protection and/or guidance (Lavidge, 1970; Kotler and Zaltman, 1971).

Observation #6: One major upshot of the “consumer as vulnerable” conceptualisation is it does not oppose the grand vision of consumer orientation as marketing’s central tenet. Indeed, the “vulnerable person” line of thinking, while sometimes overstated and paternalistic, suggests that marketers often have more information and greater insight than consumers; therefore, it is part of marketing’s responsibility to be authentically “oriented to the consumer” – i.e. to abidingly look out for the consumer’s best interests.

Consumer sovereignty: a perverse “analytical customer” perspective

CS can be seen as representing a turning back toward the original “analytical consumer” model, arguably with negative implications for consumers. The CS approach stipulates an “in command” buyer perfectly capable of looking out for their interests. In such an environment, consumer regulations can be reduced or removed because customers are seen to possess the maximal information to protect their own interests (Sorell, 1994). This perspective of customers is a new and powerful re-conceptualisation of the original analytical-economic man approach and, as will be argued below, it is not particularly compatible with marketing’s grand vision of authentic consumer orientation. In its strongest forms, the CS approach is the complete antithesis to authentic consumer orientation and might be seen as extremely dangerous to consumer welfare because it portrays consumers without any need for guidance or protection (Eckhardt et al., 2012).

In Dixon’s (1992) article on CS, he outlines assumptions that marketers utilise to induce consumer purchases via the manipulation of marketing tactics. He specifically looks at the adage “the consumer is king”, and explains that this approach has, ironically, helped organisations to write off their dubious behaviour as being consumer compatible. According to the CS argumentation, if the consumer is truly a king – powerful, autonomous and informed – then any questionable purchases they make are “on them” (Dixon, 1992). Along this line, Valentin (2011) looks at the tensions between maximising customer satisfaction and shareholder value along with the injustices that can occur from that tension. He states that RM tries to circumvent the ideology of manipulating (McKenna, 1991), but that unbalanced information is still sometimes used to exploit and manipulate customers (Loveman, 2003).

Sirgy and Su (2000) discuss the claim that marketing ethics can easily accommodate CS (Smith, 1995). They reject the CS approach because they feel that it does not allow for a reasonable stakeholder orientation, especially for consumers. They further argue that it is not possible to assume an important aspect of CS – perfect competition – due to the amount of business oligopoly present in modern economies.

For consumers to be truly sovereign, they must also have a variety of choice (Hutt, 1934), as well as essential buying information. Sceptics have long argued that because of reduced competition (e.g. quasi-monopolies), true CS is increasingly less likely (Duddy and Revzen, 1953). Critics also have long proposed that, as consumer’s wants are so varied, it is difficult for organisations to actually deliver everything each consumer wants. Instead,
marketers must mostly persuade buyers that their product fulfils the consumer’s want (Vaile et al., 1952). Often, lack of customer resources and unbiased information to accurately judge persuasive arguments stymies CS (Levitt, 1983).

In this vein, Dickinson et al. (1986) argue that consumers are commonly susceptible to persuasive and misleading arguments. They see many marketers as able to manipulate or restrict buyer options as illustrated in the examples discussed earlier.

While many marketing practitioners tout CS and purport the consumer to be their king, the assumptions of the CS approach can really be seen as a means to control transactions that favour the marketer. Gabriel and Lang (1997) identify the rhetoric of “consumer as king” – the neo CS conceptualization – as masking the reality of consumer manipulation. According to this view, consumers enter a buying cycle where they are taught they have control over the marketing landscape (Bauman, 1998) but actually have to depend on marketer-created solutions to shape their self-identity (McCracken, 1998; Denegri-Knott et al., 2006). The illusion of free choice reiterates CS and shields marketers from charges of deception (Ritzer, 1999). As Gabriel and Lang (2008) put it: “[...] the consumer, far from being a god, is a pawn, in games played in invisible boardrooms,” (p. 322). Indeed, there is also a long-standing literature that is suspicious of marketer manipulations (Clark, 1989; Marcuse, 1991; Packard, 1957). With assorted marketing tricks being uncritically accepted in many business circles, some marketers foster brand mania and over-consumption as a normal part of everyday life (Ozanne and Murray, 1995).

Observation #7: From the above, one reasonable conclusion is that the CS conceptualisation can inspire marketing approaches that are not in the best interests of buyers. Thus, the CS approach might be seen as a more forceful ideological return to the earlier “analytical consumer” conceptualisation. This view is bolstered by the debatable contention of some CS advocates that expanded Internet information and a global product offering has given most buyers in developed countries all the information and purchase options they need to consistently insure their best consumption interests. CS further seems to suggest that consumers are fully armed to freely make their purchase choices and do not need regulatory protections from market outcomes. This conceptualisation, because it is predicated on economically powerful marketers being unhampered to shape a consumption process that attempts to constrain customer options, is not in harmony with the genuine consumer orientation that is marketing’s grand vision.

Discussion of consumer conceptualisations

Summing up, there are several key lessons to be gleaned from our thematic account of different consumer conceptualisations in marketing thought:

- There have been multiple consumer conceptualisations that have been developed in the literature of marketing scholarship. The time periods of their popularity and advocacy, expectedly, are overlapping.

- What we characterise as “authentic consumer orientation” is the grand vision of marketing practitioners. This perspective of dedicated consumer centeredness for marketing – as embodied in the marketing concept, relationship marketing and customer co-creation – is the genuine “customer care” narrative most marketing educators advocate in their introductory textbooks and classrooms, even if this vision is not always followed in business practice.

- The early conceptualisation of the consumer as a perfectly analytical economic man and the renewed popularity of the CS approach are not compatible with marketing’s grand narrative because they attribute a level of knowledge and autonomy to consumers that they do not usually possess; this leads to exploitation of consumers and social dysfunction.
- Consumer conceptualisations that look at customer/buyers as complete persons, exchange partners and sometimes vulnerable persons are largely compatible with authentic consumer orientation because marketers are seen to function as helpers trying to aid consumers in making good choices.

- The particular consumer conceptualisation assumed by practitioners as they engage customers has important micro-operational and macro-systemic implications. This may well explain why consumer satisfaction ratings in various business sectors are low and why trust in the marketing system has eroded.

- The renewed popularity of the CS approach, as we conclude below, is a direct challenge to marketing’s grand narrative of authentic customer focus as the essence of aspirational marketing philosophy.

An ethical comment on the CS approach

If one deconstructs the logic and literature embedded in the newly ascendant CS approach to customer orientation, it might help explain why consumers are often treated so badly, including, as in the earlier discussed examples regarding airlines, cable/satellite TV and medical insurance. Because sovereign buyers are seen as fully informed and perfectly capable of looking out for themselves in nearly any and all transactions, the CS approach does catastrophic damage to marketing’s grand narrative of authentic consumer orientation. The CS implication is that if consumers suffer dysfunction from a market exchange, this is unfortunate, but it is also the product of a transaction that the ever-sovereign consumer entered into “eyes wide open” and thus, for which the marketer is not responsible.

A major and recent case-in-point of such thinking is the US housing price bubble that triggered the financial crisis of 2007-2008. Some analysts simply pinned the blame for the housing crash on greedy consumers seduced by cheap loans to buy more luxurious homes than they could afford (see minority report of FCIC 2011). In contrast, Redmond (2013), consistent with the majority of the US Congressional FCIC report, lays out a much more complex set of causes for market failure and its impact on US housing prices. According to the Redmond Analysis (2013), the line-up of market actors willing to exploit supposedly sovereign consumers buying houses is quite long, and lender self-interest is anything but consumer friendly. Prominent among the excuses of lenders, no matter the level of information fog in the marketplace, is that sovereign consumers are always responsible for their purchase decisions.

Some commentators might even argue that the CS approach masks a marketer desire for license to exploit consumer weakness. For example, Varey (2013) calls for a fundamental change in how marketers should be allowed to operate in the future. Inspired by a sociological critique of marketing (Zuboff and Maxmim, 2003), Varey sees too many marketers acting in an adversarial role to consumers and operating under a faux orientation that is a “disservice to consumers” because marketers try to take advantage of customer weaknesses. Varey (2013), quotes Zuboff and Maxmim with approval (at p. 360), and notes:

“Advertising and public relations firms extol the primacy of the end consumer precisely because the opposite is true. The relationship between producers and end consumers has more typically been characterised by distain and conflict. If the current wave of platitudes about consumer service and satisfaction were true, then the frustration, stress and anxiety that are the transaction crises [for consumers] would have long ago disappeared. Instead, they are growing with each passing year.”

Varey sees twentieth century relationship marketing, which would exemplify the grand narrative of marketing educators, as being replaced by a twenty-first century “transactional economics” that too regularly uses consumers as merely a means to maximise shareholder value. To forestall this unfortunate megatrend of consumer disservice, institutional intervention by regulators is likely required.
Of course, the ascendance of the CS conceptualisation and its negative impact on customers begs the question of how this occurs. Should not the prevailing counter-force of consumer advocacy offset the bad treatment of buyers by marketers? We postulate that part of the reason for the growth of the CS approach lies in an increased power of corporations and the favour that they have cultivated with government regulators. Utilising a brand of “crony capitalism” (Salter, 2014), and vitalised by their lobbying and influence peddling, government representatives and corporate interests have colluded to create increasingly business friendly policies that shield corporations from close scrutiny. While lobbying has long been part of the commercial landscape (Mack, 1989), the explosion in the level of money and in the number of lobbyists has reached unprecedented proportions in recent years (Fang, 2015), with most of it coming from the business-seller not consumer side of the equation. Often, previously available forms of recourse to consumers are now sent to mandatory arbitration by panels staffed with memberships favourable for business (Clark, 2014; Schwartz, 2014). These complex issues surrounding the enormity of corporate monies flowing into politics and attenuating consumer rights augurs its own essay. The return on investment for such patronage behaviour by marketing firms can be, astoundingly, up to 22,000 per cent (Alexander et al., 2009).

Ethical implications of failed consumer orientation

While a failure to follow professed consumer orientation has implications for the individual firm and their customers, there are also marketing system effects. Of course, at the micro-firm level, consumers can complain, take their business elsewhere or adjust their (sometimes limited) consumption behaviours, among other strategies. But when the lack of consumer orientation is industry-wide or supported by non-responsive public policy as discussed above, individual consumers are left with few options. As shown in the earlier examples drawn from cable/satellite TV, airlines and the financial services sector, consumers are often without apparent options to rectify bad treatment by marketers. Moreover, once a service is purchased, such as an auto-lease, pay-TV contract or insurance policy, the consumer is at the mercy of the seller. When prolonged marketer-consumer friction occurs, one significant outcome is a loss in trust by consumers in the overall macromarketing system. Such declining trust can have a number of system-wide effects that are negative including:

- greater consumer scepticism of all marketers even those who are genuinely consumer oriented;
- increased regulation of industries, imposing costs on both unethical and ethical operators;
- significant buying restrictions on products and services that are perfectly legal; and
- additional transaction costs for both buyers and sellers – as buyers must incur additional due diligence payments as a result of consumer disillusionment and sellers must bear increased promotional budgets to assure the integrity of promises made to customers.

This is why a genuine consumer orientation can be the first line of defence against dubious marketing practices, with marketing’s grand vision enhancing rather than eroding marketer trust. Murphy et al. (2007) reviewing the corpus of marketing literature on RM, conclude that the core virtue required for successful RM is trust. They observe: “Trust is widely regarded as being an essential element for exchanges moving from a transaction-base to a relationship base” (p. 45). Trust, they postulate, is strengthened through dialogue, collaboration and partnership between marketers and consumers. Approaches by marketers which debase customer welfare, even as marketing philosophy promises consumer orientation, erode buyer confidence in the total marketing system. As affirmed in reviewing the history of marketing’s corporate social responsibility, Murphy et al. (2013) conclude that integrity – the keeping of promises to consumers – is another central tenet of responsible behaviour and essential to systemic trust of marketers. Authentic consumer concern is postulated to be the marketing philosophy that best fosters that integrity.
Marketing’s grand vision of consumer orientation can be found deeply woven into a fabric of necessary marketing trust. For example, the AMA Code of Ethics (2004), as its second general norm, reminds marketing practitioners to “foster trust in the marketing system”. Significantly, the full elaboration of the second norm for ethical marketing reads as follows:

“This means that products are appropriate for their intended and promoted use. It requires that communications about goods and services are not intentionally misleading or deceptive. It suggests building relationships that provide for the equitable adjustment and/or redress of consumer grievances. It implies striving for good faith and fair dealing so as to contribute to the efficacy of the exchange process.”

This norm resounds like a stinging rebuke of the CS conception and a clarion endorsement of the genuine consumer focus that is professed as the grand narrative of marketing. It applies to all marketers, in part, because a wide-scale failure of system trust can degrade all marketing exchanges (Mittlestaedt et al., 2006).

To this end, one might postulate that whether the grand narrative of the marketing discipline is being generally adhered to should be tracked and analysed. Without question, trust in markets and marketers can be badly damaged. In the wake of the 2007-2008 financial meltdowns and the subsequent Great Recession, a special issue of the Harvard Business Review (Bennis and O’Toole, 2009) contended that “job one” for American business was to restore trust. Similarly, a BusinessWeek (2009) “Special Report” during that same time period stated that “in a tough year”, the rebuilding of waning consumer confidence might best be achieved by “extreme customer service” – i.e. a return to an authentic customer orientation. As the housing market collapsed, employment opportunities disappeared and personal wealth shrunk, few consumers in the USA or Western Europe could contend that the professed marketing concept of customer-centeredness had protected them. Market trust, the foundation of a healthy marketing system, had been shredded by a deficit of genuine customer focus.

In conclusion, based on our demarcation of genuine consumer focus as marketing’s grand vision, along with our discussion of assorted customer conceptualisations reflected in the history of marketing thought, we challenge marketing scholars to include greater commentary on whether authentic consumer orientation is being followed in the sundry market situations that they research and investigate. Concurrently, genuine customer focus, the grand vision of marketing, needs to be more forcefully reiterated in business classrooms as central to marketing philosophy and inherent to ethical marketing practice. Some alternative conceptualizations of the consumer, such as the neo-CS approach, contain hidden costs to society and possible disruptions for the marketing system, as we have argued above. We also believe that the refinement of an informal scorecard – a genuine consumer orientation index – could provide a helpful longitudinal indicator of whether marketing’s most universal promise to consumers – its grand vision – is being kept, and whether market trust, so essential to a healthy marketing eco-system, is either waxing or waning.

About the authors
Ann-Marie Kennedy is a Senior Lecturer at Auckland University of Technology with an interest in marketing history, macromarketing and marketing ethics. She is published in the Journal of Macromarketing, Journal of Business Research and the Journal of Social Marketing. Ann-Marie Kennedy is the corresponding author and can be contacted at: akennedy@aut.ac.nz

Gene R. Laczniak is the Sanders Professor of Marketing Emeritus at Marquette University (USA). He currently serves as President of the Macromarketing Society and is co-author of Ethics in Marketing: International Cases and Perspectives (Murphy, Laczniak and Prothero, 2012).
References


Elliot, C. (2013), “An Attitude of ‘fee all that you can fee”, USA Today, 5 August, 5B.


Kelly, W.T. (1973), New Consumerism: Selected Readings, Grid Inc., Columbus, OH.


Murphy, P.E. (1999), Eighty Exemplary Ethics Statements, University of Notre Dame Press, Notre Dame, IN.


Patton, M.Q. (1990), Qualitative Evaluation and Research Methods, Sage, Beverly Hills, CA.


von Wieser, F. (1914), Social Economic, translation by A. Ford Hinrichs (1927), Adelphi, NY.


