

# Why The Marketing Cannot Discuss Its Own Ethics In The Neoliberal World? A Meta-Marketing Discussion About The Theory Of Objectivation Of The Marketing Science

Hüseyin Çağatay KARABIYIK 

Necmettin Erbakan Üniversitesi, Sosyal Bilimler Enstitüsü, İşletme ABD., Konya, Türkiye,  
[cagataykrbyk@hotmail.com](mailto:cagataykrbyk@hotmail.com)

## ARAŞTIRMA MAKALESİ/RESEARCH ARTICLE

### Article Info

#### Article History

Received: 24.05.2019

Accepted: 19.06.2019

Published: 25.11.2019

#### Keywords:

Meta-Marketing,  
Ethics of Marketing,  
Neoliberalism,  
Philosophy of Science,  
Financial Instruments.

### ABSTRACT

Science branches have a small share qualitatively and quantitatively studies on their own ethics in all of the studies in that science and it has spread over many branches of science. Formation of main ideologies such as Liberalism and Marxism, which affects the politics as well, caused the science branches such as marketing to focus on serving this system. Becoming monopoly of the capitalism and also Liberalism and Neoliberalism relevant to it has weakened the ability of these disciplines to produce alternative and as a result of this philosophical studies have decreased.

The purpose of this study is to understand the causes of the decrease of ethical studies in marketing science and determine the necessary preconditions to increase the studies again in the context of object-subject relation. As a result of the theoretical discussion, it has been determined as a prerequisite for marketing science to go beyond Neo-Liberalism as a main ideology for ethical evaluation and then to make comparisons over alternative systems. In this context, the science world of the scientist and the definitions of the wealth distribution, risk, consumption concepts made by main systems were taken into consideration. In order to embody the theoretical argument, the marketing of the derivative financial instruments produced by the Neoliberal system is exemplified. Specific ethical discussion topics and similar approaches to other branches of science that arise with this embodiment were discussed as suggestions of this study.

## INTRODUCTION

Unethical behaviours have been both produced and examined throughout history. Hence, when listening to religions, the prohibited fruit of Adam and Eve also points to unethical behaviour when the cause-and-effect context is ignored (Tsalikis and Fritzsche, 1989: 696). In other words, the discussion of the first important behaviour, even in the myths about the origin of human, is classified as unethical and at least it points out the frame of the first interpretation of a behaviour in the context of social acceptance.

Ethical issues in marketing are expressed as a less studied field in academic literature. The research on the subject pointed to about a hundred marketing ethics studies in 1981 (Hunt and Vitell, 1986: 5). However, the ethic approaches of the Hunt and Vitell's study "A General Theory of Marketing Ethics" (1986) includes the classifying ethic approach methods rather than the reasons of rare studies. Although an increase is observed for marketing ethic studies, it seems that required attention is still not given to subject desirably. Indeed, these increases have not been caused by philosophically healthy and conscious developments, but by the increase of human power and the increase in the side effects of economic activities (Koslowski, 2001: 6). On the other hand, it is important to understand that nobody can avoid the results of ethics and/or morality. Because even being neutral will cause moral results (Billington, 1993: 19).

The purpose of this study is to examine itself in the context of "why marketing science cannot make its own ethical examinations?" Indeed, it will not be possible to give the importance to these studies within the frame of marketing science, which does not understand why the ethics cannot be studied. In this context, the marketing science will be philosophically examined as an object and subject. Then, in parallel with these discussions, the marketing objects that are imposed by the Neoliberal economy to marketing science will be added to the study.

### **Ethics**

The ethics as a concept should be defined in the context of conceptual frame of this study to make the study more clear. However, despite the existence throughout history, there have always been mistakes or debates in the definition of the concept of ethics. Rousseau, for instance, stated that the Descartes' definition of "ethics" is actually definition of the "justice" (Browne, 1892: 3). The abstractness of concept of the ethics and the positive value differentiation of the ethics (such as seen between Descartes and Rousseau) can be shown as a reason for this. So, the definitions used in academic literature for ethics still continue to vary. For instance, there are definitions that have a more socialistic approach such as "the harmonization of human behaviours to the society" (Sayer, 2010: 11). On the other hand, there are definitions that focus on relationships rather than society, such as "A philosophical discipline that examines the social rules -which form the basis of individual and social relations- in the base of morality as good-bad or right-wrong" (Arıcioglu and Tutan, 2008: 48). There are also approaches that define individual bases such as thinking about the nature and causes of ethics (Taylor, 1975: 1). In a different study, ethics is discussed in a more comprehensive frame and defined as the theoretical based question of what is good-bad, what is right-wrong and what is to be done at the final phases (Bauchamp and Bowie, 1983: 3). These differences can be attributed to the fact that the concept of ethics is abstract, and therefore, philosophers as a subject seek a relatively tangible indication to understand it in the cause and effect relationship basis.

The main purpose of this study is not to bring a new definition to the concept of ethics but determine the preconditions that will lay the groundwork for ethical studies to understand why ethical studies and discussions are unsatisfying and insufficient in the marketing worldview. While the definitions in philosophy differ considerably, common characteristics in the methods of definition especially consist of two concepts: the object to be defined and the secondary object to be used as an indicator to describe the main object. In this context, it is understood that definition should be made by a comparison with an indicator that is stated by philosopher to examine practically what is marketed. The study accepts this condition "ceteris paribus" (other things being unchanged) as a natural limitation of being a human. The feeling of

comparison requirement is more normal in the marketing as a social science even when an object such as "absence" is needed for the entire understanding of concrete objects in physics. Moreover, in social sciences such as philosophy, which examine the abstract objects may be needed to be put the objects into a concrete form.

In this context, the first precondition is the necessity of leaving the science fields as a subject alone in the ethic examinations as mentioned Popper's approach (Popper, 2005: xxi). This freedom includes both the main object and the indicator object instruments for ethic examinations and choosing them, also. In other words, the object that is marketed should be chosen liberally (!) to be examined by ethics. However, more comprehensive ideological approaches such as Liberalism or Neoliberalism can change the conditions of the whole economy and politics as well. So, they determine the objects by themselves for marketing science. Accepting of "to marketing everything that is profitable" approach in marketing textbooks, confirms the approach of this study. Moreover, it is a misfortune for marketing science that there is no discussion about where and how these "everything" objects are brought into marketing science. As a matter of this fact, academic arguments in the field of economic ethics are concentrated in the frame of Neoliberalism, not marketing and similar sub-disciplines. Although it is not directly expressed, the studies about the ethics of economics that are modelled by the approach of ethical values should be adapted to Neoliberalism to solve ethical problems in marketing and other economic areas. Nevertheless, it should not be ruled out that an ethics study that is modelled into Neoliberal system cannot produce alternative systems for itself to compare. Without specifically prejudice to the correctness or the inaccuracy of this approach, marketing requires managing ethical discussions for itself as a scientific branch. As mentioned, marketing must be separated from being an object of Neoliberalism at least through ethical discussions. As marketing science as an object of Neoliberalism will not be able to choose objects neither the instruments of payment nor security instruments developed for marketed objects liberally. In this case, marketing science must first criticize the marketing objects and instruments that are given by Neoliberalism in order to do ethical discussions. This criticism reveals the negation as a second prerequisite.

The second prerequisite for the subject to be able to manage an ethical examination is the ability to negate it. Negation corresponds to a secondary object that is needed to make comparisons of a subject during the examination. This necessity has emerged from a realistic approach of the philosophy of science. Ethical evaluation is sceptical on its own, a total scepticism that the secondary object does not exist will cause suspicion simultaneously with all the theories and this is an easy but useless way (Sayer, 2010: 45). As a result, it is not possible to manage an ethical discussion with a total scepticism and zero scepticism without producing a correct alternative economic system. In this case, the examining science must use another approach as a basis for making comparisons with other approaches studied. In this context, what is needed for marketing science is an economic system that is an alternative to the economic system, which is the source of the instruments that are presented to it. Therefore, a concrete examination within the frame of Neoliberalism will only seriously impair the ability of a scientist or philosopher to produce alternative economic systems. For instance, understanding the meanings, attributed meanings in the system and appearances of the marketed objects will make possible the scientist or philosopher to separate from his/her science world, produce alternatives and be relatively neutral. It is important to explain the reason to use "relatively neutral" concept. The statement expresses one's effort to partly disassemble his/her own inner

world debate from the socially accepted values.

### **Neoliberalism**

The concept of neoliberalism is one of the phenomena tried to be characterized by different definitions like ethics. Especially the definition of Stiglitz's study "The End of Neoliberalism?" (Stiglitz, 2008) "Neoliberalism is a system that the market is self-organizing and has a fundamentalist belief about efficient resource allocation" shows the confusion about Neoliberalism. This definition indicates that Stiglitz associates the Neoliberal and Liberal "market economy" concepts (Amable, 2010: 3). In an opponent study, Neoliberalism is defined as a fake model of capitalism in which losses and profits are socialized but the moral collapse is accompanied by a financial system that abuses the middle and low-income households (Stiglitz, 2010). This tendency shows that Neoliberalism is not essentially a system that emerges from a fundamental approach but a result of an effort to overcome the negative consequences of the Liberal economy.

One of the definitions focused on the output of the system made in the base of resource and wealth allocation is one of the fundamental problems of the history of the economy made by David Harvey as "the quest for political and ideological class to change capitalist power balances" (Clarke, 2008: 136). When Harvey's definition is examined, it is seen that the rapid increase in securitization in terms of the Neoliberal economy appears to be an instrument for claiming of "sharing of wealth". As a result of this securitization process that reached to produce derivative financial instruments, securities have started to be sold within the frame of marketing policy. When radically attached to the neo-liberal worldview, the ethical examinations of these securities will be stuck in the frame of the distribution of wealth. However, in order to manage ethical examinations, it is necessary to make a new observation and conceptualization beyond the conceptualization of the system. The issues of marketing the financial instruments have to be understood to understand this point clearly.

Therefore, an explanation through circumstance has a great importance for understanding this study. When it is supposed that a bank loans USD 100 due to real estate and an amount of USD 120 is charged with interest, the fund provider will charge the interest and risks to a person and the fund provider will assume all the risks associated with the non-payment of this loan alone. However, the Neoliberal system supplies these derivative financial instruments to the households by producing 110 derivative instruments with a price of \$ 1 per share with a discount rate by saying "distributing wealth". As a result of this supply, the financial institution receives 10% interest income without waiting for the maturity date and distributes the non-payment risk of the loan to 110 persons. Then the bank will start a new business cycle with a chance to offer the loan to the household again with this USD 110.

But "distribution of risk" concept -as a reality- does not used for marketing these financial instruments. On the contrary, "distribution of wealth" is used for marketing. When distribution of wealth or share of resources should be examined in the base of distribution of economic wealth rather than risks, it actually functions to reduce the risk of households who already have large shares in wealth. In other words, the distributed slice of the cake is already high-risk part of the economy. The studies in this perspective justifiably define the Neoliberalism as wanting a new configuration of risks (Ericson et.al, 2000: 532). This misinterpretation rooted in the base of society and economic practices, contrary to neoliberal saying, will further distort the income distribution. There is also marketing science as ethically responsible because of

marketing the financial instruments without examination in the ethic basis.

There is no doubt that there are Neoliberal studies, which is frequently studied, defence on the risks that people take. Rational Human, Homoeconomicus and Invisible Hand (Smith, 2007: 349; Smith, 2013: 113) assumptions are developed to defend these kinds of criticism. These assumptions theoretically provide consistency within the system. But eventually a successful theory should be a practice at the same time (Lewin, 1952: 110). In other words, these theories would be harmonizing the Neoliberalism with practice to take the Neoliberalism from the scientific crisis. However, when considering the theoretical addition of these assumptions it is seen that these assumptions were added to the theory as a result of paradigm crisis that is mentioned in Kuhn's study "The Structure of Scientific Revolutions" (1970). Because the distributed economic phenomenon is practically a risk on the contrary of theoretically claimed as a wealth by Neo-Liberal approach. So, households have to be a homoeconomicus to turn the risks into wealth. Otherwise, the risky results will appear and it will increase the wealth disparity. In this context, the origins of Neoliberalism firstly assumed the Rational Human theory. Rational human is defined as the human model that can make the right decision with his/her own information frame (Sutherland, 2013: 2). But, the homoeconomicus concept was needed because of predicting that a theoretical human with limited information can makes irrational decisions. The concept of homoeconomicus includes a human with complete knowledge about the market together with rational decision making (Şeniğne, 2011: 5). The right of "laissez faire" has given to the Neoliberalism by adding the homoeconomicus concept to the theory. In this context a human model that never makes wrong decisions provides the internal consistency of the theory (Karabiyik, 2016: 60). Thus, the predicted risk was made risk-free in theory and it allows the distribution of wealth in the theoretical basis. The factors that provide this internal consistency can be defined as "a priori" that is defined by Marx (Marx, 1867: 340). These factors should be examined according to whether they are real obligatory connections (Sayer, 2010: 111). Otherwise, morality as a practice will not be able to achieved even though ethical explanations as a theory can be made. So it is important to recognize that these connections are totally theoretical. So, the risk eliminated in the theory will continue to exist in practice (as seen in the 2008 Mortgage Crisis). So, the marketing science practically accepted "Bounded Rationality Model" that was developed by Kahneman and Tversky's study (1986) by separating from the assumptions of the Neoliberal Theory to maintain marketing operations. Actually a different study field of marketing ethics appears at this point. In a way, marketing takes on executive role in consumption and purchase basis of the Neoliberal system that influences most of social structures as economy, politics, law etc. An interactive relation should be developed between main ideological systems such as Neoliberalism and disciplines such as marketing to make possible the study of disciplinal ethics. Anyway, Bounded Rationality Model shows that there will be separated fields and studies and they will make the disciplinal ethics studies necessary.

### **Consequences, Limitations and Suggestions of the Study**

The ethic examinations show that the existence of main ideological systems should not make the sub-disciplines an object to itself. On the contrary, these kinds of approaches are a necessity for the economic structure to become healthier. These sub-disciplines have to be a subject -not object! - to provide functional and healthy ethical studies. In other words, the object-subject relation between Marketing and Neoliberalism ethics studies should be considered in the context of Jean-Paul Sartre's honey-hand example: the honey as an object, in fact, stereotypes the

hand that holds it as a subject (Sartre, 2011, 750-757; Marleau-Ponty, 2010, 28-29).

On the other hand, this subjectivation should include choosing alternative systems to make the comparisons functional as well. Otherwise, the economic system is inevitable for both the theoretical and practical sense of the Eco-Spasm (Toffler, 1975). In this context, the prerequisites and consequences of this study for ethical discussions in marketing science are as follows:

- The first precondition for ethical examinations in marketing science is that the scientist who will manage the ethical assessment needs to go beyond the Neoliberal world at least during the discussion. It corresponds to the subjectivation of the sub-disciplines.
- After the first condition, it is necessary to understand the limitations of human thinking and make comparisons through alternatives and this comparison should be made starting from different definitions given to concepts. It corresponds to the negation. It is also related with the idea that there will not be moral examinations when there is not any option (Billington, 1993: 23).

If scientists consciously and systematically provide these preconditions, studies will be more effective in the ethics for both theoretically and practically.

The results of the study contain some suggestions for other sub-disciplines even the study discussed the ethics problem with the marketing limitations. These suggestions are as follows:

- First of all, the purpose of the study is not bringing a critique of Neoliberalism. The reason for making examinations within the frame of the Neoliberalism is its domination on economic system in the recent period. If scientists separate themselves from the Neoliberalism that is mentioned as a prerequisite, they will be able to recognise where the Neoliberalism is going in the macroeconomics basis. This is one of the suggestions of the study.
- There are also different sub-disciplines that have the same problems with the marketing science. This study contains a suggestion for studying ethics approaches for other sub-disciplines because of having a fundamental approach.
- Studying the ethics of marketing the financial instruments is suggested with this study through exemplification. However, it is seen as one of the rarely studied fields in the marketing science.

The study has some serious limitations because sub-disciplinary ethics is one of the rarely studied fields and it is a philosophical, abstract issue. Because of being rarely studied field, the purpose of the study was to examine fundamental concepts to provide research problems and a base to other studies. The limitations of the study are as follows:

- The study was modelled to discuss the ethics between disciplines. Therefore, it is one of the limitations of the study. If the approach is studied with another perspective, the worldview of the scientist will be consumers and/or purchasers. This perspective was ruled out in this study. However, these kinds of approaches should make the consumers a subject and the marketing an object.
- Probable specific problems of the other disciplines were ruled out in this study even if it has suggestions about the issue. But, the study still has suggestions about it because of fundamental approach as mentioned.

## REFERENCES

- Amable, Bruno (2011). "Morals and Politics in the Ideology of Neo-Liberalism", *Socio-Economic Review*, 2011:9, 3-30.
- Arıcıoğlu, M. Atilla, Aydan Tutan (2008). "Etik Etkisini Geliştirme Modeli ve Bir Uygulama", *Erciyes Üniversitesi İktisadi ve İdari Bilimler Fakültesi Dergisi*, sayı:30, 47-76.
- Beauchamp, Tom L., Norman E. Bowie (1983). *Ethical Theory and Business*, 2nd Edition, New Jersey: Prentice Hall.
- Billington, Ray (1993). *Living Philosophy. An Introduction to Moral Thought*, Second Edition, London: Routledge.
- Browne, Borden P. (1892). *The Principles of Ethics*, USA: American Book Company.
- Clarke, John (2008). "Living with/in and Without Neo-Liberalism", *European Journal of Anthropology*, 2008:51, 135-147.
- Erickson, Richard, Dean Barry and Aaron Doyle (2000). "The Moral Hazards of Neo-Liberalism: Lessons From the Private Insurance Industry", *Economy and Society*, Vol:29, 532-558.
- Hunt, Shelby D., Scott Vitell (1986). "A General Theory of Marketing Ethics", *Journal of Macromarketing*, Volume:6, Issue:1, 5-16.
- Karabıyık, Hüseyin Çağatay (2016). *Nöropazarlama Çerçevesinde Tüketici Teorisi ve Yeniden Tanımlanması Gereken Homoekonomik Kavramı*, Konya: T.C. Konya Necmettin Erbakan Üniversitesi Sosyal Bilimler Enstitüsü Yüksek Lisans Tezi.
- Koslowski, Peter (2001). "Principles of Ethical Economy", *Issues in Business Ethics* vol:17, USA: Springer Science.
- Kuhn, Thomas S. (1970). *The Structure of Scientific Revolutions*, Second Edition, Enlarged, Chicago: The University of Chicago Press.
- Lewin, Kurt (1952). *Field Theory in Social Science: Selected Theoretical Papers by Kurt Lewin*. Dorwin Cartwright Edition, London: Tavistock.
- Marleau-Ponty, Maurice (2010). *Algılanan Dünya*, 3. Baskı, İstanbul: Metis Yayınları.
- Marx, Karl (1867). *Das Kapital, Kritik der politischen Ökonomie, Erster Band*, Hamburg: Verlag von Otto Meissner.
- Popper, Karl (2005). *The Logic of Scientific Discovery*, New York: Taylor & Francis Group.
- Sartre, Jean-Paul (2011). *Varlık ve Hiçlik: Fenomenolojik Ontoloji Denemesi*, 4. Baskı, İstanbul: İthaki Yayınları.
- Sayer, Andrew (2010). *Method In Social Science. A Realist Approach*, Revised Second Edition, New York: Routledge.
- Smith, Adam (2007). *An Inquiry into the Nature and Causes of the Wealth of Nations*, Digital Edition, MetaLibri.
- Smith, Craig (2013). *Adam Smith's Political Philosophy: The invisible hand and spontaneous order*, 1. Baskı, London: Routledge
- Stiglitz, Joseph (2008). "The End of Neo-Liberalism?", Project Syndicate, <https://www.project-syndicate.org/commentary/the-end-of-neo-liberalism?barrier=accessreg>, (accessed date: 18.01.2018).

Stiglitz, Joseph (2010). "Moral Bankruptcy", Mother Jones, <http://www.motherjones.com/politics/2010/01/joseph-stiglitz-wall-street-morals/> (accessed date: 18.01.2018).

Sutherland, Stuart (2013). *Irrationality: The Enemy Within*, ed Edition, London: Printer&Martin Ltd.

Şeniğne, Billur (2011). *Rasyonalite Kavramına Deneysel ve Davranışsal İktisat Bağlamında Yeni Bir Bakış Açısı: "Nöroiktisat*, İstanbul: T.C. Marmara Üniversitesi Sosyal Bilimler Enstitüsü Doktora Tezi.

Taylor, Paul W. (1975). *Principles of Ethic: An Introduction*, 1st Edition, California: Dickenson Publishing.

Toffler, Alvin (1975). *The Eco-Spasm Report*, 3rd Edition, New York: A Bantam Book.

Tsalikis, John, David J. Fritzsche (1989). "Business Ethics: A Literature Review With a Focus on Marketing Ethics", *Journal of Business Ethics*, 8, 695-743.

Tversky Amos, Daniel Kahneman (1986). "Rational Choice and the Framing of Decisions", *The Journal of Business*, Vol: 59 No:4 Part 2, 251-278.