

INTEGRATING ECONOMIC AND SOCIAL VALUES INTO THE MARKETING CURRICULUM

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ABSTRACT

This paper presents a framework of social and economic values, which can be used to identify and evaluate society's changing interests. Alternative perspectives on the role of marketing in balancing the values of consumers, government, and business are discussed. In addition, suggestions for integrating these issues into the marketing curriculum are presented.

INTRODUCTION

Throughout American history the major thrusts of business have been upon growth in sales and profits. The pursuit and attainment of these goals, however, simultaneously produced significant costs. The existence of the self-evident costs of production and labor has rarely been disputed. Social costs, which were previously unknown or ignored, however, have received increased attention and caused considerable controversy in recent years (Hart 1997, Ginsburg and Miller 1992, Watson 1991). Producers once viewed by communities as sources of employment and tax revenue now face social responsibilities such as environmental management, equal opportunity employment, and sustainable growth.

The purpose of this paper is to describe the major issues facing the marketing discipline in the assessment of these public interests. Specifically, the paper has several objectives. First, the underlying values, which may serve as the basis for resolving conflicting interests, are discussed. Next, alternative perspectives on the business environment are examined along with several currently topical issues. Finally, suggestions for integrating economic and social goals into the marketing curriculum are provided.

ECONOMIC AND SOCIAL VALUES

Economists and consumer behaviorists implicitly assume that consumption is caused by the expectation that it will result in satisfaction. Thus, understanding the underlying dimensions of satisfaction is a necessary condition for the development of successful marketing actions.

Consumer Satisfaction

The concept of satisfaction must now include broader "social"

dimensions. Preferences and needs must also be described in terms of social interests rather than product and service attributes only. Therefore, it is important to understand the social and economic values, which may lead to a useful assessment of satisfaction.

Americans have many values in common, although different individuals and groups place different levels of importance on each value. These values are, in a sense, central to the type of economy one prefers. In the United States one of the basic economic values, for example, is the efficient allocation of resources. Implicit in that value is the notion that the mix of goods offered by the economic system should reflect the dominant will of consumers.

The addition of social dimensions to the assessment of satisfaction suggests an increasing importance of social values. The shift can possibly be explained in terms of the relationship between economic and social goals: as people become more affluent, additional goods become less important and social goals become more important. Consumers also have greater awareness of their rights, expect and have access to more information, and are better able to assess social costs.

Framework of Economic and Social Values

These sentiments emphasize that the market should be a reflection of consumers' wants and needs, and their current values. Unfortunately, market prices may fail to adequately measure current social costs and benefits, and product policy may lag changes in values. If marketers are to be responsive to combination of economic and social values they must develop methods of value assessment. Robin and Reidenbach (1987) advocate integration of these values into the marketing planning process.

Table 1 provides a list of potential economic and social issues. Each issue may have a different level of importance for each market segment and may change over time. Table 1 might serve as an organizing framework for evaluating and tracking the economic and social interests of consumers. Since these interests represent very general values, there may be market system perspectives, which help explain changes in the marketplace.

TABLE 1
Economic and Social Values

Economic Values	Social Values
Allocation of Resources	Economic and Political Freedom
Equitable Distribution of Income	Physical and Economic Safety
Economic Stability	Social Stability
Economic Growth	Cultural Development
International Economy	Equality of Opportunity
Balance of Trade	Self-fulfillment
	Environmental Maintenance

MARKET SYSTEM PERSPECTIVES

Several very different perspectives to the market system and the process of balancing economic and social goals are possible. These include (a) the societal marketing approach, (b) the free enterprise system, and (c) government intervention.

Societal Marketing

Some marketing scholars have advocated a philosophy, which requires marketers to acknowledge a social responsibility beyond profit. They argue that the well-being of society at large must be recognized in marketing decisions (Howard 1990). Organizations are being asked to become sensitive to the social costs of economic activity and to focus on objectives that are possible but sometimes less economically attractive. These views have begun to influence teaching and research activities in the marketing discipline.

The "good citizen" approach is based on the belief that social welfare like all other goals can be consciously and effectively pursued. In other words, the responsibility of organizations in society could be compared to the commitment and responsibility of any good individual citizen. As a good citizen, the organization should attempt to contribute to the well-being of the community and should not infringe upon its laws. The good citizenship idea requires new measures for evaluating marketing performance. Should the goal be to maximize satisfaction or minimize dissatisfaction? For example, should prices be raised to reduce pollution? Without the useful guide of profit maximization, decisions become difficult to reconcile and often default to legal "rules" (Metzger 1990).

The Free Enterprise System

Many authors have opposed the social responsibility aspects of the societal marketing concept. Milton Friedman (1962), for example, denounces the concern for responsibility as fundamentally subversive to a free society. He argues that there is only one social responsibility of business—to use its resources and engage in activities designed to increase its profits so long as it engages in open and free competition without deception or fraud. Gaski (1985) has argued that

although the marketing function may be able to satisfy customers at a profit, it cannot define and act in the public interest.

These perspectives suggest that free enterprise will determine the most appropriate economic activities. The social obligations of business are met simply by preserving the free market structure and by striving toward efficiency (profit maximization). Satisfaction becomes a matter of ideology in this system, varying widely from person to person. Economic and social values must be defined by market activities, and the role of marketing is simply to facilitate exchange at profit.

Government Intervention

Corporations have been encouraged to develop social responsibility programs based on legal requirements and to view social responsibility as an investment (Stroup, Newbert, Anderson 1987). Most supporters of intervention, however, agree that government regulation cannot integrate the self-interest of corporations with the demands of society in a timely manner, and therefore a combination of influences must be utilized (Hemphill 1997).

This approach looks to government for guidelines. Socially responsible behavior becomes that which cooperates with government programs, policies, and plans. The task of specifying some of the goals necessary to satisfy consumers is shared with the government. Several important questions become evident: (1) Is government qualified to evaluate the importance of particular issues? and (2) Should business be asked to bear the increased cost which results? By combining business and government, we may distort the basic elements of society which are trying to preserve. Freedom and respect for individual rights, for example, may be lost in the drive for "cooperation."

Table 2 provides an illustration of economic and social values likely to be emphasized in each perspective.

TABLE 2
Economic and Social Values Emphasized in Alternative Market Perspectives

Market Perspective	Economic Values	Social Values
Societal	Allocation of Resources Equitable Distribution of Income	Social Stability Environmental Maintenance
Free Enterprise	Economic Stability Economic Growth	Economic and Political Freedom Equality of Opportunity
Government Intervention	International Economy Balance of Trade	Physical and Economic Safety

CURRENT DIRECTIONS

Each of the philosophies described has costs and benefits. Choosing the appropriate approach or mix is very difficult. Recent examples of attempts to balance economic and social values, however, illustrate aspects of each philosophy.

Demands On Nontraditional Marketers

Non-profit organizations are feeling the effects of cutbacks in public funding for their services (e.g. the arts). Health care organizations are being challenged on such issues as rising costs, inadequacy of service, and impersonality of the medical delivery system. The underlying force for these demands is the increasing concern for more efficient use of scarce resources.

Hospitals, for example, must consider the issue of regional planning (distribution of services throughout a geographic area to several small hospitals) and specialized services which serve multiple hospitals but decrease convenience. The cost/service tradeoffs must be considered in light of consumers' preferences. Government (e.g. Medicare) has intervened with new guidelines for services, payment procedures, and eligibility requirements. The health care debate in this country will be ongoing and political solutions will be offered, much as President Clinton tried to do in his first term.

Corporate Governance Issues

Proxy resolutions are used by groups as a tool to initiate actions which can balance conflicting values. Examples include investments and trade with South Africa, Northern Ireland, advertising to children, and cigarette marketing. The purpose of these resolutions is to influence corporate policy and also to create a forum for media discussion of these issues. Companies which have recently been targets of shareholder activists include Nike, Disney, Wal-Mart, and the entire tobacco industry.

The size of the vote for or against is not the only measure of public interest resolution's influence. Voting is a catalyst aimed to arouse public opinion as well as to influence management.

Although initial response by voters may be low, interest may build due to the publicity received. The impact of the proposals on corporate policies and practices has often been difficult to measure because both sides often claim victory. Given the growth in international trade and multinational corporations, it is likely that international issues (e.g. use of child labor) will play an increasingly prominent role in the process.

CHANGES TO CURRICULA

What can marketing educators do to address these issues? The most direct means are through changes in pedagogy and course

content. Some ideas for change in these areas will be briefly discussed.

Pedagogical Approaches

Pedagogical approaches must address three key issues – increasing awareness of consumers' values, understanding changes in the importance of each value, and translating the balance of economic and social values into marketing programs. Pedagogical approaches could encompass both "passive" and "active" methods. Passive methods may work well in situations where you merely wish to create awareness of an issue. If behavior change is desired, an active method may be more effective. Table 3 shows the relationship of the methods discussed below on the active/passive continuum.

TABLE 3
Examples of Passive and Active Pedagogical Methods
Related to Pedagogical Goals

Pedagogical Goal	Examples of Passive Methods	Examples of Active Methods
To increase awareness of values	Lectures and Reading Assignments	
To increase understanding	Elective courses	Research Projects Data Analyses Exercises Marketing Plans
To translate values into programs	Seminars	Capstone or Integrative courses Cases Simulations

articles on the topics could be assigned. There will always be some current events topics in the popular media. Term papers and presentations (both group and individual) could be used to facilitate this process. For example, each student could prepare a short paper or presentation on a currently visible issue, such as the adoption of ISO 14001 (Boiral and Sala 1998).

Understanding changes in the importance of various values may require a combination of historical perspective and new observation. Projects in consumer behavior or marketing research courses could encourage students to utilize secondary sources related to consumer trends (e.g., American Demographics web site at <http://www.demographics.com>) or to collect primary data. A related exercise would require (a) the development of forecasts of future importance ratings of current values, and (b) speculation about possible new values.

A means of relating values to marketing programs is through case studies. Decisions regarding the balance of economic and social values could be developed within the context of the case situation. This approach would certainly be viable within a

"capstone" course or basic MBA marketing management course. Specialized cases could also be used in elective courses such as sales management, channels, marketing communications, and business marketing. Ethical or societal dilemmas are often present in case studies.

Business simulations are another avenue that could be used to highlight the issues under discussion. The simulation might take environmental factors into account via added costs. For example, fines could be charged for environmental problems. Proxy battles could be introduced via a variable for emergencies or disasters. Many of the available simulations contain such variables.

Course Sequencing and Content

Another approach would be to distinctly cover some of these issues in specific courses. For example, societal issues could be covered in a separate course on societal marketing or marketing ethics (perhaps a seminar). This would fit at the senior or graduate level and could cover "current issues" material now available in many journals (Powell 1998). The consumer behavior course is also a natural fit for these topics.

Alternatively, the issues could be dispersed throughout the curriculum with specific lectures devoted to societal issues. A decision about the appropriate place to cover these issues should be made before course sequencing decisions and elective requirements are set.

CONCLUSION

This paper has examined marketing's role in identifying and responding to consumers' economic and social values. Alternative means of incorporating social values into the traditional economic system were advanced. In addition, examples of recent changes in the process of identifying and responding to changing values were presented. These changes illustrate the involvement of consumers, organizations, and government.

The implications of this paper are related to the discipline at large and to marketing education. First, marketing must recognize the weaknesses of various approaches to consideration of social values. Second, marketing educators must give attention to changes which are indicative of the increased importance of social values. Finally, a framework for identifying and evaluating these values is presented as a potential tool for integrating economic and social goals into the marketing curriculum.

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