The New Age of Ethical Marketing for the 21st Century

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Abstract

The premise of this paper is that the strong trends toward ever increasing centralization in the agricultural producing sector of the United States in the 1980s will exacerbate in the middle-to-late 1990s. This, in turn, will lead to both radical changes in the consumer movement by the year 2000, and also to a completely redefined mission for the corporate marketing function as well.

Specifically, the deliberate federal policies of the 1980s which led to a "shake-out" of the small family farm units in favor of large agri-business concerns in order to reduce federal subsidies will lead, in the 1990s, to the most noted of deleterious consequences of monopolization, namely ever increasing prices and lowered quality. The authors believe that by the late 1990s the American public will perceive this state of affairs as being intolerable and it will lead them to organize "Big Consumerism", a cohesive, much strengthened version of the consumer movement of the 1980s. This movement will, among other major activities, establish consumer cooperatives as a way to control costs through the elimination of unnecessary middlemen.

In addition, this new consumerism will demand a change in the ethical standards of business behavior which, in turn, will result in a reformation in the role of the "New Marketer". This "New Marketer" function will be envisioned and practiced by incumbents as informational and educational, adhering to the highest standards of truthfulness concerning the products they are attempting to market. In this regard, the role of governmental agencies will be greatly strengthened and expanded to insure that the marketing profession lives up to these highest ethical standards and practices.

A number of studies conducted in the early 1970s motivated by the United States Congress' investigation into the economic factors causing inflation at that time, concluded that monopolization in the food industry resulted in higher prices at the retail level (Joint Economic Committee, 1977). Subsequent studies at the end of the decade confirmed these findings (Parker & Conner, 1979).
The ever increasing centralization and control of major food producing units in this country's farm belt greatly accelerated during the Reagan years. The 1980s saw the greatest wave of farm foreclosures since the great depression. These foreclosures were caused by various deliberate federal farm policies which encouraged a "shake-out" of the industry in order to curtail federal agricultural subsidies drastically (Congressional Quarterly, 1984, p. 152).

In many ways, the failure of the small farm producers to sustain their way of life economically was borne out of "too much" success. Specifically, the quintessential paradox of the twentieth century agrarian economic revolution is that the forces of modernity, in the guise of greatly improved technological progress toward fuller agricultural production, inevitably lead to surplus production of basic foodstuffs with the attendant depression of the pricing mechanism.

Prior to the 1980s—for a half century—the federal government, for a multiplicity of reasons, chose to intrude into the free market forces to prevent the inevitable consequences of such a precipitous decline in farm prices by providing generous subsidies to farm units not to exceed certain quotas and/or to take a certain percentage of farm land out of production. The public policy toward the agrarian sector of the economy was undertaken not only for altruistic reasons but for obvious political ones as well. These federal farm policies took a variety of forms (O'Rourke, 1978).

With the advent of the 1980s, this public policy began to take a discernible turn toward more conservative agrarian economic policies. The inevitable consequence of this conservative turn has been the active encouragement of the above cited "shake out" of the least productive economic units—namely the small family farm—in favor of the economies of scale advantage of large agri-business. The authors contend that this trend toward big business agrarian centralization will accelerate to the point that, by the year 2000, the idyllic small family farm will have become just as much a part of American folk lore as the horse and buggy in the day and age of the gas guzzler.

As this trend escalates, many of the ills attendant upon monopolization will be visited upon farm production. Specifically, Americans will find themselves spending a much larger percentage of their disposable income just on sustaining their food necessities. Price resistance or not, food prices will surely rise because the great monopolistic food producing cartels will be in an economic position to dictate the supply of their commodities in order to bolster the agrarian pricing mechanisms artificially. Unless there is a fundamental change in public policy, this centralization will continue unabated to the year 2000 and beyond.

The authors further contend that as a consequence of this increasing monopolization in the agrarian sector, the large food producers will place a greater emphasis upon the most cost effective means of increasing their yields, including the use of incipient technologies now being