



Are Marketers Egoists? A Typological Explication

Jayasankar Ramanathan

jayasankar@iimidr.ac.in

Biswanath Swain

biswanath@iimidr.ac.in

WP/01/016/MM

September 2016

Disclaimer

The purpose of Working Paper (WP) is to help academic community to share their research findings with professional colleagues at pre-publication stage. WPs are offered on this site by the author, in the interests of scholarship. The format (other than the cover sheet) is not standardized. Comments/questions on papers should be sent directly to the author(s). The copyright of this WP is held by the author(s) and, views/opinions/findings etc. expressed in this working paper are those of the authors and not that of IIM Indore.

Title: Are marketers egoists? Atypological explication

Authors

1. Jayasankar Ramanathan (Assistant Professor, Marketing Area, IIM Indore)
2. Biswanath Swain (Visiting Assistant Professor, Humanities and Social Sciences Area, IIM Indore)

Abstract

The purpose of this paper is to explicate the idea of egoism in the context of marketing. The idea of egoism is reviewed and contextualized into a framework for interpreting different marketer types. Marketers' potential trade-offs with consumers and competitors are examined. Four types of marketers are identified: extremely egoistic marketer, moderately egoistic marketer, moderately altruistic marketer, and extremely altruistic marketer. The framework offered in the paper is of relevance to marketers, media, and agencies rewarding marketing performance. The framework may help in assessing the ethical quotient in marketers' preferences and behaviors. Studies recognizing the pertinence of egoism in marketing are scarce and the typological framework proposed in the paper is a contribution to the marketing ethics literature. Proposing a framework to assess the ethical quotient in the preferences and behaviors of marketers using the idea of egoism is the novelty of the paper.

Keywords: Altruism, Competitor, Consumer, Egoism, Marketer

ARE MARKETERS EGOISTS? A TYPOLOGICAL EXPLICATION

Introduction

In the last few decades, the extent of customer abuse has reached new heights. This is evidenced from the increasing number of legal cases filed against marketers across different countries in the world (cf. Pride and Ferrell, 2009). Many countries (e.g. India) have laws on consumer protection (e.g. The Consumer Protection Act), have department of consumer affairs under their government, and have special courts to deal with the consumer complaints about marketers¹.

Although only some marketers may be notorious, people may generalize their behavior to other marketers. This may happen because of various reasons. At times, the court judgments that ruled against some of the marketers are carried in media². These news reports become talks of the town and create a bad panoramic view before the consumers that all the marketers are cheats. Such perceptions about marketers may also be formed by people because of their individual instances of witnessing unethical behavior. For example, when a seller projecting herself falsely as a representative of a company takes a group of consumers into her confidence, and then cheats them, the act of that seller creates a bad image of the company.

In a similar vein, Farmer (1967, p.1) mentions that “For the past 6000 years the field of marketing has been thought of as made up of fast-buck artists, con-men, wheeler-dealers, and shoddy-goods distributors.” Assael (1995, pp. 99–100) notes that “All marketers are portrayed as hawkers, con artists and cheats.” Desmond (1998, p. 173) observes that the marketers are “damned either way: in the first instance by turpitude, in the second by ineptitude.”

The preceding views suggest a claim that the common perception among people is that marketers are cheats. A possible assumption behind the claim may be that the marketers are egoistic in nature. In this paper, the merit of this assumption is examined and it is proposed that not all marketers are egoists and a marketer need not display egoistic behavior at all times. The rest of the paper is organized as follows: The implications of egoism for business as observed in prior studies are noted. The concept of egoism is reviewed and, accordingly, different types of marketers are explicated. Practical implications, contribution to marketing ethics literature, limitations, and future research directions are offered.

Implications of Egoism for Business

Researchers have examined the implications of egoism for business, where business is usually understood as an activity done for profit. Longenecker et al. (1988) posited that entrepreneurs are egoists and found empirical support. Specifically, when compared with non-entrepreneurs, Longenecker et al. (1988, p.70) reported that entrepreneurs tended to “approve of actions that maximize personal financial rewards.” Steiner and Steiner (1988), as cited in Shepard and Hartenian (1991), noted a view which suggests that the best way for businesses to achieve the common good is by their individual pursuit of self-interest and profits. Bowie (1991), however, contended that businesses that are altruists will succeed whereas those that are egoists are set to fail. Bowie (1991) argued that more a business deliberately pursues profit, chances are lesser that it achieves it. Lynch (2008) found that some of the moral justifications for businesses to be egoistic are problematic. Locke and Woiceshyn (1995) and Woiceshyn (2011) suggested that

businesses should act in their self-interest but this requires that they find out the actions essential for achieving long-term happiness and existence.

While the studies cited above focused on the implications of egoism for business in general, scarcity is observed in the marketing ethics literature on studies examining egoism in the context of marketing (see also Tsalikis and Fritzsche, 1989 for a similar observation).

The Concept of Egoism

The concept of egoism is observed to be discussed in moral philosophy literature under two notions: ethical egoism and psychological egoism. Accordingly, a brief review of definitions is presented as under.

Ethical Egoism: A Normative Principle of Egoism

Ethical egoism is broadly understood as a moral principle which lays emphasis on the self-interest of an individual. The normative nature can be inferred from the usage of the words such as 'ought', 'should', 'duty', and 'obligation' in various formulations of the principle. Several formulations of ethical egoism can be classified into two broad themes (Campbell 1972; Quinn 1974; Regis 1979, 1980; Sterba 1979): individual egoism and universal egoism.

Individual egoism is formulated in various ways. According to Nielsen (1959, p. 502), it is a view that "man *ought* always to seek his own good." Hospers (1961, p. 10) suggests that it is the doctrine that the "sole duty" of an individual is to seek his own interests "exclusively." Glasgow (1971, p. 65) defines that individual egoism refers to the "basic duty" of an individual "to produce

for himself the greatest balance of good over evil.” As per Campbell (1972, p. 249), it means that an individual “ought (morally) to do what will benefit[her] the most in any given situation.” Quinn (1974, p. 458) defines it as “Morally speaking, [an individual] ought always to act so as to maximize [her] self-interest; and any practical choice that does not affect [her] self-interest is morally indifferent (i.e., a choice [she] neither ought nor ought not to make).” Sterba (1979, pp. 92 – 93) holds it as “For every person X and every action y, X ought to do y if and only if y is in the overall self-interest of *a particular person Z*” [emphasis added]. Regis (1980, p. 61) proposes that it is a view “which holds that both that one ought to pursue one’s well-being and happiness, and that one has no unchosen moral obligation or duty to serve the interests of others.” Hunt and Vitell (1986, pp. 6 – 7) note it as “an act is “right” for an individual only if the consequences of that act for an individual are more favorable than the consequences of any other act.” Lillie (1986, p. 246) mentions it as a “duty of an individual to seek his own good, and ... that an individual ought to have no regard whatever for the good of others, except where the good of others is a means to his own good.” Hansen (1992, p. 525) observes it as the view which holds that “An act is ethical when it promotes the individual’s best long-term interests. If an action produces a greater ratio of good to evil for the individual in the long-run than any other alternative, then the action is ethical.” Smith (1993, p. 144) holds individual egoism as a view that “it is right for a person to act primarily to advance her own well-being.”

Universal egoism is formulated in different ways. Lemos (1960, pp. 540 – 541) discusses that universal egoism is an assertion of “the way *men* ought to act. The [universal] egoist contends that *all men* ought always to act so as to promote their own interests or welfare or happiness or pleasure, regardless of whether they do in fact do so” [emphasis added]. Emmons (1969, pp.

311-312) holds it as a view that “*each and every man* ought to look out for himself alone,” and “*everyone* ought to concern himself with his own welfare alone” [emphasis added]. Campbell (1972, p. 249) considers universal egoism as “the view that everyone ought (morally) to do what will benefit him the most in any given situation.” According to Williams (1973, p. 250), universal egoism means that “*everyone* ought exclusively to pursue his own interests” [emphasis added]. Cornman and Lehrer (1974, p. 444) define it as “each person ought to act to maximize his own good or well-being.” Burkholder (1974, p. 654) interprets universal egoism as “the doctrine that everyone ought to do whichever of those acts he can do, will benefit him the most in any situation.” Quinn (1974, p. 458) defines it as “Morally speaking, everyone ought always to act so as to maximize his or her self-interest; and any practical choice that does not affect one’s self-interest is morally indifferent.” Facione et al. (1978, p. 45) define universal egoism as “the view that human conduct *should be based* exclusively on self-interest.” Sterba (1979, pp. 92 – 93) holds it as “For every person X and every action y, X ought to do y if and only if y is in the *overall self-interest* of X” [emphasis added]. Hunt and Vitell (1986, p. 6) note it as a view which “holds that individuals should always try to promote their own greatest good.”

Apart from individual egoism and universal egoism, Lemos (1960, p. 541) suggests a notion of “ethical altruism”, which holds that people should act to promote both their interests and that of others and “when there is a conflict between promoting our own interests and those of others, sometimes we ought to sacrifice our own so as to promote those of others.”

Psychological Egoism: A Positive Conception of Egoism

Psychological egoism refers to a positive conception about the actual state of egoism that is inferred from human thoughts and actions. Sharp (1923, p. 86) observes that an egoist has “some kind of concern for one’s own interests, and therefore can never include the wish to injure self solely for the sake of injury.” Attlee (1928, p. 551) notes that “Egoism is constituted by the attitudes or dispositions which have as their conscious end the advantage of the personal self.” Edel (1937, p. 617) mentions that “To the egoist the ultimate justification of his acts lies in their being conducive of his personal interest.” Brunton (1956, p. 291) observes that an “Egoist’s whole aim in life is to satisfy his wants and desires” and he “can certainly give reasons and a rule for his individual acts.” Nielsen (1959, p. 502) observes that “psychological egoism is a theory about human motivation” and adds that “the psychological egoist argues that man always in fact seeks his own good.” Lemos (1960, p. 540) holds that psychological egoism refers to “the view that every time a man does something he does it in order to promote what he conceives to be his interests or welfare or happiness or pleasure.” Gert (1967, p. 505) holds that “Psychological egoism’s philosophical interest rests upon its claim that men *never* act in order to benefit others, or because they believe a certain course of action to be morally right.” An egoist, as Barnhart (1976, p. 102) notes, “is concerned to gain his happiness first and foremost” and “always watches out for himself.” McConnell (1978, p. 44) suggests psychological egoism as a view which holds that “human nature is such that no person can perform an act unless he believes that it is in his best interests.” Lillie (1986, p. 246) mentions it as a view which posits that “a human being is so made he can seek only his own good”. Reidenbach and Robin (1990, p. 652) note that “psychological egoism [is a view] which contends that everyone is psychologically programmed to behave only in their own self interest.” Bowie (1991, p. 3) observes that “Many economists seem

to believe that egoistic behavior is a universal feature of human behavior. This view is called psychological egoism and is meant to be an empirical theory of human behavior.” Frankena (1999, p. 21) explains it as a view which conceives that “each of us is always seeking his own greatest good, whether this is conceived of as pleasure, happiness, knowledge, power, self-realization, or a mixed life.” Debeljak and Krkac (2008, p. 217) discuss that it is “the phenomenon of acting in strict accordance with one’s own desires, wishes, and best interests in terms of self-preservation, or self-interest satisfaction, or preference satisfaction.”

Contrasted with the conception of psychological egoist, some researchers have suggested a notion of psychological altruist. For instance, Sisson (1910, pp. 158-159) observes that an altruist seeks to promote “other-regarding impulses” and discusses that “altruism has come to be identified with righteousness.” Barnhart (1976, p. 105) observes that an altruist “loves others but has absolutely no self-interest in so doing, not even an interest in his own pleasure or happiness.” Krebs (1991, p. 137) defines it as a state of “self-sacrifice (cost to self).” Hu and Liu (2003, p. 679) observe that “the conception of altruism is often associated with a sense of giving.” Further, Hu and Liu (2003, p.679) note that altruism is viewed from the perspective of behavior (“as an act of one person providing another person with goods or services without asking for compensation”) and intention (“as a concern for someone else’s economic bundles besides one’s own”).

As evident from the preceding discussion, the concept of egoism is either doctrinal (ethical egoism) or descriptive (psychological egoism). These notions, whether normative or positive,

however,also entail an aspect of altruism. In the next section, marketers are analyzed as egoists using the descriptive aspect of egoism and different types of marketers are explicated.

Marketers as Egoists: A Typological Explication

A positive conception of egoism assumes two kinds of preferences that people may have: self-directed preference (a preference whose content relates to the agent's own situation, but does not relate to the well-being of any other agent) and other-directed preference (its content relates to another's situation, but does not relate to the well-being of the agent herself) (Sober 1989). In the context of marketing, the agent is the marketer and the marketer has self-directed preferences and other-directed preferences. The 'other' in the other-directed preferences refers broadly to the 'market'. Market orientation is an important concept in marketing which has been found to be associated with business performance (Jaworski and Kohli, 1993; Kohli and Jaworski, 1990; Narver and Slater, 1990). Narver and Slater (1990, pp. 21-22) specified that market orientation consists of three components, viz. consumer orientation, competitor orientation, and interfunctional coordination. Consumer orientation is "the sufficient understanding of one's target buyers to be able to create superior value for them continuously." Competitor orientation "means that a [marketer] understands the short-term strengths and weaknesses and long-term capabilities and strategies of both the key current and the key potential competitors." Interfunctional coordination refers to "the coordinated utilization of company resources in creating superior value for target consumers." The concept of market orientation suggests that the other-directed entities for a marketer include consumer and competitor. Accordingly, different types of egoistic marketers are explicated keeping the other-directed entity as the consumer and

various types of egoistic marketers are explicated keeping the other-directed entity as the competitor.

Marketer versus consumer

The egoism of a human being can be seen as a bipolar continuum ranging through ideal types such as extreme egoism, moderate egoism, moderate altruism, and extreme altruism (Sober 1989). Here, the human being under focus is the marketer.

In the succeeding discussion, gain in sales (S) and its absence ($\neg S$) are used as examples of self-directed preferences. These examples are selected as they are suggestive of a particular form of egoism. “Gain in sales” is assumed as a relevant variable. But it can be replaced with any self-directed preferred state. Similarly, “addition of value” (V) for the consumer is discussed as a state about which the marketer may have a consumer-directed preference. Here, “addition of value” is assumed as a relevant variable. But there could be other such variables about which the marketer may have consumer-directed preferences.

Marketer as extreme egoist

The preference structure for the extremely egoistic marketer is shown in Figure 1. The entries in the figure denote the overall preferences that a marketer has regarding the four possible combinations. The letters (a, b, c, d) displayed as entries are meant for illustration alone. However, the order of preference ($a < b < c < d$) is to be noted.

Insert Figure 1 here

Consider that the marketer is faced with a choice between the actions represented on the main diagonal. If the choice is to add value for the consumers and gain sales ($V \& S$), or to not add value for the consumers and not gain sales ($\neg V \& \neg S$), extremely egoistic marketers will add value for consumers. In this case, adding value for the consumers is a mere association but not a cause.

Now consider that the marketer is faced with a choice between the actions represented on the anti-diagonal. This shows a case of conflict between self-interest and consumer-directed interest. Here, the marketer is considering choices between adding value for consumers and not gaining sales for oneself ($V \& \neg S$), and gaining sales for oneself while not adding value for consumers ($\neg V \& S$). An extremely egoistic marketer will choose the latter.

A near practical example can be provided. Consider that a pharmaceutical company based out of a particular country has developed a drug for curing a life-saving disease. The company had invested a sizable amount for developing the drug. The cost of producing one unit of the drug is C\$. Assume that the target segment is price inelastic and net quantity demanded (S) is fixed. No government or NGO agree to buy the drug and there is no rival drug available for curing the disease. Further, there is no reward beckoning the company in the future for selling the drug for free. No specific law or regulation on pricing is *de facto* in force. Under such circumstance, the

marketer is planning to choose one of the following prices for the drug: L\$, M\$, N\$, O\$, where $L = 3C$; $M = 1.5C$; $N = 0.5C$; $O = 0C$. The marketer stands to obtain the following sales(revenue) for the respective price options given above: 3CS\$, 1.5CS\$, 0.5CS\$, 0CS\$. The value for consumers is understood as a ratio of benefit to cost. Consumers' value is hence inversely proportional to the four price options of the marketer. In such a scenario, an extremely egoistic marketer would choose to price the drug at L\$ so that the sales gained is 3CS\$but the value added for the consumers is the least.

Marketer as moderate egoist

The moderately egoistic marketer is not an extremely egoistic marketer, as Figure 2shows:

 Insert Figure 2 here

Moderately egoistic marketers care about the value for consumers, much apart from their interest in gaining sales. The gain of sales is not everythingfor such marketers, since adding value for consumers while gaining sales for oneself (V&S) is rated more highly than gaining sales while not adding value for consumers ($\neg V \& S$).

However, when moderately egoistic marketers face the choice between the actions in the anti-diagonal, they will always prefer selfish gain in sales ($\neg V \& S$) over adding value for consumers (V& $\neg S$). Such marketers are still egoists, because they always prioritize themselves over consumers.

In the near practical example of the pharmaceuticals marketer considered earlier, a moderately egoistic marketer would choose to price the drug at $M\$$ so that the sales gained is limited to $1.5CS\$$ but the value added for the consumers is still marginal.

Marketer as moderate altruist

The preference structure of moderately altruistic marketer is shown in Figure 3.

Insert Figure 3 here

When faced with the options shown on the main diagonal, moderately altruistic marketers will prefer adding value for consumers and gaining in sales ($V\&S$) rather than not adding value for consumers and not gaining sales ($\neg V\&\neg S$). Hence, for such marketers, adding value for consumers and gaining sales happen to coincide.

However, when faced with the options on the anti-diagonal, moderately altruistic marketers prefer differently compared with the egoistic marketers. As self-sacrifice is referred as the essential condition for altruistic behavior (Krebs 1991; Sober 1989), it is assumed that altruists would prefer self-sacrifice in the anti-diagonal choice situation whereas egoists would not. Thus, moderately altruistic marketers are prepared to sacrifice their sales gain for the sake of adding value for consumers ($V\&\neg S$) compared with an option to gain sales at the cost of not adding

value for consumers ($\neg V \& S$). Clearly, marketers with such preference structure cannot be egoists.

In the near practical example of the pharmaceuticals marketer considered earlier, a moderately altruistic marketer would choose to price the drug at $N\$$ so that value added for the consumers is substantial but the sales gained happens to be a mere $0.5CS\$$.

Marketer as extreme altruist

The preference structure of extremely altruistic marketer is shown in Figure 4.

Insert Figure 4 here

The figure attests to the fact that, unlike moderately altruistic marketers who give some importance to their sales gain, extremely altruistic marketers give no importance to their sales gain.

Consider what extremely altruistic marketers do when faced with a choice between the actions shown on the main diagonal. They have to decide whether to add value for consumers and obtain sales gain ($V \& S$), or not add value for consumers and forgo sales gain ($\neg V \& \neg S$). Extremely altruistic marketers will choose the former option. They would prefer an action that brings them sales gain. But they do not make this choice because they take an interest in their sales gain. For

extremely altruistic marketers, the sales gain that results from this choice is merely an artifact and it is not a cause. Extremely altruistic marketers have a positive preference for adding value for consumers, but none for gaining sales for themselves.

In the near practical example of the pharmaceutical marketer considered earlier, an extremely altruistic marketer would choose to price the drug at 0\$ so that value added for the consumers is huge whereas there is no sales gain at 0CS\$. Indeed, this is close to what was reported to have been done by Merck & Company, the pharmaceutical firm, which invested millions of dollars to develop a drug for treating “river blindness” (which was affecting almost 18 million people) and pledged to supply the drug for free forever (cf. Brenkert 2008, pp. 83 – 84; Carroll and Buchholtz, 2006, p. 188).

In the preceding discussion, four types of marketers are explicated keeping the other-directed entity as the consumer. In the ensuing discussion, various types of marketers are explicated keeping the other-directed entity as the competitor.

Marketer versus competitor

Here, gain in market share (SMS viz. Self-market share) and its absence (\neg SMS) are used as examples of self-directed preferences for the marketer. These examples are selected as they are suggestive of a particular form of egoism. “Gain in market share” is assumed as a relevant variable. But it can be replaced with any self-directed preferred state. Similarly, “gain in market share” of the competitor (CMS viz. Competitor’s market share) is discussed as a state about which the marketer may have a competitor-directed preference. Here, “gain in market share” of

the competitor is a relevant variable. But there could be other such variables about which the marketer may have competitor-directed preferences.

Marketer as extreme egoist

The preference structure for the extremely egoistic marketer is shown in Figure 5. The entries in the figure denote the overall preferences that a marketer has regarding the four possible combinations. The letters (p, q, r, s) displayed as entries are meant for illustration alone. However, the order of preference ($p < q < r < s$) is to be noted.

Insert Figure 5 here

Consider that the marketer is faced with a choice between the actions represented on the main diagonal. If the choice is to increase competitor's market share and gain one's own market share (CMS&SMS), or to not increase competitor's market share and not gain one's own market share (\neg CMS& \neg SMS), extremely egoistic marketers will help increase competitor's market share. In this case, increasing competitor's market share is a mere association but not a cause.

Now consider that the marketer is faced with a choice between the actions represented on the anti-diagonal. This shows a case of conflict between self-interest and competitor-directed interest. Here, the marketer is considering choices between increasing market share for the competitors and not gaining market share for oneself (CMS& \neg SMS), and gaining market share

for oneself while not increasing market share for the competitors (\rightarrow CMS&SMS). An extremely egoistic marketer will choose the latter.

A near practical example can be provided. Consider that two marketers (X and Y), who are competitors, are selling mobile phones. X and Y each hold half of the market share (volume). The cost of producing one unit of mobile phone is C\$ for both X and Y. Each unit of mobile phone is sold at a price of 2C\$ by both X and Y. Assume that the products of X and Y are identical in terms of product features, and the target segment is price-sensitive. Assume that for 0.1C\$ increase (decrease) in price, the market share drops (spikes) by 4%. Suppose that X has found a new way to produce every unit of mobile phone for 0.5C\$. Further, X is aware that if she will do good to Y, Y will not reciprocate. No specific law or regulation on pricing is *de facto* in force. Under such circumstance, X is planning to choose one of the following as the revised price for the mobile phone: L\$, M\$, N\$, O\$, where $L = 0.75C\$$; $M = 1.5C\$$; $N = 2.5C\$$; $O = 3C\$$. The marketer stands to obtain the following market shares for the respective price options given above: 100%, 70%, 30%, 10%. In such a scenario, an extremely egoistic marketer would choose to price the mobile phone at L\$ so that there is enormous gain in her market share (50%) but the market share of the competitor is reduced to nothing.

Marketer as moderate egoist

The moderately egoistic marketer is not an extremely egoistic marketer, as the Figure 6 shows:

Insert Figure 6 here

Moderately egoistic marketers care about the competitor's market share, much apart from their interest in gaining their own market share. The gain of market share is not everything for such marketers, since increasing market share of competitors while gaining market share for one self (CMS&SMS) is valued more highly than gaining market share for one self while not increasing market share of competitors (\neg CMS&SMS).

However, when moderately egoistic marketers face the choice between the actions in the anti-diagonal, they will always prefer selfish gain in market share (\neg CMS&SMS) over increasing market share for the competitors (CMS& \neg SMS). Such marketers are still egoists, because they always place themselves first and competitors next.

In the near practical example of the mobile phone marketer considered earlier, a moderately egoistic marketer would choose to price the mobile phone at M\$ so that there is substantial gain in her market share (20%) but the market share of the competitor is reduced considerably (by 20%).

Marketer as moderate altruist

The preference structure of moderately altruistic marketer is shown in Figure 7.

Insert Figure 7 here

When faced with the options shown on the main diagonal, moderately altruistic marketers will prefer increasing market share of competitors and gaining market share for oneself (CMS&SMS) rather than not increasing market share for competitors and not gaining market share for oneself (\neg CMS& \neg SMS). Hence, for such marketers, increasing market share for competitors and increasing one's own market share happen to coincide.

However, when faced with the options on the anti-diagonal, moderately altruistic marketers prefer differently compared with the egoistic marketers. Since self-sacrifice is considered as the essential condition for altruistic behavior (Krebs 1991; Sober 1989), it is assumed that altruists would prefer self-sacrifice in the anti-diagonal choice situation whereas egoists would not. Thus, moderately altruistic marketers are prepared to sacrifice their gain in market share for the sake of increasing market share for competitors (CMS& \neg SMS) compared with an option to gain market share at the cost of not increasing market share for competitors (\neg CMS&SMS). Clearly, marketers with such preference structure cannot be egoists.

In the near practical example of the mobile phone marketer considered earlier, a moderately altruistic marketer would choose to price the mobile phone at N\$ so that there is substantial gain in the market share of the competitor (20%) whereas her own market share is reduced considerably (by 20%).

Marketer as extreme altruist

The preference structure of extremely altruistic marketer is shown in Figure 8.

Insert Figure 8 here

The figure attests to the fact that, unlike moderately altruistic marketers who give some importance to their gain in market share, extremely altruistic marketers give no importance to gain in their market share.

Consider what extremely altruistic marketers do when faced with a choice between the actions shown on the main diagonal. They have to decide whether to increase market share of competitors and obtain gain in market share for oneself (CMS&SMS), or not increase market share for competitors and forego gain in market share for oneself (\neg CMS& \neg SMS). Extremely altruistic marketers will choose the former option. They would prefer an action that brings them gain in market share. But they do not make this choice because they take an interest in their market share gain. For extremely altruistic marketers, the market share gain that results from this choice is an artifact and it is not a cause. Extremely altruistic marketers have a positive preference for increasing market share of competitors, but none for gaining market share for themselves.

In the near practical example of the mobile phone marketer considered earlier, an extremely altruistic marketer would choose to price the mobile phone at 0\$ so that there is huge gain in the

market share of the competitor (40%) whereas her own market share is reduced drastically (by 40%)³.

In the preceding discussion, four types of marketers are explicated keeping the other-directed entity as the competitor. It is to be noted that a marketer's preference structure may vary from one situation to another. Few marketers are egoists in every choice situation. Similarly, few marketers are altruists irrespective of the consequences. Marketers are altruists or egoists with respect to a given choice situation. Each marketer can hence be viewed as a mixture of these different preference structures. In addition, a marketer may have an extremely egoistic preference structure when the concerned other-directed entity is the competitor whereas the same marketer may be a moderately egoistic preference structure when the concerned other-directed entity is the consumer. In the ensuing section, the difference between preference and behavior of marketers is discussed.

Difference between preference and behavior of marketers

As discussed earlier, the difference between egoism and altruism is focused on whether self or the other (viz. consumer, competitor) is more important to the marketer. If it needs to be known whether a marketer has an egoistic or an altruistic preference structure, one needs to look at what she would have done in the context of an anti-diagonal choice situation. For this, a hypothetical anti-diagonal problem may be framed. For instance, what would the marketer choose if she were to either add value for consumers or obtain a sales gain? In order to ascertain this, assume that a brain surgery is performed on the marketer as a result of which she is able to clearly visualize the following scenario in very certain terms: she will be deprived of a sales gain if she adds value for

consumers, but will be appropriately awarded a sales gain if she abstains from adding value for consumers. If the marketer would choose to appropriate sales gain by abstaining from adding value for consumers, it would be clear that she has an egoistic preference structure. On the contrary, if the marketer would choose to add value for consumers and, therefore, forego a sales gain, it would be clear that she has an altruistic preference structure.

It is to be noted however that preference and behavior are two different things. For instance, if a marketer has an altruistic preference structure, it does not follow that her behavior is also an altruistic one. On some occasion, a marketer with an altruistic preference structure may be correct in thinking that the choices available are the ones in which sales gain and value addition for consumers are associated. In such a case, her behavior is egoistic. If a marketer needs to claim that her behavior is altruistic, she must sacrifice herself for the sake of others (viz. consumers, competitors). Said differently, the display of the altruistic preference should happen in an anti-diagonal choice situation.

Similarly, if a marketer is seen to engage in an apparently altruistic behavior, that does not mean that she has an altruistic preference structure. Suppose that marketer is seen to add value for consumers in some real circumstance. The marketer's preference in this case may however be egoistic. This is because the marketer may have faced the choice situation on the main diagonal in which value addition for consumers and sales gain are associated.

In sum, the preference and behavior of marketers may not be consistent but this is, however, amenable to judgment by others.

Summary

In this paper, the idea of egoism is discussed and contextualized for understanding marketers. It is explicated that marketers can be extremely egoistic, moderately egoistic, moderately altruistic, and extremely altruistic in terms of their preference and behavior. This can happen in various scenarios such as when the other directed entity is the consumer and when the other directed entity is the competitor. For instance, adding value for consumers does not make any difference for the extremely egoistic marketers whereas one's own sales gain does not make any difference for the extremely altruistic marketers. One's own sales gain is, however, more important than value addition to consumers for the moderately egoistic marketers whereas value addition for consumers is more important than the sales gain for the moderately altruistic marketers. The contrast drawn between the egoistic marketers and the altruistic marketers is located in the anti-diagonal choice situation where self-sacrifice becomes obvious.

Implications for practice

The paper has implications for marketers. The framework explicated in the paper suggests that marketers in general can be extremely egoistic, moderately egoistic, moderately altruistic, and extremely altruistic in their preferences and behaviors. Marketers can use the framework as a self-diagnosing tool to introspect on their preferences and actions. Marketers may want to avoid the extreme types discussed in the framework although they may empathize with the moderate types. The framework may help them justify their actions in terms of ethical quotient.

The paper has implications for the media who often analyze marketers' actions. The media may recognize that the preferences and behaviors of marketers can be reflective of egoism and

altruism. The interpretations of the marketers' actions will gain accuracy when the anti-diagonal choice situations are analyzed to portray marketers in one way or another.

The framework discussed in this paper may also inform agencies which felicitate marketers for their performance⁴. These agencies may wish to take note of the relevance of the framework for their selection process to award marketers.

Contribution to literature

It is observed that the literature on marketing ethics includes several studies which are focused on contextualizing the relevance of ethical doctrines such as deontology and utilitarianism for interpreting marketing phenomena. Many researchers such as Gaski (1999), Nill and Schibrowsky (2007), Schlegelmilch and Oberseder(2010), Tsalikis and Fritzsche (1989), and Whysall (2000) have surveyed the literature on marketing ethics and have made similar observations. Interestingly, few published studies are,however,focused on explicating the relevance of egoism for marketing (see Tsalikis and Fritzsche, 1989). This paper, hence,squarely contributes to the paucity noted above. Given the possible widespread perception of marketers as cheats (see Assael 1995; Desmond 1998; Farmer 1967), explication of different types of marketers using the concept of egoism gains importance and provides better resolution to understanding marketers.

Further, the paper also agrees with the literature on moral philosophy. It supports the stance that an individual might behave differently in different situations (Sober 1989). Hence, it may be inaccurate to suggest that individuals are simply either egoistic or altruistic. Rather, as

discussed in the context of marketing, egoism and altruism can be seen as two sides of the same coin with gradations in between.

Limitations and future research avenues

In this paper, different types of marketers such as egoists and altruists are explicated based on their current preference structures. Figuring out how the current preference structure of a marketer is formed is beyond the scope of this paper and can be explored in a future study. For instance, desire for a sales gain may be assumed to be rudimentary to the formation of a marketer's preference structure. However, further study is required to find out if altruistic marketers started giving acute importance to value addition for consumers because value addition was once associated with sales gain. Similarly, suppose that a marketer understands some moral imperative to be impersonal and she takes the imperative as binding both on herself and on consumers equally. The role of such moral imperatives in a marketer's preference structure is not examined in this paper and it could be explored in another study.

The preferences of marketers considered in this paper are first-order. For instance, these are concerned with whether a marketer may prefer sales gain for herself or value addition for the consumers. Marketers may also have second-order preferences. These preferences may be in terms of the very preference structures they would like to have. For instance, marketers may want to be altruists or avoid being extreme egoists. Discussion on such second-order preferences are not considered in this paper and this could be an avenue for further research.

In a real-life scenario, marketers may confront each other in terms of setting up the most effective marketing mix for their respective products. These marketers may have extremely egoistic, moderately egoistic, moderately altruistic, and extremely altruistic preference structures. Accordingly, their choices in trade-off situations with competitors and consumers would be different. Do these choices influence business profitability? Said differently, should organizations need to recruit (incentivize) marketers with egoistic preference structures, rather than those with altruistic ones or vice-versa, to improve business profitability? Future study may explore this association.

Narver and Slater (1990) reported that market orientation (customer orientation and competitor orientation) positively influences business profitability. However, is this relationship moderated by the type of the marketers discussed in this paper? This could be an area for further research.

Figures

Figure 1: Extremely egoistic marketer (consumer-directed)

		Self-directed	
		S	\neg S
Consumer-directed	V	d	a
	\neg V	d	a

Note: $a < b < c < d$

Figure 2: Moderately egoistic marketer (consumer-directed)

		Self-directed	
		S	\neg S
Consumer-directed	V	d	b
	\neg V	c	a

Note: $a < b < c < d$

Figure 3: Moderately altruistic marketer (consumer-directed)

		Self-directed	
		S	\neg S
Consumer-directed	V	d	c
	\neg V	b	a

Note: $a < b < c < d$

Figure 4: Extremely altruistic marketer (consumer-directed)

		Self-directed	
		S	\neg S
Consumer-directed	V	d	d
	\neg V	a	a

Note: $a < b < c < d$

Figure 5: Extremely egoistic marketer (competitor-directed)

		Self-directed	
		SMS	\neg SMS
Competitor-directed	CMS	s	p
	\neg CMS	s	p

Note: $p < q < r < s$

Figure 6: Moderately egoistic marketer (competitor-directed)

		Self-directed	
		SMS	\neg SMS
Competitor-directed	CMS	s	q
	\neg CMS	r	p

Note: $p < q < r < s$

Figure 7: Moderately altruistic marketer (competitor-directed)

		Self-directed	
		SMS	\neg SMS
Competitor-directed	CMS	s	r
	\neg CMS	q	p

Note: $p < q < r < s$

Figure 8: Extremely altruistic marketer (competitor-directed)

		Self-directed	
		SMS	\neg SMS
Competitor-directed	CMS	s	s
	\neg CMS	p	p

Note: $p < q < r < s$

References

1. Assael, H. (1995). *Consumer Behavior and Marketing Action*. South-Western College Publishing, Cincinnati.
2. Attlee, C. M. (1928). Egoism. *The Monist* 38(4), 549-568.
3. Barnhart, J. E. (1976). Egoism and Altruism. *The Southwestern Journal of Philosophy* 7(1), 101-110.
4. Bowie, N. E. (1991). Challenging the egoistic paradigm. *Business Ethics Quarterly* 1(1), 1-21.
5. Brunton, J. A. (1956). Egoism and Morality. *The Philosophical Quarterly* 6(25), 289-303.
6. Burkholder, L. (1974). How Not to Refute Ethical Egoism. *Canadian Journal of Philosophy* 3(4), 653-657.
7. Campbell, R. (1972). A Short Refutation of Ethical Egoism. *Canadian Journal of Philosophy* 2(2), 249 – 254.
8. Carroll, A. and Buchholtz, A. (2006). *Business and Society: Ethics and Stakeholder Management*, 6th edition. Thompson Learning, USA.
9. Cornman, J. W. and Lehrer, K. (1974). *Philosophical Problems and Arguments*. Macmillan Publication, USA.
10. Debeljak, J. and Krkac, K. (2008). “Me, myself & I”: practical egoism, selfishness, self-interest and business ethics. *Social Responsibility Journal* 4(1 – 2), 217-227.
11. Desmond, J. (1998). Marketing and Moral Indifference. In M. Parker (ed.), *Ethics and Organizations*, (pp. 173 – 196). Sage, UK.
12. Edel, A. (1937). Two Traditions in the Refutation of Egoism. *The Journal of Philosophy* 34(23), 617-628.

13. Emmons, D. (1969). Refuting the Egoist. *The Personalist* 50, 309 – 319.
14. Facione, P. A., Scherer, D. and Attig, T. (1978). *Values and Society*. Prentice Hall, USA.
15. Farmer, R. N. (1967). Would you want your daughter to marry a marketing man? *The Journal of Marketing* 31, 1-3.
16. Frankena, W. K (1999). *Ethics*. Prentice-Hall, India.
17. Gaski, J. F. (1999). Does marketing ethics really have anything to say?—A critical inventory of the literature. *Journal of Business Ethics* 18(3), 315-334.
18. Gert, B. (1967). Hobbes and Psychological Egoism. *Journal of the History of Ideas* 28(4), 503-520.
19. Glasgow, W. D. (1971). Ethical Egoism Again. *Ethics* 82(1), 65-71.
20. Hansen, R. S. (1992). A multidimensional scale for measuring business ethics: A purification and refinement. *Journal of Business Ethics* 11(7), 523-534.
21. Hospers, J. (1961). Baier and Medlin on Ethical Egoism. *Philosophical Studies* 12(1-2), 10 – 16.
22. Hu, Y. A. and Liu, D. Y. (2003). Altruism versus egoism in human behavior of mixed motives. *American Journal of Economics and Sociology* 62(4), 677-705.
23. Hunt, S. D. and Vitell, S. (1986). A general theory of marketing ethics. *Journal of Macromarketing* 6(1), 5-16.
24. Jaworski, B. J. and Kohli, A. K. (1993). Market orientation: antecedents and consequences. *Journal of Marketing* 57(3), 53-70.
25. Kohli, A. K. and Jaworski, B. J. (1990). Market orientation: the construct, research propositions, and managerial implications. *Journal of Marketing* 54(2), 1-18.

26. Krebs, D. L. (1991). Altruism and egoism: A false dichotomy? *Psychological Inquiry* 2(2), 137-139.
27. Lemos, R. M. (1960). Psychological egoism. *Philosophy and Phenomenological Research* 20(4), 540-546.
28. Lillie, W. (1986). *An Introduction to Ethics*. Allied Publishers Private Limited, India.
29. Locke, E. A. and Woiceshyn, J. (1995). Why businessmen should be honest: The argument from rational egoism. *Journal of Organizational Behavior* 16(5), 405-414.
30. Longenecker, J. G., McKinney, J. A. and Moore, C. W. (1988). Egoism and Independence: Entrepreneurial Ethics. *Organizational Dynamics* 16(3), 64-72.
31. Lynch, T. (2009). Legitimizing Market Egoism: The Availability Problem. *Journal of Business Ethics* 84(1), 89-95.
32. McConnell, T. C. (1978). The argument from psychological egoism to ethical egoism. *Australasian Journal of Philosophy* 56(1), 41-47.
33. Narver, J. C. and Slater, S. F. (1990). The effect of a market orientation on business profitability. *Journal of Marketing* 54(4), 20-35.
34. Nielsen, K. (1959). Egoism in ethics. *Philosophy and Phenomenological Research* 19(4), 502-510.
35. Nill, A. and Schibrowsky, J. A. (2007). Research on marketing ethics: A systematic review of the literature. *Journal of Macromarketing* 27(3), 256-273.
36. Pride, W. M. and Ferrell, O.C. (2009). *Marketing: Concepts and Strategies*. Biztantra, India.
37. Quinn, W. (1974). Egoism as an Ethical System. *The Journal of Philosophy* 71(14), 456-472.

38. Rand, A. (1964). The Objectivist Ethics. In A. Rand (Ed.), *The Virtue of Selfishness*, (pp. 13–35). Signet/Penguin, USA.
39. Regis, E. (1979). Ethical Egoism and Moral Responsibility. *American Philosophical Quarterly* 16(1), 45-52.
40. Regis, E. (1980). What is Ethical Egoism? *Ethics* 91(1), 50-62.
41. Reidenbach, R. E. and Robin, D. P. (1990). Toward the development of a multidimensional scale for improving evaluations of business ethics. *Journal of Business Ethics*9(8), 639-653.
42. Schlegelmilch, B. B. and Öberseder, M. (2010). Half a century of marketing ethics: Shifting perspectives and emerging trends. *Journal of Business Ethics*93(1), 1-19.
43. Sharp, F. C. (1923). Some problems in the psychology of egoism and altruism. *The Journal of Philosophy* 20(4), 85-104.
44. Shepard, J. M. and Hartenian, L. S. (1991). Egoistic and ethical orientations of university students toward work-related decisions. *Journal of Business Ethics* 10(4), 303-310.
45. Sisson, E. O. (1910). Egoism, Altruism, Catholicism. A Note on Ethical Terminology. *The Journal of Philosophy, Psychology and Scientific Methods*7(6), 158-161.
46. Smith, T. (1993). Rights, Friends, and Egoism. *The Journal of Philosophy*90(3), 144-148.
47. Sober, E. (1989). What is psychological egoism? *Behaviorism* 17(2), 89-102.
48. Steiner, G. A. and Steiner, J. F. (1988). *Business, Government, and Society*, 5th edition. Random House, USA.
49. Sterba, J. P. (1979). Ethical egoism and beyond. *Canadian Journal of Philosophy*9(1), 91-108.

50. Tsalikis, J. and Fritzsche, D. J. (1989). Business ethics: A literature review with a focus on marketing ethics. *Journal of Business Ethics*8(9), 695 – 743.
51. Whysall, P. (2000). Marketing ethics—an overview. *The Marketing Review*1(2), 175-195.
52. Williams, B. (1973). *Problem of the Self*. Cambridge University Press, USA.
53. Woiceshyn, J. (2011). A model for ethical decision making in business: Reasoning, intuition, and rational moral principles. *Journal of Business Ethics* 104(3), 311-323.

¹ For example, in India these courts are referred to as *Consumer Disputes Redressal Forum* which operate at three different levels: District (known as District Consumer Disputes Redressal Forum), State (known as State Consumer Disputes Redressal Commission), and National (known as National Consumer Disputes Redressal Commission)(sources: <http://admis.hp.nic.in/himpol/Citizen/LawLib/C066.HTM>; <http://ncdrc.nic.in/>; and http://ncdrc.nic.in/bare_acts%5C1_1_2.html; accessed on September 8, 2016).

²http://www.business-standard.com/article/finance/dipika-pallikal-wins-consumer-case-against-axis-bank-114032400993_1.html and <https://indiankanoon.org/search/?formInput=consumer%20complaint%20cases> (accessed on September 8, 2016)

³ Although self-sacrifice is taken as the essential condition for identifying an altruistic preference structure, the motivations for such a self-sacrifice may be several such as contentment, empathy, mercy etc. A question such as ‘why would any marketer do this?’ is beyond the scope of this paper.

⁴For examples of such agencies, refer: <http://contentmarketingawards.com/>; <https://www.b2bmarketing.net/en/events/awards>; <http://fortune.com/businessperson-of-the-year/> (accessed on September 8, 2016)