

Legacy of Critical Marketing in Japan: Rise and Fall of Morishita's Paradigm

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Abstract

Purpose – The purpose of this paper is to explore the historical significance of Japanese critical marketing, established by Fujiya Morishita.

Design / methodology / approach – Historical evaluation of Morishita's ideas from the points of view of current Japanese academia and critical management.

Findings – Morishita's paradigm criticized disadvantageous aspects of manufacturers' marketing by using the Marxian type of economics. His criticism had something in common with the criticism against the negative features of High Economic Growth in Japan.

Research limitation / implications – The paper implies critical marketing paradigm was developed by Morishita under a particular historical context of Japanese society. However, it lost validity as that context changed. The paper only focuses on Morishita's paradigm, such that a full understanding needs to be supplemented by wider historical research into Japanese marketing thought.

Keywords – critical marketing in Japan, Morishita's paradigm, manufacturers' marketing

Paper Type – Extended abstract of research paper

Fujiya Morishita (1913–2005), late Professor of Osaka City University and Osaka Gakuin University, was a leading scholar and founder of the critical marketing school in Japan. His approach was particularly popular from the late 1950s to the early 1970s, during the so-called Period of High Economic Growth in Japan. The Japanese economy grew rapidly despite Japan's infrastructure being in ruin following defeat in the Second World War, and during this period surpassed the GDP of many European countries (Maddison, 1995) with Japan becoming one of the wealthiest nations in the world. This process was accompanied by large-sized enterprises being rebuilt and becoming dominant on the one hand, while at the same time many laborers, consumers and students criticized the negative aspects of rapid economic growth on the other.

Morishita's paradigm was founded on three roots. First, it was a legitimate inheritor of *Haikyu* Study during the interwar period in Japan (for detail, see Usui, 1995). This stream was developed based on socio-economic problems of the distribution system. This would be the study of macromarketing from a Japanese perspective. Examples included public wholesale / retail markets proposed as public policy after the rice riots in 1918 and the problem of department stores, in which many petty traditional retailers resorted to joining the anti-department store movement, resulting in the enactment of the first regulation of department stores in 1937. Directly influenced by the Younger German Historical School (Usui, 2006), scholars of *Haikyu* Study eagerly discussed such socio-economic problems in distribution, as well as general principles and historical development of *haikyu*, which was defined as the social or interpersonal transfer of commodities.

Second, his paradigm was based on Marxian economics. As with France and a few other European countries, Marxian ideas were prestigious in Japanese society after the Second World War, basically because only the activists belonging to this faction had opposed Japanese Militarism and the Emperor System during the War despite the risk of being imprisoned, tortured or killed by the special polices. One result of this was that university students in economics and business courses usually studied Marxian economics, as well as so-called modern economics. With the frequent campus disputes at the time, Marxian economics was rather more popular than modern economics among students. In the sphere of economic theory, Morishita (e.g. 1965) was a main opponent against the famous Marxian economist, Kozo Uno ([1964] 1977) of Tokyo University, on the interpretation of the theory of "commercial capital" delineated in *Capital*, Vol. III, Part 4 (Marx [1894] 1909), and many scholars on both sides participated in the debates between Morishita and Uno.

Third, Morishita critically took in the American idea of marketing. After publishing the reports of business missions to observe management and marketing in the USA (JPC, 1956; 1957), a boom of American management and marketing thought swept the business communities and universities. In the study of management, research and education turned from the previously popular German management thought which had been widely respected before the Second World War to unprecedented acceptance of American views. While scholars of *Haikyū* had already studied both the arguments of marketing found in the USA and German Science of Commerce (Usui, 2006), focus in marketing after the War similarly shifted to American marketing management. At nearly the same time, the critical approach to management and marketing was also emerging. Critical management was more active and influential compared with critical marketing. While critical management covered a wider range of topics (SSBM, 1975) and was advocated by several leading scholars, the study of critical marketing was led mainly by Morishita. Nevertheless, Morishita eagerly studied American marketing and critically accepted it, resulting in strong influences on marketing academia in Japan. In contrast, Morishita's opponents in economics, Uno and his followers, had no interest in the topic of marketing, so they never exerted any influences on the discipline of marketing.

An essential feature of Morishita's paradigm was a narrow definition of "marketing" mainly as the activities by large-sized manufacturers that Morishita called "monopolistic capital". Thus, his definition of marketing was "policies and activities to acquire and control market by monopolistic capital" (Morishita, 1967, p. 1). The definition was not purely political, but derived as a theoretical development from economic consideration of "commercial capital (Warenhandlungskapital)" or merchants' enterprises (Morishita, 1960; 1977). Morishita defined the essential reason for merchants' existence as centralization and aggregate representation of a number of buying and selling activities by contacting many manufacturers across many sectors and by undertaking the selling and buying activities independently from the individual interests of individual manufacturers, which Morishita called the "socialization of buying and selling" (Morishita, 1972, pp. 7–8). This logic was rather vague in *Capital Vol. III, Part 4* although the distinctive functions of "commercial capital" (merchants' enterprises) was discussed. By doing this, merchants' enterprises could reduce time and costs of distribution socially, and this benefit could be shared equally by all kind of "capital" or enterprises through a rising average rate of profit across all industrial and commercial sectors through the free movement of capital across these assuming "atomic or free competitive capitalism". The stage of "monopolistic capitalism", which characterised the 20th century growing out of the "atomic or free competitive capitalism" of the 19th century, was defined by Morishita (1969, pp. 121–2, fn. 2) as applying to large-sized manufacturers with the "socialization of buying and selling" role denied to the merchants by the elimination of such merchants or by arranging *keiretsu* relationships with them (affiliate relationships organized by manufacturers with requirements of exclusive dealings, resale price maintenance, etc.). These behaviors would inevitably increase costs of distribution, but "monopolistic capital" (large-sized manufacturers) could absorb these increases by setting monopolistically high prices. It was the policy of 4Ps that could serve to ensure success of such behaviors (Morishita, 1974, pp. 66–82).

A feature of Morishita's theoretical model discussed above was that even though marketing pushed up costs of distribution, it could survive by setting high prices, which were ultimately paid by consumers. This theoretical suggestion fit the social mood at the time, for instance the anger of many consumers at high domestic prices of TVs compared with their export prices to the USA which resulted in boycott campaigns of Panasonic TVs in 1970 (Panasonic website). Another feature of his model was to assume large-sized manufacturers undertook marketing (Usui, 2008, p. 3 fn. 2). Although Morishita himself accepted that others, *e.g.*, small-sized, retail, banking (Morishita, 1969, p. 123) and even non-profit groups (Morishita, 1979a; 1979b), also undertook marketing insofar as they "technically" applied the 4Ps idea, his main focus was on large-sized manufacturers. This dimension was suitable to explain the progress of dominance in market at the time by large-sized manufacturers, who organized *keiretsu* relationships with wholesalers / retailers and spread their national brands under resale price maintenance or manufacturers' suggested prices. Furthermore, his model unexpectedly had some affinity with the narrative in the study of business history on the emergence of vertically integrated manufacturers in the USA (Porter and Livesay, 1971; Chandler, 1977). Coupled with Morishita's emphasis on marketing as "a social and historical phenomenon" (Morishita, 1968, p. 13) and his own historical analysis on American marketing (Morishita, 1959a; 1959b), this feature encouraged several historians to engage in marketing history research (Usui, 2000, p. 130; 2008, p. 2).

The power and popularity of the Morishita's paradigm declined sharply as the historical context in which it was produced transformed. Politically, Marxian economics rapidly lost favor among students during the latter half of the 1970s at the end of the season of campus strife and definitively after the Revolution in Eastern Europe in 1989. Economically, focus on the negative impacts of large-sized manufacturers' dominance was lost; with consumers enjoying the results of High Economic Growth. Instead of the critical paradigm, managerialism has dominated the marketing discipline. Nevertheless, many Faculties of Commerce or Management in Japanese universities have continued offering a unique curriculum, such that in addition to Marketing or Marketing Management they have usually offer separate programs for the study of Distribution (*Ryutsu-ron*) or Commerce (*Shogyo-gaku*), which basically explore the distribution structure from the macro point of view inheriting from the Study of *Haikyu*. Morishita's model addressing the "socialization of buying and selling" has sometimes been taught as a core theoretical model in this Study of Distribution or Commerce.

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