

A Comparison between East and West in Terms of Marketing Ethics Codes

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East and West, Past and Today are compared in terms of marketing ethics. In the study; West is represented by American Marketing Organization and East is represented by Ahi organization, past is represented by Ahi organization and today is represented by Turkish Competition Authority and Turkish Advertising Auditing Authority. The comparisons are made on the basis of ethical codes of these organizations. Members of Ahi organization act in accordance with rules because of their spiritual progress which takes place during the highly-disciplined promotion procedure along the levels of organization hierarchy. In today's modern organizations it is too difficult to see this adherence to rules in the same level with Ahi organization. Comparing West and East, it is meaningful that the ethical approach to the marketplace and actors in it was set in East by Ahi organization before the West.

The purpose of our study is to compare the ethical approach of past and today. The ethical rules which we will make interpretations on from the past originated in East and the rules of today originated in West. Putting it more clearly, in our study we first examine the ethical rules of a craftsmanship organization of 12th-13th century in Anatolia, then compare these rules with modern ethical codes, namely ethical codes of American Marketing Association in particular and Turkish Competition Authority, Turkish Advertising Auditing Authority. The latter two institutions from Turkey have been chosen since there is not any common authority of marketing to audit the profession.

RESEARCH

The craftsmanship organization which ruled many different craftsmanship groups in Mid-Anatolia had very active during those periods. The region was very instable because of political arguments between districts governed by local lords, and this arguments and instability primarily triggered by the falling of Seljuks. Ottoman Empire was founded these times and the craftsmanship organization which was highly active at the region had some important contributions to the establishment of this new state in Anatolia. The name of this craftsmanship union in Turkish is Ahilik (from this point on, we call it Ahi Organization) which was originally established under this name in

Anatolia, and its origins went back to Middle Asia. The founder of the union Ahi Evran was trained by Sufi tradition. Followers of the union reached nearly the entire Anatolia in the period of Seljuks and had a remarkable contribution to the establishment of Ottoman State (Uzunçarşılı 1972). The union was not only active in towns but also in villages and even at deserted places. In towns they were directing the commercial life by handicraft looms or little trade places and were active as soldiers serving the state in rural areas. The members of the union were serving the travelers who stop by while traveling in rural areas. Special facilities built by the union for members being together were widespread all around Anatolia, even at the most uninhabited places these facilities were serving the purpose of helping travelers. Expenses of these travelers were covered by the union through the charitable foundations which were established for this particular purpose. The main functions of the union were religious and moral, military, political, cultural and social. The vision of the union stemmed from the name "ahi" which means "my brother" (the meaning of "my brother" actually is far beyond being blood brothers) and it was comprised of four core principles: 1.Social responsibility of the organization, 2. Excellence in service, 3.Honesty and integrity, 4.Living together. Excellence in service was the Ahi Organization's *raison d'être* (Parmaksızoğlu 1993).

There were three, hierarchical steps while learning the craftsmanship, and during that process members of the union gained the skills of their professions. During this training process which began by the apprenticeship phase, the member learnt not only the technical requirements of job but also responsibilities to colleagues and the society. At the end of training process which was about easier tasks at the beginning then became harder and harder, candidates would be masters of their professions who were called "ahi" and were regarded as reputable and intellectual people by the society. Candidates who accomplished could have their own shops or might work for someone else as a master. Members of the union who were experiencing their maturation process in a more advanced extent in comparison to other members might go further through the management steps. Places where members gained their professional skills were bazaars in which their little manufacturing or selling shops existed. In these places members were either learning jobs technically or

socializing by interacting with other members and customers. The place and the process or the time in other words were crucial for the organization while transforming ordinary people to skillful craftsmen who would be productive for the society. The productivity meant not only producing something material but also having moral values which were very significant for the peace of the society (Erken 1998). Moral principles of Ahi Organization primarily were put for well-being of the society, and to protect the individual's rights in the society. Thanks to the spirit of social solidarity, the organization might sustain its continuity without any impact of formal rules which were put by the state. After finishing Ottoman Empire's establishing period, Ahi Organization became a pure organization of craftsmanship, an organized body like guild. In the Ottoman period, control of the state on the organization became more concrete through strict laws put by government and some levels of the managerial structure were abolished. Ahi organization had some rules about the marketplace and its constituents. All these rules were put for the ideal functioning of the market. The organization did not consider the marketplace something separate from the society or social life and its members were individuals serving the society through their craftsmen roles.

In our study we will scrutinize the ethical codes of Ahi organization specifically in terms of rules put for consumer protection and principles of marketing ethics. While conducting the research, we will also inspect the ceremonial procedures of rank advancements. These ceremonies signified the maturation of members. How this maturation process took place and when or why some members were not raised to a higher rank? Probably they violated rights of customers or colleagues in the marketplace.

We consider the two situations from the past and today mentioned above as two case studies and will compare the similar examples of those two periods qualitatively. Going through the research process, particularly the ethical codes or other rules of two different periods will probably give us the information which will be our materials of interpretation. We will collect data from secondary sources primarily. These sources are the history books which are the collections of information gathered from archival records by historians. In our opinion the significance of the study is twofold, comparison of West and East, comparison of Past and Today.

Almost all normative ethical theories in moral philosophy can be classified as either deontological or teleological. The fundamental difference is that deontological theories focus on the specific actions or behaviors of an individual, whereas teleological theories focus on the consequences of the actions or behaviors (Hunt and Vitell, 1986).

Looking at the theory of marketing ethics, there is also a value focused approach in addition to deontological and teleological theories. Normative principles and expectations

related to results are determining factors on the formation of behavioral intentions.

However, effects of ethical and cultural values on the formation of behavioral intentions should be taken into consideration. Character is a significant factor on the formation of personal value judgments which are in relation to normative rules on the one hand and to expectations related to results on the other hand. So, between deontological norms and focusing on results, individual acts through ethical value judgments. Ahi organization contributes to its members in the formation of character and preventing subjective evaluations which are very important for making ethical decisions. From this point of view, principles of Ahi organization aim to contribute to both professional and ethical progress of the individual. The individual who is a member of this organization will get stronger in terms of both professional knowledge and character. Kohlberg's opinion which argues that the individual's process of ethical progress which may take quite a long time actually occurs within the framework of apprenticeship, experienced apprenticeship and mastery procedure of Ahi organization. As in Kohlberg's suggestion, the individual who takes the title of master is the person who may act on the basis of principles through ethical attitudes and behaviors. Beyond mastery level, the individual who reaches to the spiritual guidance level is a person who may generate solutions to the ethical problems by his wisdom through vastly rich approaches, in addition to deontological norms which he already adopts.

At this point, it is obvious that laws of Ahi organization (*fütüvvetname*) as very valuable accumulations of the organization have meaningful contributions to the theory of marketing ethics. These laws set various clauses for the members of Ahi organization, some are for their personal maturity and behaviors within the society such as to make known himself within the society by his good character or being generous and charitable (Çağatay 1990, 83).

During the weakening or falling periods of Ottomans, Ahi organization began to lose its power and due to this negative situation ethical weaknesses at the world of trade and craftsmanship began to be witnessed consequently.

Additionally, during these periods we may mention corruption of character which occurred by the influence of Westernization efforts that realized in the form of image rather than content. During the periods of societal collapse ethical and cultural values erode as well. During the falling period of Ottoman Empire, degeneration in ethical and cultural values inevitably affected attitudes and behaviors related to the marketing ethics.

Looking at the late Ottoman period and the Turkish Republic experience of an approximately one century, the practice of marketing ethics is considerably far from Ahi organization and its formal regulations (*fütüvvetnames*).

Due to the negative marketing practices, some precautions have taken in Turkey as in the world for the last

few decades. Unions or chambers of professionals, companies and other institutions have made an increasing effort to set ethical codes, most of which are unfortunately far from to serve the purpose and ostensibly applicable. It is quite similar throughout the world and examples such as Enron and events in the past which cause these negative consequences make the judgment related to the current situation right. On the other hand, it is possible to find a few positive cases in Turkey or in the world.

In the study a general comparison between laws of Ahi organization (*fütüvvetnames*) and the ethical norms of American Marketing Association is made. Besides, a comparative evaluation between laws of Ahi organization and ethical norms of Turkish Competition Authority and Turkish Advertising Auditing Authority is made. Through this way, both the comparison of East and West and the comparison of Past and Today are made on the basis of marketing ethics, which will also give us a more comprehensive and integrated perspective.

American Marketing Association set ethical norms and values under the title of statement of ethics. According to the association, norms are established standards of conduct that are expected and maintained by society and/or professional organizations. Values represent the collective conception of what communities find desirable, important and morally proper. Values also serve as the criteria for evaluating our own personal actions and the actions of others. Marketers should serve not only their organizations but also act as stewards of society in creating, facilitating and executing the transactions that are part of the greater economy. In this role, marketers are expected to embrace the highest professional ethical norms and the ethical values implied by their responsibility toward multiple stakeholders (e.g., customers, employees, investors, peers, channel members, regulators and the host community). Under the ethical norms title, norms which must be obeyed by marketers are set as "do no harm", "foster trust in the marketing system", and "embrace ethical values". Honesty, responsibility, fairness, respect, transparency, and citizenship are ethical values which are also explained in details.

Turkish Competition Authority makes decisions about consumers, enterprises, small and medium size enterprises, and the state. The organization works for the ideal functioning of the free market and audits all actors in the marketplace in terms of their actions. The main idea behind the establishment of the organization is to protect the free competition for the interest of public which holds all the parts we mentioned. The authority may make quite specific decisions for the benefit of the consumer such as to fine the importers of coal that make price deals which would be harmful for consumers. Through these decisions the authority acts like a regulator for the benefit of a part which faces a harm.

Turkish Advertising Auditing Authority was established in order to audit advertisements from the

perspective of public interest. The authority implement this role upon application to the organization. The authority set the general clauses related to advertisement and marketing communications applications. Being ethical, honesty, responsibility to the society, communicating correct information, and some other specific clauses related to applications of advertising or marketing communications are these general clauses related to advertising and marketing communications applications. The authority audits any application from the perspective set by these general clauses. In other words these clauses are general ethical guidelines for all parts.

There were some applications which were strictly banned in the ethics of commerce by Ahi organizations, and these clauses were derived from the general guidelines, in other words from laws of the organization (*fütüvvetnames*). Such as (Ivgin 1996, 74);

- Not to sell bruised or fraudulent goods,
- Not to take more money from the customer,
- Not to imitate someone's good,
- Not to weigh inadequately and not to use broken scales,
- Not to produce goods in low quality and fake.

When we compare the ethical norms of Ahi organization mentioned above to the ethical statements of American Marketing Association, their main similarity is obvious. For example AMA set the rules for pricing under the statement of fairness, and suggests to its members to strive to be truthful in all situations and at all times under the statement of honesty. Through these similarities, we may conclude that there were some ethical norms for hundreds of years ago, and these rules were set in the East.

When we compare the general clauses related to advertising and marketing communications applications which set by the Turkish Advertising Auditing Authority and some applications of the Turkish Competition Authority to some rules of Ahi organization mentioned above, we may conclude that they are highly similar in terms of being honest to the people in the marketplace. Besides, if we look at the norms of two modern Turkish authorities, we may find many specific clauses which are probably similar to some specific rules set by Ahi organization.

CONCLUSIONS

First we want to draw attention to an organization that established a strong system to maintain both its continuity and the well-being of the society. The primary way to achieve that is to make the entire organization healthy in moral. Laws of the Ahi organization (*fütüvvetnames*) are the primary regulations through which the ethical maturing process of members is assured. Thanks to this strong ethical formation, members of the organization who are traders or craftsmen at the same time have ideal behaviors on

performing their professions or when in contact with their customers. The most important difference between Ahi organization and modern ones we mentioned is the members' adherence to rules. The fundamental rules or laws (fütüvvetnames) assure the moral progress of members. On the other hand it is so difficult to warrant the moral progress of individuals through professional organizations of today. Looking at the ethical applications of modern organizations, we can not say that members get ethical guidance for their entire life from the ethical norms of those organizations. Those ethical norms that internalized by members of Ahi organization made these members perceived the society to be served in the best way through their professions. Normative strength of ethical norms in Ahi organization is high since members of the organization go through a high disciplined procedure while climbing up the steps of membership. Besides, the absolute isolation will be the result of a violation of rules in Ahi organization. Therefore members of Ahi organization act on the basis of teleological norms. The difficult maturation and training process make members stick to rules, and they believe that rules are significant for the maintenance of the society. On the other hand, modern organizations could not implement the role of strengthening the characters of members.

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