



## Markets, Globalization & Development Review

Volume 3

Number 1 *Critical Perspectives on Marketing from Japan - Part 1*

Article 2

2018

# Critical Marketing in Japan: The Legacy of Fujiya Morishita

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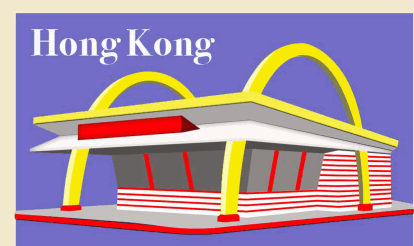
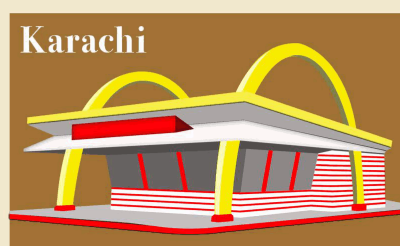
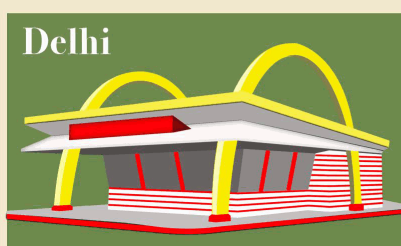
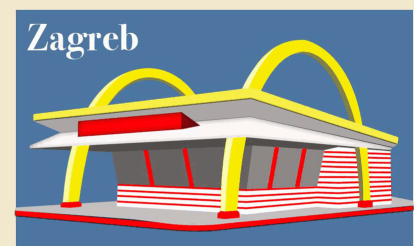
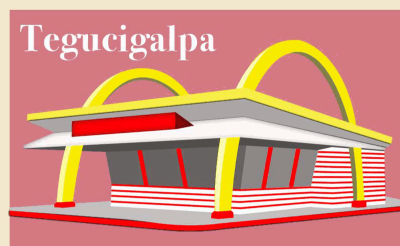
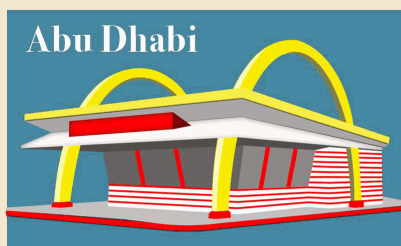
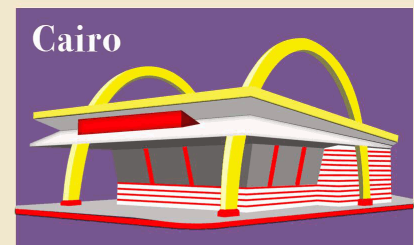
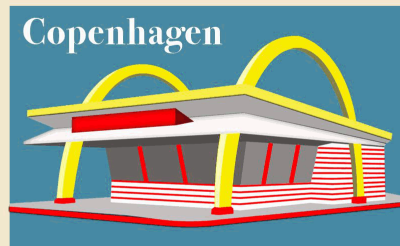
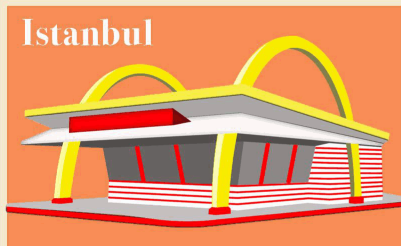
Usui, Kazuo (2018) "Critical Marketing in Japan: The Legacy of Fujiya Morishita," *Markets, Globalization & Development Review*: Vol. 3: No. 1, Article 2.

DOI: 10.23860/MGDR-2018-03-01-02

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# Markets, Globalization & Development Review



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# Critical Marketing in Japan: The Legacy of Fujiya Morishita

Kazuo Usui

## Abstract

This paper explores the tradition of critical marketing studies in Japan, launched by Professor Fujiya Morishita. From his Osaka-based university appointments, Morishita's paradigm criticized disadvantageous aspects of the marketing practices of dominant manufacturers. Based on Marxian economic thinking, his ideas resonated well with the disaffected groups during the 1950-75 high-growth phase of Japan. As the economic context in Japan changed, Morishita's ideas lost some of their validity and appeal. Nonetheless, understanding the contributions of Morishita is important in the overall analysis of the development of marketing knowledge in Japan.

## Keywords

Japan, Critical Marketing, Fujiya Morishita, Haikyu Study, Marx, Ryutsu-ron, Shogyo-gaku

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## Cover Page Footnote

This is an author-approved and author-initiated adaptation, with inputs by MGDR editors, of the paper originally published in the 15th Biennial Conference on Historical Analysis and Research in Marketing (CHARM-2011) Proceedings. The MGDR version is updated and adjusted for this journal's style.

# Critical Marketing in Japan: The Legacy of Fujiya Morishita

## Introduction

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; although the influence of his work started waning afterwards. This paper explores the background to his theory, the contents, and the legacy of Morishita's work in Japanese academia.

## The Background Aspects of Morishita's Theory

The Japanese economy grew rapidly despite Japan's infrastructure being in ruins following the country's defeat in the Second World War. During this postwar period, Japan's GDP kept surpassing the GDP of one major European country after another (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 – on the other hand – many laborers, consumers and students began to criticize the negative aspects and consequences of rapid economic growth.

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 socioeconomic problems of the distribution system. This represented 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 socioeconomic 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, Morishita's 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 Second World War despite the risk of being imprisoned, tortured or killed by the special police forces. 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., Morishita 1965) was a main rival of 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 respected widely 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 to 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, being located in pure economics disciplines, had no interest in the topic of marketing, so they never exerted any influences on the discipline of marketing.

### **The Contents of Critical Marketing Approach of Morishita**

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 Marx. 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 sectors, assuming atomic or free competitive capitalism.

The stage of "monopolistic capitalism" (see Baran and Sweezy 1966), which characterized the 20th century growing out of the atomic or free competitive capitalism of the 19th century, was defined by Morishita (1969, pp. 121-22, 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 the '4Ps' of marketing 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, such as, 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 that large-sized manufacturers adopted marketing in a major way (Usui 2008, p. 3, fn. 2). Although Morishita himself accepted that others, e.g., small-sized firms, retail, banking (Morishita 1969, p. 123), and even non-profit groups (Morishita 1979a; 1979b) also adopted 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 of American marketing (Morishita, 1959a; 1959b) – this feature of Morishita's work encouraged several historians to engage in marketing history research (Usui 2000, p. 130; 2008, p. 2).

### **The Decline of Morishita's Influence**

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 revolutions and transformations in Eastern Europe during the late 1980s. 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, in recent years, managerialism has dominated the marketing discipline in Japan.

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, inherited from the Study of Haikyū. 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. We hope this effort by MGDR to present critical perspectives on marketing from Japan will lead more people – within and outside Japan – to pay attention to the ideas of Fujiya Morishita and similar other scholars.

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