

The Entrepreneur and the Customers: a Quiet Conflict

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Submitted: 10.02.18 | Accepted: 29.11.18

From the point of view of conflict theory, I argue for the following pessimistic conclusion: a silent conflict of interests exists between the entrepreneur and the customer, as the former must advertise and promote his/her innovations and merchandise. It looks innocent enough, but by doing so, the entrepreneur interferes with the needs and desires of the customer, and especially with the latter's conditional needs even when the customer does not appreciate it, or when the entrepreneur does it against the customer's will. From the customer's point of view, it is disturbing and negatively affects his/her happiness level. What are, therefore, the responsibilities of the entrepreneur? I provide a detailed analysis of the concept of need and desire, and explain how desires develop on the basis of the desirability of objects of desire. It shall allow us to see how desires can be manipulated and, perhaps, how such manipulation can be avoided.

Keywords: desire, need, marketing, conflict, customer.

Przedsiębiorca i klient: ukryty konflikt

Nadesłany: 10.02.18 | Zaakceptowany do druku: 29.11.18

Spoglądając z teoretycznego punktu widzenia, sformułowano następujący, pesymistyczny wniosek: pomiędzy przedsiębiorcą a klientem może zachodzić ukryty konflikt interesów związany z tym, że przedsiębiorca jest zmuszony reklamować i promować swoje usługi i towary. Choć z pozoru wyglądają niewinnie, działania przedsiębiorcy wpływają na pragnienia klienta i to, co nazwano „potrzebami warunkowymi”. Odbywa się to wbrew jego woli, dlatego z perspektywy klienta jest to niepokojące zjawisko, które oddziałuje negatywnie na jego poczucie szczęścia. Podstawowe pytanie brzmi zatem: jakie są obowiązki przedsiębiorcy? W artykule przedstawiono szczegółową analizę pojęcia potrzeb i pragnień oraz wyjaśniono, jak pewne cechy przedmiotów pożądania kształtują pragnienia, i w jaki sposób można manipulować pragnieniami.

Słowa kluczowe: pragnienie, potrzeba, marketing, konflikt, klient.

JEL: M31, Z12

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1. Introduction

Let us begin *in medias res*. The following quotations set the stage for exploring the complex – and possibly conflicting – relationship between the entrepreneur and the customer:

“As far as the ethical aspect of entrepreneurship is concerned [Ludwig von] Mises points out that it is not the entrepreneurs’ fault that consumers, i.e. ordinary people, prefer alcohol to the Bible, detective novels to the classics, and guns to butter. Entrepreneurs gain higher profits not because they sell “bad” things instead of “good” things. The higher their profit, the better they are able to deliver products consumers want to buy with greater intensiveness. [...] It is not the entrepreneurs’ duty to encourage people to act better onto substitute ideologies with their opposites. That it is the duty of philosophers; they should change the ideas and ideals of human beings. An entrepreneur serves consumers such as they are, despite the fact that some of them are sinners and ignoramuses.” (Gasparski, 2010, p. 24)

As a comment to the above, Wojciech Gasparski writes: “It would be as simple as Mises writes if entrepreneurs were busy only with meeting consumer needs, [but] today, entrepreneurs are busy with innovations creating consumers’ appetite for new needs”. Surely, “creating needs is not an axiologically neutral” effort. “Entrepreneurs are becoming more responsible for goods, which they produce and market”. The reason, or at least part of the reason, is that “they know better, even than the consumer, the characteristics of the commodity they are offering” (Gasparski, 2010, p. 24). The point here is not only that the entrepreneurs produce and sell dangerous goods, but that they actively and forcefully promote them. It is undeniably an ethical problem (Dunham, 2007). In this paper, I shall discuss the creation of new needs and desires (Crisp, 1987). As von Mises claims, such is the duty of philosophers. I agree that von Mises is a rather unsophisticated target here, but he has expressed in simple terms the main challenge to the kind of ethics I wish to study and advance in this paper.

2. Needs and Desires

We can distinguish between two different cases: an entrepreneur as an innovator, and an entrepreneur as a disseminator of commodities. The second category can be further divided taking into account the type of commodities, i.e. novel commodities, such as SUP boards, and *au fait* commodities, e.g. canoes or other items with which the customer is already familiar. Next, the entrepreneur offers a commodity for sale and promotes it; the customer buys it on a whim, because (s)he needs it, or because (s)he desires it – all three situations are independent of each other (Airaksinen, 2012; Arpaly and Schroeder, 2014; Maslow, 1943). Refusal to recognize this fact shall weaken any relevant arguments and the theory. Let me explain: a customer may decide to purchase a commodity without explicitly stating the reason for doing so. (S)He selects and purchases an item; afterwards,

(s)he cannot offer any explanation of why (s)he did it. Somehow, (s)he thought that the purchase was a good idea. The entrepreneur may encourage this behaviour, tempt the customer, or entrap him/her. Think of IKEA: if you want to get out of the store, you need to wander through a labyrinth of departments where commodities are displayed as if they were pushed onto your path. You find yourself in a maze and you need to negotiate your way out while being exposed to maximum temptation. I shall not explore this issue in more detail here.

When we ask why people buy things they do not need, the answer is simple: they may not need them, but they certainly desire them (Danziger, 2004). Think of a super expensive bottle of old malt whisky you had always wanted to buy and finally did, spending thousands of dollars. The concept of need requires explanation, as I do not use it as synonymous with desire (Airaksinen, 2012). This corrects a standard mistake in literature. This customary use of these terms creates a confusion that has troublesome consequences. Let us first look at the definition of the word “need” and why we should use it in this particular meaning. When a doctor says: “This patient needs an operation as soon as possible”, or a car mechanic says: “All car engines need oil”, they clearly refer to the concept of need that has nothing to do with desire or any other relevant intensional idiom. More specifically, these sentences do not refer to or presuppose a desire explicitly or implicitly; on the contrary, they state some hard facts, namely, if the patient is not operated, her condition will deteriorate, and any engine that runs without oil will be ruined. Of course, both examples contain value terms in the sense that both the physical and the mechanical metaphor of functionality presupposes that functionality is a good thing. Therefore, we must be careful when stating that needs are based on facts. The following sentences are true: “If we do not operate, this patient’s health will deteriorate” and “If an engine is run without oil, it breaks down”, when you attach a standard descriptive meaning to the words “health” and “breakdown.” I cannot go deeper into philosophical problems that these formulations entail here. Let us assume, however, that these two sentences and the corresponding beliefs can be true in the normal sense of the word “true”, which of course presupposes strong value realism. My main point here is that needs understood in this sense cannot be created at will; they are basic needs (Airaksinen, 2012; 2016; Goffin, Lemke & Koners, 2010).

We may imagine a situation in which a patient does not want an operation (it is painful and scary) and the doctors do not want to operate (it is considered too risky). Want and desire – I assume the two words are synonyms – pick an intensional term whose truth value depends on its interpretation. Suppose I want whisky, but at the same time I do not want alcohol; this is plausible only if I do not know that whisky contains alcohol. This may happen. But, of course, if I need whisky, I also need alcohol. In the case of need it does not matter whether I know or do not

know that whisky contains alcohol. I may hate alcohol and I avoid it at all cost, but if whisky is the only substance that may calm my nerves when I must pull myself together, I need whisky, or you may say as well that I need alcohol. Therefore, the desire context is intensional and the need context – extensional.

Notice that in the case of whisky, the concept of need has its typically conditional usage: if I want to relax, I say I need whisky. If I want to get home quickly, I need a taxi. Even in this case, I may say I do not want a taxi, although I know I need one now. My main point here is, however, that conditional needs can be created through manipulating one's desires. In this sense, they can be created at will (Airaksinen, 2012). If I convince you that it is good for you to get home as quickly as possible, I thereby induce a relevant desire in you. From that I proceed to the next point: you want to take a taxi, which entails a corresponding desire for action, and thus creates a conditional need for a taxi here and now. I now say I need a taxi, when the use of "need" is conditional on the desire to get home quickly. Notice that I do not need a taxi in the first sense of the word discussed above with reference to oil, engines, and medical operations.

What is a desire? A desire is a person's propositional attitude, a mental state or an episode that picks an intentional object whose attainment, as the person believes, will move him/her to a new possible world that is better than the present world. We say that, for this person, such an object is desirable and, subsequently, we ask what its desirability conditions are. A new car is the desirable object of the corresponding desire, because its purchase moves the person over to a better possible world, that is, to a world where (s)he owns a new car. This new possible world is similar to the present world, except that the person owns a new car. How are such desirability conditions created? They are subjective narratives that show how good, beneficial, rewarding etc. the new possible world is. In this sense, the object of desire is desirable. This is to say it is attractive, or it attracts the person, drawing him/her towards it. If (s)he could get it, (s)he would take it (Airaksinen, 2016; 2017).

All this is based on a narrative about the desirability of the object of desire. Such a narrative may look simple, but in fact it is always – without exception – both large and complex, as Jacques Lacan explicates, "its frenzy miming the abyss of the infinite" (Lemaire, 1991, p. 195). I cannot go into details here, but this much must be said: the narrative often looks simple to the desiring person, because (s)he does not bother or dare to think about it. If (s)he did, and sometimes does, (s)he would notice how complicated the narrative in question actually is. We can see why this is so when we think of a new car. I want a new car and, if I buy it, I buy it, because this is how I can get a new car. Notice that to want a new car and to want to buy a new car are two different things. Now, the reason why I find a new car desirable is another matter. I may see the car as a status symbol. I may

see my life becoming much easier and more comfortable with a new car. I may see the car desirable, because my wife does not want it and, hence, by wanting it myself, I show my independence and manliness. I may also tacitly entertain reasons against the car: it is expensive, it pollutes, and it needs a parking place I do not have right now. I call the conflict between the positive and the negative aspects of the desire narrative an anxiety maker. This is to say that desires tend to be anxious and create anxiety and, therefore, one may not want to analyse them too much. It seems that all desires contain an element of anxiety, and therefore to act upon one's desire comes a certain cost to the person. This is why we expend so much energy trying to control our desires.

I do not wish to push the Freudian line of thought in terms of unconscious anxiety makers (Pataki, 2014). I only argue that our desire narratives always contain discordant elements that function as anxiety makers even when we do not pay attention to them. In other words, we may not pay attention to them, but since they are there, we may and will do so at some point of our cognitive and conative life. We may say that a person cannot afford to think too deeply of his/her desires, as the cost tends to be high. We can also argue that desires are limitless in two senses: when I want something, I want it all and I want everything that is desirable. We must learn to limit our desires or otherwise disappointments become too painful to be tolerable. Desires are easy to incite: whatever we see as desirable we may desire, and anything that represents a better world for me is desirable. Show me a better world and, *prima facie*, I will want it. In a sense, I am at the mercy of my own desires, and therefore they must be controlled and restricted. In this way, a person is in a precarious position when faced with his/her desires, and also with his/her conditional needs, which can easily be manipulated through feeding suitable narratives to the person. New images of desirable things will impact relevant desire narratives – think of the effects of advertising.

3. Two Paradoxes

The Entrepreneur's Paradox. Let me now apply what I said above to business and entrepreneurial ethics, understood along the lines I sketched by reviewing Gasparski's discussion on von Mises. This forms the background of what I call the Entrepreneur's Paradox:

“An entrepreneur serves consumers such as they are” (von Mises), even if the commodity (s)he deals with changes the customer and his/her life. What von Mises says is a piece of fiction: a customer as such does not exist. In other words, a customer is essentially malleable”.

According to the paradox, no such thing as a customer exists. Quite the opposite: the customer is fictional, or purely a social construct. Von Mises

says, cynically enough, that some customers are morons. Well, they may be now, but when they become familiar with the commodity, they will learn about it; when the commodity changes their life, they may not like it. I do not believe von Mises assumes that customers cannot learn from experience. Notice that, when they first become available, commodities – e.g. laptop computers – have an impact on customers and change their lives. Then they change customers' life when they are no longer available or in short supply. Suppose a customer becomes dependent on some legally prescribed tranquilisers, in which case their shortage becomes a life-changing event.

The Customer's Paradox. The customer may (unconditionally) need a commodity; two different situations are possible: (i) such a commodity does not yet exist, or (ii) it exists already. The customer may (a) know that (s)he needs it, or (b) not know it. Let us have a look at a real life example. In the nineteenth century industrial America, factories would burn down, creating catastrophic human and financial losses. A new kind of factory building was needed: a fireproof structure. This is an (ia) case. Factory owners recognized that they needed fireproof buildings. They turned to architectural innovators who were to figure out a way to avoid conflagrations; when suitable plans were developed, industrialists bought them and built better and safer factories. This is an interesting case, because a well-understood need came first and the solution followed. In some cases, a problem emerges and it is followed by a novel, relevant, and successful innovation (Wermiel, 2000).

Next, think of the Wright brothers and their flying machines. Their problem was that nobody paid attention to their novel invention. This is an (iib) case: their airplane certainly was a successful invention – after all, it did fly – but it was not yet an innovation or a commodity: it had no known use. It was simply a commodity in the making or, we might say, the airplane could be used for flying as it was, but it still required some development work to become a commercially successful commodity. The Wright brothers' flying machine looked and worked too much like a toy, and therefore their problem was to create a specific need that only their invention could satisfy. This is seldom possible, but in the case of the airplane, the success was imminent. Something new could be achieved by using it, if only one knew what it would be. In the Great War some ten years later all belligerent parties soon realized that they needed warplanes. And they needed them in the unconditional sense: no armed forces can function without an air force. Generals turned to their favourite inventors and innovators to do the work; they were willing to pay and buy the contraptions. Today, we know exactly what to do with airplanes, why we need them, and why we want them. A simple example of (iib) is a sophisticated new surgical operation a patient needs, but does not know it.

Hence the first version of the Customer's Paradox:

“The customer may not know that (s)he wants or needs a certain commodity”.

This is to say that the customer is not aware of being a customer. A hidden need exists (Goffin, Lemke & Koners, 2010). This must be understood correctly. I mean that the opportunity is there, but still the customer's personal situation makes it difficult for him/her to see what the commodity really is, and what it is capable of. For example, it sounds obvious that you can attack your enemies from the sky, but as long as you do not have the means to do this, it is difficult to see that a real opportunity exists. And, when you have the means, you may not figure out what they are for. Today, all independent states need and have an air force, whether they like the idea or not. For instance, the State of Finland cannot afford new US-made fighter planes like Boeing/McDonnell Douglas F/A-18 Hornet, but will buy them anyway. Many responsible people would say we do not want them, but we need them so badly that we should buy them anyway. We are forced to see the validity of the narrative of us as customers buying fighter planes, however unsettling this thought may be.

When one focuses on consumers' desires, another type of situation emerges. One cannot desire what one knows does not exist – this should be an obvious truth. One cannot formulate a desire narrative, if one has no object of desire. Here is another version of the Consumer's Paradox, a version that focuses on the ironies inherent in being a consumer. This paradox also shows why the Misesian idea of taking a customer as (s)he is cannot be taken seriously:

“You must be taught what you desire. This new knowledge changes your world, its values, (conditional) needs, social life, and ultimately yourself, which you may not want. You get more than you want”.

This teaching process ultimately makes one anxious. Suppose a novel commodity finds its niche market and gets disseminated among customers. Take an ordinary ski pole, a necessity in cross-country skiing, and offer it as a piece of equipment to be used in Nordic walking or pole walking. You have created a novel piece of equipment for assisting something one already knows well, walking. You want to sell those special poles that are somewhat (minimally) different from ski poles to customers who do not exist. You advertise and market the poles and, if you do it right and you are lucky, people will become interested and start buying them. They now want them. No able-bodied person (unconditionally) needs them, because one can exercise in so many other ways. People may say they need them, but then they only mean their conditional needs: if you want to do Nordic walking you need the poles. It is then true that you need Nordic poles, if you want to take Nordic walks. If you do not want to exercise, you do not need them. In this sense, the relevant desire is created first, and the conditional need follows. Next, the new commodity can be sold to ever-eager consumers (Saad, 2011).

What have you done? You have created novel desire narratives for your potential customers. More exactly, you have created certain narrative frames

that your potential customers can use for creating their own novel desire narratives. These inevitably focus on health benefits, the fun of exercising with poles, low cost, social activity, simplicity of the equipment, etc. All these are attractive features, both individually and socially. Ski-poles-cum-Nordic-walking-poles have changed many people's lives in a positive way, but also made them more worried about their health. One way to advertise them is to remind potential customers of their need to exercise more. This strategy has longer lasting effects than emphasis on fun or fashion.

A new problem emerges: some features of desire narrative may be attractive individually, but not socially, or even morally. Suppose I want to construct a fancy house for myself. I want it to serve my various needs and desires, which is to say that it must have a space for my fine collection of Nazi regalia. Without such a mini museum my life is not complete. But I need to hide the museum, because I am afraid it may cause social anxiety and be perceived as immoral or politically incorrect by some of my friends. It appears to celebrate Nazism.

If the commodity is individually repulsive, it becomes difficult to sell, but perhaps not impossible, if it is socially attractive; many people find a dish of raw oysters and octopus repulsive, but also fashionable and, as such, desirable. If the commodity is individually attractive but socially repulsive, our entrepreneur's problem looks obvious – think of selling pornography, or, say, alcohol in India. If it is repulsive in both senses, the case may become difficult, if not altogether hopeless – think of trying to sell gangsta rap records in a religious community (difficult), or alcohol in India. One must also remember that people have self-destructive desires, such as full-body tattoos, cosmetic scarring, motorcycle racing, and mountain climbing (Airaksinen, 2014). An entrepreneur may successfully exploit such desires and related conditional needs.

Let us deal with these four cases one by one. *Individually attractive and socially attractive*: In this case the marketing of the commodity is unproblematic and its success only depends on the marketer's ability, means, circumstances, and luck. It is easy to create narrative frames such that the customer can adopt them as his or her own and, consequently, desire them. The new desire generates minimal anxiety and is unproblematic, e.g. selling free-range eggs and grass-fed beef. Whole Foods grocery stores are a success in the US.

Individually attractive and socially repulsive. In this case, the customer may easily adopt the offered desire frame and find the commodity desirable. However, the socially repulsive part creates problems. As I explained above, the personal desire narrative now contains a socially conditioned anxiety maker that makes the sale effort difficult, or even impossible. An example are skirts for men, which sounds like a good idea from an individual point of view. Fashion designers have tried to innovate, design, and market them for ages. Obviously, success on this front will create a huge new market for

the novel type of clothing that leaves so much room for further designs, or even innovations. The fashion world will be a different ballgame after that. However, thus far no one has succeeded, perhaps because the idea has been socially repulsive, except in Scotland. A number of male trailblazers have tried to wear skirts, and they still do, but most of us would find it too anxious a business to be worth cultivating (www.vogue.com/article/marc-jacobs-wears-his-own-womenswear). Another example is pornographic material which is, for surprisingly many people, individually attractive, yet socially repulsive. Pornography is illegal in many countries, which testifies to what I mean. Nowhere is it socially attractive, even if the demand at individual level is strong and constant.

Individually repulsive and socially attractive. This category may look more problematic and incongruous than it is. Some commodities such as electronic surveillance systems can be successfully sold to the state authorities even if many individual citizens find them repulsive. This is to say, CCTV is a socially attractive idea, hence it does not matter what people think of it. One common trick is to keep any details of state purchases classified and act secretly. At the same time, citizens may be denied the right to buy and use such equipment. It is hoped that, in the end, people will accept the surveillance ideology and even find it attractive (Lyon, 2001). However, the success is never guaranteed. In many cases, what is socially attractive indeed remains individually repulsive at the level of desire narratives. Most of these cases are related to safety, e.g. condoms.

Individually repulsive and socially repulsive. This category looks empty, but it is merely an illusion. In certain cases, people actually purchase individually repulsive commodities that are also socially repulsive. The point is that such commodities are both attractive and cause anxiety. Recreational drugs belong to this category. Strong alcohol and cigarettes offer another examples. People want them and they buy them. They desire them. Nevertheless, smokers want to quit, they simply find themselves unable to do so. They are hooked, addicted, and act compulsively. In a sense, their desires are mad (Airaksinen, 2014). The case is complex and must be read carefully: the desire for alcohol is real; I mean, it is a desire that entails a narrative-based judgment of the desirability of alcohol arising, say, from its glamour and pleasant effects it creates. At the same time, it is an addiction that entails compulsive behaviour and high levels of anxiety. In other words, one desires alcohol, but does not want to drink it. This exemplifies cognitive dissonance, which makes the context individually repulsive, in addition of being socially repulsive as well (Wicklund and Brehm, 1976). In some cases, desirable commodities create so much anxiety that they are, indeed, individually and socially repulsive. Such commodities are essentially contested: I use them and I hate to use them. To exploit them commercially is ethically dubious.

This exemplifies what one may call perverted consumer behaviour, which does not mean it is not real. Recreational drugs may initially look like an

attractive and desirable choice. In the case of cigarettes and strong alcohol the choice might not have been there at all. Many users start from a slippery slope and become addicted before they can spot the danger. In social psychology, we find cases where a group of people starts acting in a way no one in the group has ever wanted. A group of boys attack a foreigner, but when they are interrogated by the police, each boy individually is convinced that he did not want to do it; yet, as a group, they did. And these boys may be right. Group dynamics cannot be reduced to individual desire, choice, preference, and action. In the same way, people may purchase commodities that are at the same time individually and socially repulsive, for instance stolen goods. They think, “everybody does it”, and this may be enough to justify the action. Nobody really wanted to buy, as they say to the police, but still they did. Another example are overly cheap and desperately low-quality commodities. No one wants them, but still they buy them even if they know it is not socially admirable, or even acceptable to do so. Such goods are typically manufactured using child labour in developing countries: “From children to children”, as the saying goes in the case of a well-known Swedish clothing retailer for not-so-conscientious adolescents.

4. The Unavoidable Quiet Conflict

On the basis of what has been said above, I argue that a quiet and unresolvable conflict exists between entrepreneurs and their customers (Coser, 1964). The point is not only that, as claimed by Mises, the entrepreneur may quite correctly believe his customers to be morons unable to judge independently what they need and desire, and even less what they should need and desire. Entrepreneurs who promote and sell to their customers socially and individually repulsive commodities may be seen as unethical, at least in some cases. At the same time, one can hardly expect entrepreneurs to offer advice and protect customers; this would be an unjustified and paternalistic demand (Hove, 2012). The point is that an entrepreneur, if (s)he wants to survive and be successful, must manipulate customers’ desires and, consequently, also conditional needs. This may go against customers’ best interests and valid needs and even change their lives in an unpredictable and ambiguous manner. Novelties may be particularly problematic.

Here is an example of how subtle this issue is. Until 2018, grocery stores in Finland were authorized to sell beer containing no more than 4.7 percent of alcohol. Any beer stronger than that was sold through the State Alcohol Monopoly (ALKO), hence its restricted availability, especially in the countryside. Scientific experts say that if beer containing a maximum of 5.5 percent of alcohol becomes available in grocery stores, alcohol consumption will significantly increase, and so will social expenditure necessary to amend alcohol-related damage. In Finland, this is often

considered the definitive and conclusive argument against selling strong beer in grocery stores. Due to extensive lobbying efforts of the Finnish alcohol and agricultural industry, the regulations have been amended following a narrow parliamentary vote. As a result, one can now buy strong beer in grocery stores. Obviously, in the case of *au fait* commodities better availability alone significantly increases consumption, independently of advertising and marketing. This is to say that the consumer is at the mercy of the entrepreneur in the sense that, statistically speaking, his/her purchasing behaviour depends more on the action of the entrepreneur than his/her own decisions. The entrepreneur has the upper hand. From the point of view of the customer, this cannot be seen as an ideal situation.

Customers aim at personal need and desire satisfaction at minimal cost and effort. I assume that it is in the rational interest of the customer at least to consider the satisfaction of his/her own current needs and desires, whatever they happen to be. Moreover, it is not in his/her interest to increase the number and intensity of needs and desires, as they are unlimited anyway. There are no limits to what one may desire. Entrepreneurs, on the contrary, aims at swelling the desires of customers depending on what they are going to offer them. This creates a potential silent conflict between the entrepreneur and the customer. Alas, the conflict escalates when the entrepreneur starts manipulating the customers in order to create new desires through novel and fictional narratives of desirability. It cannot be in the interest of the customer to be manipulated in this way. When we think of what desires are, and how they are created through narrative means, we realize how vulnerable customers are to manipulation by means of advertising and other sales promoting methods. Think of sexually suggestive imagery that relates to narratives of erotic success and satisfaction. It may be painful to watch, but it begs to be seen and it works. This is the basic scenario of the silent conflict between entrepreneurs and customers. From the moral point of view, an entrepreneur is going to manipulate customers' needs and desires, but certain limits do exist.

Individually and socially attractive commodities are, as such, unproblematic from the entrepreneur's perspective. However, as I have argued, in order to be successful, an entrepreneur must promote his/her novel commodities to customers who, due to their lack of knowledge and experience, are unable to desire them and may feel they do not need them. In a word, the entrepreneur must first create the demand. I do not see how this could possibly be in the interest of the customer to be manipulated so that new desires and conditional needs are created, and one must strive to satisfy them, which always presupposes numerous supporting projects, plans, and actions. In this sense, a silent conflict may exist between the two parties, even in the case of individually and socially attractive commodities. Allegorically, the entrepreneur attacks the fortress that the customer defends when the latter's main goal is to maintain the *status quo*. As we know, the customer is unable to

defend the fortress, as the attack is relentless and persistent. Advertising has certainly invaded the world. The enemy is present at all times and everywhere. Hence, one's precious *status quo* is constantly disrupted by the entrepreneur's efforts. Customers are defenceless against the marketing methods applied by the entrepreneur if they cannot shut down their information channels, which in modern society is clearly impossible. Some of us try to do that, though. An example are neo-Luddites (Siegel, 2009). I do not have a Facebook account or a smart phone. I restrict my TV viewing time.

Let me give an example. If the commodity in question is individually and socially attractive, the entrepreneur is allowed – or even expected – to promote it via advertisements providing information (s)he knows to be false. This, speaking bluntly, is to say that the entrepreneur can lie to customers. Legal regulations are based on the assumption that customers should know the name of the game, that is, basic methods resorted to by advertisers, and therefore they are able to distinguish bad and false from good and veridical information in advertising. If they cannot do it, it is their problem, as it is one's own responsibility to check the facts before consenting to any given information – false information is information, too. This is a heavy responsibility that deals trump cards to entrepreneurs – they have the winning hand. Customers cannot stop entrepreneurs, yet they must be constantly aware of the methods the conqueror uses to get through the walls of the customer's private fortress. At this point, von Mises wins. He is wrong, however, when he claims that the entrepreneur may sell whatever (s)he can sell. This is not true. (S)he is morally and legally responsible for promoting and selling any faulty and dangerous goods, but at least (s)he can mislead and lie.

Nevertheless, von Mises is right when he says the entrepreneur may manipulate, within certain limits, the information environment as (s)he sees fit and the responsibility is shifted onto the customer. For instance, suppose a TV commercial of a cheap car brand claims that beautiful ladies cannot resist a man who drives such a car, which is not only a joke or an exaggeration, but a lie. It seems that the prevalent opinion is that the entrepreneur is not morally responsible for the lie, as one can easily detect it. However, the problem concerns not only the truthfulness of the transmitted information, but also its manipulative effects. It exists even when the information is clearly false. False information influences one's desire narratives regardless of its truthfulness. I may well know that a claim is false, but it still makes a lasting impression on me through changing my imaginative propensities and, consequently, also my desire narratives. Even false information is information and it works upon us just like information does. I remember my colleague Bengt-Olof Qvarnström (Turku) saying that some philosophy books are so bad that to read them makes you more ignorant even when you are fully aware of their weakness. This provides a good reason for the customer not only to resist sale efforts made by

entrepreneurs, but to ignore them and acknowledge the essential conflict between the warring parties.

The main reason why a customer cannot defend the fortress and the *status quo* is that (s)he is curious about the field of other people's needs and desires. (S)he cannot help but put the antennas out and, consequently, become vulnerable. René Girard says that desires are mimetic, that is, we copy each other's desires. We have no autonomous desires (Girard, 1965; Kirwan, 2005). Hence, it is difficult – if not impossible – to resist systematic manipulation, although I find it hard to believe that it would be in anyone's interest to be an object of manipulation; it is in one's interest to protect the *status quo* and along with it one's precious peace of mind. As Sigmund Freud writes,

“We have decided to consider pleasure and “pain” in relation to the *quantity of excitation present in the psychic life*—and not confined in any way—along such lines that “pain” corresponds with an increase and pleasure with a decrease in this quantity. We do not thereby commit ourselves to a simple relationship between the strength of the feelings and the changes corresponding with them, least of all, judging from psycho-physiological experiences, to any view of a direct proportion existing between them; probably the amount of diminution or increase in a given time is the decisive factor for feeling”. (my italics) (Freud, 1961, p. 3)

What I have argued is that the overpowering flow of marketing and advertising contributes to the “quantity of excitation” and, more specifically, to its increase, which indicates pain or displeasure. In this sense, pleasure means peace of mind or *ataraxia* in its original Epicurean sense – and *ataraxia* is an essential element of happiness (Wolfsdorf, 2013, Ch. 7). This holds true for situations where an increase of excitement is unexpected, involuntary, and uncontrollable. A rational person instinctively tries to protect his/her mental *status quo*, or peace of mind, which nowadays seems practically impossible.

5. Concluding Ethical Considerations

I conclude with a couple of illustrations and ethical musings. We must draw a line between a quiet and an open conflict. Let me say something about the latter first, because an open conflict is more tractable. Richard Corniff writes in his article published in *New York Times International Edition* (2017), “Why we don't vote with our valets?”:

“But new research by Brayden King at North-Western University's Kellogg's School of Management shows “zero correlation” between public commitments to that boycott [against Starbuck's hiring policy] and subsequent purchasing behaviour by pro-Trump consumers”.

Corniff confesses, “But I like the idea of helping to move these companies into the pariah class. It is partly about helping me to sleep better. But

mostly it's about making the managers of those companies sleep worse". At least for some avant-garde people the conflict is real. Boycotts may also work in certain well-chosen cases, like that against Nestlé in 1977–1984, who sold baby formula in Africa and elsewhere in spite of its destructive effects on babies (www.theboycottbook.com/takingongoliath.pdf). In this respect, food industry seems to be ripe with problems also in the West. For instance, farm animals are fed antibiotics and hormones, a policy that is supposed to be acceptable for consumers. In some countries, e.g. in the EU Member States, such practices are forbidden (www.beefmagazine.com/antibiotics/6-antibiotic-myths-explained). Elsewhere there are pressures to loosen these regulations. Chickens are hormone-free in the US but not beef -why? (<https://www.businessinsider.com/no-hormones-chicken-poultry-usda-fda-2016-3/>).

Pricing policies that make prices change all the time in strange and unpredictable ways (e.g. airline tickets) are and will remain another source of conflict. All those changes are actually rational, even if customers may not be able to make sense of them. Consumer goods used to have fixed, known prices and haggling was an exception. In the future, no firm price structure will exist: the price is what the consumer is willing – or, in many cases – is required to pay. If you are willing to pay more than your neighbour, you will suffer: first financially and then mentally when you realize what the difference was. This is another example of the struggle between the seller and the buyer. As J. Useem writes: "Standard prices and simple discounts are giving way to far more exotic strategies, designed to extract every last dollar from the consumer" (Useem, 2017; Danziger, 2004). If we are manipulated to pay and buy, we want to at least get things cheaply. This, however, is becoming more and more difficult. And as Corniff states, our boycotts may never materialize.

An interesting ethical question deserved further discussion, although I cannot develop it in this context. What is the way forward if we are to create a more ethical capitalist/consumer relationship? Perhaps I have described above an ethically relevant form of struggle, perhaps not. If you are a consensus theorist, that is, if you think the normal state of social life is consensus and not conflict, an ethical problem is there (Chang, 2012). The following has been suggested to me: Is the ethical solution about a systemic/structural transformation, or societal change/revolution, regulatory reform of entrepreneurial conduct, a post-capitalist moral order etc., or perhaps about a re-constitution of the subject of consumption, the re-discovery of a desire-controlling, virtuous moral subject; de-centralizing of the market subject, etc.?

The solution – if one is at all needed – must lie somewhere between a positive utopia and crass cynicism, which may be the same as saying that we already have a solution. The conflict I have described in this paper is real and permanent, perhaps essential in a capitalist/consumerist society, and

hence impossible to eliminate. In other words, the conflict disappears only in a utopia. But we need not accept the conflict in its strongest, more or less cynical Misesian form. Let me rewrite the solution as simply as possible. Consumers must control their desires and learn the facts concerning any given commodity. Entrepreneurs must observe shared and jointly approved rules of ethical marketing and advertising. They must reduce the intensity of marketing. Think of this Volvo add: Our car is so comfy that it is a sheer pleasure to sit in it in a traffic jam every morning and afternoon. Also, consumers ought to organize and make their voices heard.

My view is that the conflicts described in this paper are inherent in a consumerist society. The richer and more enlighten the society, the less serious the conflict; however, it is not going to disappear altogether. What it more, it re-emerges with renewed vigour in developing countries. Nevertheless, these conflicts, like any conflicts, are subject to negotiation and mitigation. First, however, we must recognize and describe them.

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