

# Chapter 3: Ethics and Socially Responsible Marketing

## The Scope of Marketing Ethics

Business ethics refers to a branch of ethical study that examines ethical rules and principles within a commercial context, the various moral or ethical problems that might arise in a business setting, and any special duties or obligations that apply to a persons engaged in commerce.

Marketing ethics refers to those ethical problems that are specific to the domain of marketing

## Ethical Issues

### Creating an Ethical Climate in the Workplace

ethical climate is the set of values within a marketing division of any firm, that guides decision marking and behavior

One the rules are in place, there must be a system of controls that rewards appropriate behavior – that is, behavior consistent with the firm's values – and punishes inappropriate behavior.

### The Influence of Personal Ethics

#### Why People Act Unethically

What makes people take actions that create so much harm?

Are all the individuals who engaged in that behavior just plain immoral or unethical?

It's hard to decide what is beneficial for them and possible the firm in the short run.

### The Link between Ethics and Corporate Social responsibility

corporate social responsibility refers to the voluntary actions taken by a company to address the ethical, social, and environmental impacts of its business operations and the concerns of its stakeholders.

Employees must also maintain high ethical standards and recognize how their individual decisions lead to the collective actions of the firm.

We cannon expect every member of the firm to always act ethically. However, a framework for ethical decision making can help move people to work toward common ethical goals.

### A framework for ethical decision making

#### Step 1: Identify Issues

Identify the issue, for example in data collection, are they told what the real purpose of the study is. Is the results going to be used in a way that might mislead or harm the public.

#### Step 2: Gather Information and Identify Stakeholders

the firm focuses on gathering facts that are important to the ethical issue, including all relevant legal information. The firm must also identify and discuss with all the stakeholders.

### Step 3: Brainstorm and Evaluate Alternatives

all parties relevant to the decision should come together to brainstorm any alternative courses of action. Management reviews and refines.

### Step 4: Choose a Course of Action

Choose the action that generates the best solution for the stakeholders using ethical practices. The task here is to ensure the he applied all relevant decision-making criteria and to assess his confidences that the decision being made meets those stated criteria. Use a Ethical Decision-Making Evaluation Questionnaire \***exhibit 3.5**

## Integrating Ethics into Marketing Strategy

How ethical decision making can be integrated into the strategic marketing planning process

### Planning Phase

marketers can introduce ethics at the beginning of the planning process simply by including ethical statements in the firms mission or vision statements.

### Implementation Phase

Groups may be responsive to the firms efforts and still not represent an appropriate target market; thus, the firm can serve this market bus should not. (dangerous shit to kids)

Resources allocation in the implementation phase can also be an ethical minefield. (not enough to develop affordable drugs for underdeveloped countries to tread AIDS)

### Control Phase

systems must be in place to check whether here each potentially ethical issues raised in the planning process was actually successfully implemented. Those that react quickly will have fewer long-term effects on their reputation, credibility, and level of trust to customers.

## Consumerism, Ethics, and Social Responsibility

companies that do not pay sufficient attention to ethical conduct and strong corporate responsibility are often targeted by consumer groups and other advocacy groups for negative publicity and even boycott of their products.

Consumerism is a social movement aimed at protecting consumers from business practices that infringe upon their rights.

CSR corporate social responsibility policies and projects that support their communities.

## Ethical and Social Criticisms of Marketing

companies that promote their products and services to vulnerable groups such as young children, people who are addicted to alcohol, tobacco, and gambling, or seniors who are not capable of making an informed decision are often deemed unethical.

Marketers are criticized for exaggerating claims, especially in the beauty industry

although companies are often penalized when they are caught, this does little to boost customers confidence and trust in the marketplace.