

# Chapter 4

## **Marketing ethics**

- Conscious marketing
- Corporate social responsibility
- Ethical marketing decision

## **Conscious marketing → an approach to marketing that acknowledges and considers four elements:**

1. Higher purpose of marketing → the purpose of a firm goes beyond making a profit
2. Stakeholders → how marketing affects them
3. Conscious leadership → creating a “good” corporate culture
4. Decisions should be ethical
  - Business decisions
  - Marketing decisions

- **Corporate Social Responsibility (CSR)** is an important part of conscious marketing
  - Aside from economic and legal duties, firms have responsibilities to the society

# CSR examples

<b>Company</b>	<b>Illustration of CSR Program</b>
Coca-Cola	The Coca-Cola Foundation has donated over \$1 billion to communities worldwide since 1984; its priorities are empowering women, protecting the environment, and enhancing communities through youth development.
Amazon	Created the Simple Pay Donation system to help nonprofits raise money on its site more easily.
Microsoft	Developed the Microsoft TechSpark to provide computer science education, increase access to broadband to rural areas, and provide cloud computing and AI to nonprofits, start-ups, and other small companies.
Disney	The Disney Conservation Fund supports nonprofits dedicated to saving wildlife.
Nike	Nike Grind collects and recycles shoes to create basketball courts, turf fields, and running tracks.
Starbucks	Continues to develop ecologically friendly growing practices, reduced plastic by eliminating plastic straws, and is dedicated to building more LEED-certified stores.

## Business ethics

- Concerned with distinguishing between right and wrong actions that arise in a firm or business settings
  - Labor exploitation
  - Toxic work environment (harassment, discrimination, ...)
  - Etc.

## Marketing ethics

- Ethical situations that are specific to marketing
  - Sales
  - Ads
  - Etc.

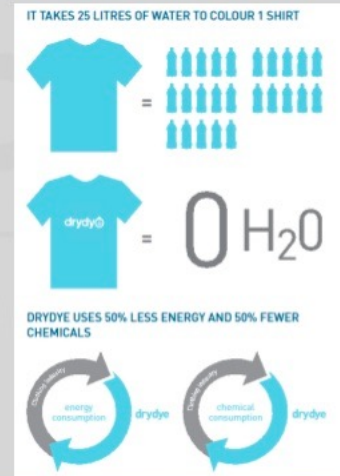
# Conscious marketing





## ADIDAS DRY-DYE

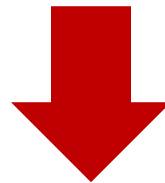
- ▶ Polyester fabric dyeing
- ▶ Use no water
- ▶ 50% fewer chemicals
- ▶ 50% less energy use





Firms must decide what is more important, e.g.,

- Profit vs user privacy
- Environment vs increase production
- Deceptive/unethical advertising vs real promotion



Research can help find alternative solutions!

- Adidas recyclable shoes
  - <https://www.youtube.com/watch?v=6n0x3FIBgUc>

# Vitaminwater

**vitaminwater** GLACÉAU™

flu shots are so last year



**essential**  
orange-orange (a-1)  
although this product is not "part of a  
you called" nutrition program," it does  
contain many vitamins, and that's great  
after all, who really has the time to do other  
vitamin supplements, and a good one  
seven pieces of wheat toast and a yogurt,  
while changing lanes on the freeway? not us.  
vitamins + water= what's in your hand  
one sip, swig or gulp may result in  
beyond of other beverages.

**defense**  
recovery-apple (a-1)-zinc  
zinc is essential  
although this product is not "part of a  
you called" nutrition program," it does  
contain many vitamins, and that's great  
after all, who really has the time to do other  
vitamin supplements, and a good one  
seven pieces of wheat toast and a yogurt,  
while changing lanes on the freeway? not us.  
vitamins + water= what's in your hand  
one sip, swig or gulp may result in  
beyond of other beverages.

**multi-v**  
vitaminwater (a-1, a-2)-vitamin  
although this product is not "part of a  
you called" nutrition program," it does  
contain many vitamins, and that's great  
after all, who really has the time to do other  
vitamin supplements, and a good one  
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vitamins + water= what's in your hand  
one sip, swig or gulp may result in  
beyond of other beverages.

**more vitamin c**

**more immunity**

**less snotty tissues**

- Making false, exaggerated, or unverified claims
- Distortion of facts to mislead or confuse potential buyers
- Concealing dark sides or side effects of products or services
- Bad-mouthing rival products
- Using women as sex symbols for advertising
- Plagiarism
- Demeaning references to races, age, sex, or religion of marketing messages

Generally accepted code in marketing

Flows from general norms of conduct to specific values

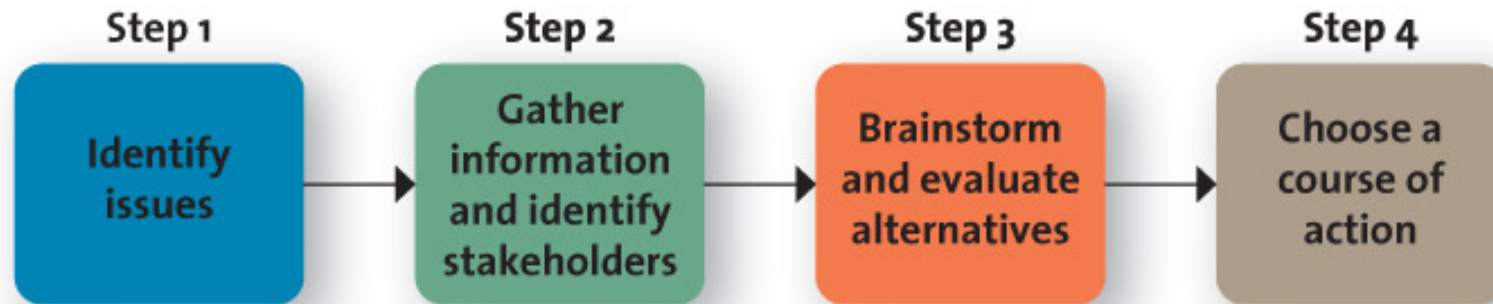
Subareas within marketing have their own code of ethics to deal with specific issues

AMA Website:

<https://myama.force.com/s/article/AMA-Statement-of-Ethics>

# Ethical decision making

## A Framework for Ethical Decision Making



Critical in all situations that involve ethical decision making!  
Particularly in high-stress, high-pressure situations!