THE PERCEPTION OF NON-MARKETING MANAGERS TOWARDS MARKETING ETHICS: AN EMPIRICAL INVESTIGATION
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"The market is a place set apart
where men may deceive each other"

Greek proverb

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BACKGROUND

From a historical perspective corporate planning appears to have been through three stages: long-range planning, strategic planning and strategic management. It now seems to be entering a new frontier, namely implementation (Taylor, 1986: 13-18). Two major determinants of successful implementation are considered to be style of leadership and building of strong corporate cultures.

The taproot of corporate culture is the philosophy, attitudes, beliefs, and shared values around which the business operates. Today's new environmental values and ideal structures such as social responsibility, humanistic attitudes, feelings of sharing and particularly of ethical behaviour, have an impact on this culture. In building a strategy-supportive culture the strategic manager needs to take cognisance of moral and ethical issues and controversies in business (Thompson and Strickland, 1990: 48-51 and 255-262).

Ethical concerns pervade the whole range of business activities (Iannone, 1989: 16) but, according to Esterhuysen (1990), ethics in particularly marketing, financial management and manufacturing receive the most attention in South Africa. Marketing has long been accused of ethical abuse (Kotler and Armstrong, 1989: ch.23). However, the organisation of the future will not only be market-driven (Sadler and Barham, 1988) but with marketing strategy being viewed increasingly as synonymous with corporate strategy (Oosthuizen, 1990), a look at marketing ethics is of paramount importance. This concern is also clearly reflected in the codes of the Institute of Marketing Management (IMM), Advertising Standards Authority (ASA), Public Relations Institute of South Africa (PRISA), Southern African Marketing Research Association (SAMRA) and Marketing Research Standards Authority (MRSA), among others.
PROBLEM STATEMENT

The literature on marketing ethics consists mainly of theoretical and philosophical exhortations which either document broad managerial issues or specific areas of alleged ethical abuse (notably advertising, marketing research and selling) and then proceed to develop some general guidelines or framework for improving the moral behaviour and decision-making of marketers (Hunt and Vitell, 1986: 5-16; Dubinsky and Loken, 1989: 83-107; Ferrel and Gresham, 1985: 87-96; Murphy, Lazarnik and Lusch, 1979: 195-205; Bartles, 1967: 20-26; Kizilbach, Hancock and Gillett, 1979: 1-6).

Empirical studies of ethics in marketing either delineate the individual responsibilities and obligations of marketing managers and educators (Trawick and Darden, 1980: 1-17; Ferrel and Weaver, 1978: 69-73; Chonko and Hunt, 1985: 339-359), marketing research practitioners (Crawford, 1970: 46-52; Hunt, Chonko and Wilcox, 1984: 309-324), sales people (Dubinsky, Berkowitz and Rudelius, 1980: 11-16; Chonko and Burnett, 1983: 41-47; Levy and Dubinsky, 1983: 46-66; Dornhoff and Tankersley, 1975-76: 28-35) and specific product fields (Sachs and Abratt, 1986: 182-190) or, investigate whether groups such as students of business (Hawkins and Cohanougher, 1972: 61-64) perceive certain marketing and research practices to be ethical. However, no study as yet has examined the ethics in marketing as perceived by non-marketing managers with whom marketing managers must integrate and cooperate in the successful operation of any business. This paucity of information is the problem addressed in this exploratory research project.

RESEARCH OBJECTIVE

The research objective of this project is to establish the attitudes of lower, middle and senior management towards the marketing profession in general and the labelling of select marketing practices as either ethical or unethical.

Attitudes represent a person's value judgment (correctly or incorrectly) of an object, based upon internal variables such as feelings, beliefs, preferences, motives and opinions about that object. Attitudes are widely believed to determine how a person will respond to that object in the future (Dillon, Madden and Firtle, 1987: 362), i.e. attitude is a key determinant of behaviour. As such the research findings will contribute to a better understanding of the working relationship between marketing and non-marketing managers.

The relevance of this research is further emphasised by the growing importance of horizontal management (Sadler and Barham, 1988) and the suggestion that understanding of the social action systems and processes involved in the interrelationship between marketing (particularly the implementation) and other non-marketing functions has largely been ignored (Rueckert and Walker, 1987), as well as the observation that marketing has a close working liaison with the other key functional areas (including production and finance) in top-performing organisations (Lynch, Hooley and Shepherd, 1988: 20).

RESEARCH METHODOLOGY

Research methodology is treated under the headings of Data collection and Data processing and analysis.

Data collection

Method

The survey method of collecting primary data was employed. A questionnaire
was utilised and replies were entered on computer cards by the respondents under the personal supervision of the author. The survey took place during the period March to May 1990.

**Questionnaire**

The scope of the questionnaire encapsulated the following eight response areas:

- Ethics in society and business
- Ethics in marketing
- Ethics of marketing managers/executives
- Personal ethical considerations of marketers
- Ethical considerations in specific marketing practices (product/service, pricing, distribution, advertising, selling/publicity and marketing research)
- Control mechanisms for professional conduct in marketing
- Classification data
- General issues

The subject data of the questionnaire investigated the attitudes towards ethical practices in marketing. Debate still rages about whether real measurements of attitudes are at all possible. This article does not propose to enter the debate, but will merely employ and accept one of several popular scaling techniques which can be used to measure a person's evaluation of an object namely, the multiple-item format of the Likert scale. However, it must be recognised that all attitude measurement is indirect, i.e. attitudes can only be inferred and not be directly ascertained. The Likert-type statements consisted of a scale of five fixed standardised response categories ranging from Strongly Agree to Strongly Disagree. Designing a good Likert scale involves generating a large pool of statements relevant to the attitude and then eliminating from the pool statements that are vague and/or non-discriminatory.

The pool of statements generated for use in this study was an inventory of situations found in the literature, both theoretical and from empirical research. It was regarded to be sufficiently varied to cover all or most of the attitude object.

The questionnaire containing the original comprehensive pool of statements was pre-tested during 1989, using a convenience sample of 53 MBA students and 32 delegates on Executive Development Programmes (EDP). Following the pre-test only those statements sensitive enough to discriminate between responses with differing attitudes were identified and included in the final questionnaire. Likert's criterion of consistency was not applied and changes were made to refine statements, filter out less relevant issues and add new statements based on judgmental evaluation of the result of the pre-test as well as discussions with the pilot respondents.

Finally, Likert-type statements or questions usually contain three inherent possible errors arising from the wording of the question: leading questions, one-sided questions and questions with implicit assumptions (Parasuraman, 1986: 358-364). A brief outline is given of how these errors were minimised in this particular questionnaire:

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* Apart from the Likert scale, empirical research into marketing ethics also involves the extensive use of situational scenarios.
Leading questions may steer respondents towards a certain answer unless they have very definite feelings about the subject. They are then less likely to be swayed by the way the questions are worded. A neutral filter question was therefore included and it was established that 50% of respondents regarded ethics in business as Very Important and 47% regarded it as Important. A total of 97% of respondents thus indicated a clear feeling towards the subject of ethics and are thus unlikely to be influenced to any great extent by loaded wordings.

One-sided questions are leading questions of a kind, although they may lead respondents in a more subtle fashion. The phenomenon of one-sidedness is referred to as "Yes-saying", and the resulting bias is known as acquiescence bias. The occurrence of this bias is reduced if the Likert scale contains a balanced set of statements, i.e. approximately the same number of favourable and unfavourable statements. The questionnaire used in this research consisted of 41 positive and 45 negative statements about the attitude object.

Questions with implicit assumptions can greatly influence the response if respondents do not all have a similar frame of reference. As far as possible the research must ensure a common frame of reference to all (most) respondents in order to obtain significant responses and draw valid inferences from them. To determine whether such a common framework exists, a filter question may be asked to establish if respondent actually "qualify" for the subsequent subject data-questions. For the purposes of this survey a very basic definition of ethics was decided upon in order to establish commonality, and it was found that 37% of respondents Strongly Agreed and 54% Agreed that "Ethics is the discipline dealing with what is right and wrong".* A total of 91% of respondents may thus be regarded as having the same basic assumption about the attitude object in question.

Sample

The sample is a combination of convenience and judgmental methods and consisted of MBA students (primarily lower to middle management) and delegates on EDP programmes (primarily higher-middle and senior management). The sample includes a cross-section of practitioners who represent some of the largest and most visible firms in South Africa as well as public sector organisations. A strong professional orientation would be expected.

A total of 358 usable computer cards (respondents) was obtained. A profile analysis revealed that respondents were 84% male and 16% female. The largest single majority (47%) of respondents was in the 25-34 age category. Another 34% were between 35-44 years and 15% in the category 45-54 years. Afrikaans** was spoken by the majority (69%) of respondents, while 20% had English as mother tongue. EDP delegates constituted 69% of the sample and MBA students represented the remaining 31%. Monthly remuneration (salary + fringe benefits) was concentrated (31%) in the R3 000 – R4 999 category. Only 15% of respondents earned less than R3 000 while 28% claimed to earn between R5 000 – R6 999. Some 26% of the sample reported a remuneration of R7 000 and more per month.

* In the personal sense, ethics is a particular individuals's beliefs and presuppositions about right and wrong, good and bad, justified and unjustified (Iannone, 1989: 582).

** A limitation must be noted in that the questionnaire was only available in English.
Those MBA students and EDP delegates who reported working in marketing-related areas such as area/regional/branch manager (mainly retail and financial services), marketing manager/director, sales manager/representative, brand manager, marketing consultant and public relations officer, were excluded. Furthermore, the knowledge of the sample regarding marketing can be judged from the fact that 67% of the MBA students had completed at least an introductory course in marketing and 46% of EDP delegates had had some exposure to a marketing course at the time of the survey.

Data processing and analysis *

An SPSS-X sub-programme was utilised for the processing of contingency tables. A probability sampling method was not employed and it was not possible to use contingency table analysis to calculate statistically significant differences between groups.

SURVEY FINDINGS

The findings of the survey are discussed under the headings of the eight response areas of the questionnaire. This is followed by an overview, conclusions and recommendations.

Ethics in society and business

People view ethics through different filters and therefore have different perceptions of what constitutes ethical practice. This is probably why respondents were divided in their views on the ethical standard of society in general. While 50% indicated that they were comfortable with the ethics of society, 41% were not.

Concern with business ethics is not totally new. Adam Smith, who "invented" capitalism was a thinker whose writings not only expounded capitalism, but also illuminated ethical theory in business (Wilson, 1989: 59-88). However, according to Van Jaarsveld (1988: 12-13), relatively little attention is paid by South African businessmen to ethical issues. Respondents were of the opinion that the ethics of business executives must be regarded as being somewhat less satisfactory than those of society per se, with only 41% of respondents expressing comfort with the ethics of business executives. A majority of 57% suggested that the level of business ethics has declined significantly during the past decade.

Despite the above, the author believes there is an overt and heightened interest in business ethics on the part of top management. Some prominent executives are coming out as individuals and speaking publicly on the necessity of practising good ethics. This feeling was substantiated by the survey and 67% of respondents indicated that top management has let it be known quite clearly that unethical behaviour will not be tolerated. Top management must set the ethical tone and communicate it to the functional managers.

Top management concerns itself not only with moral issues (what ought to be done), but must operate within the constraints of the law (what has to be done). However, violations of ethical ideals are often not necessarily violations of legal principles and 66% of respondents did not regard business behaviour within legal parameters as enough safeguard against ethical business ramifications.

* The author wishes to thank Dr J du Toit of the Department of Industrial Psychology at the University of Stellenbosch who did the computer data processing.
Ethics in marketing

There was agreement among 66% of respondents that society’s impression of marketing activities is a grey area and that this is probably why the general public believes that marketers have a lower ethical standard than they actually have (62%). Respondents did not agree that marketing activities were "ripping people off" (44%) or that marketing increases materialism and results in wastage of scarce commodities (50%).

Nevertheless, only 34% of respondents were of the opinion that consumer sovereignty, which is central to the marketing concept, ensures that marketing practice is predominantly ethical and only 32% thought that the standard of marketing ethics today is superior to that of the past - in fact, 47% perceived a decline.

Ethics of marketing managers/executives

Managers included in the sample were equally divided on whether they were comfortable with the ethics of marketers or not, nor did they express a clear stand on the issue "that it is only because of their visibility in society that marketers are often perceived as engaging in unethical or questionable behaviour". However, the majority (57%) of respondents agreed that marketers like doctors, lawyers and other professionals tend to know more about what is right or wrong for their profession than society in general.

Within the internal organisational environment itself, it has been claimed that, because marketers are in contact with the public more often, they are more aware of the implications of their actions and thus exhibit greater ethical beliefs and personal values than their corporate counterparts in finance and production (Marketing News, 1983: 11). Respondents did not concur with this finding and ethical awareness among marketers was generally not regarded (50%) as greater than among people engaged in other aspects of business such as finance, manpower and production (although 28% of respondents did agree!). It is interesting to note that 36% considered the conduct of marketers to be as ethical as that of people who work in government!

While 79% of respondents considered that there are many opportunities for marketers to engage in unethical behaviour, a much smaller percentage (51%) expressed the opinion that it actually happens. Furthermore, successful marketing managers were not perceived as being more unethical than unsuccessful managers (47%) and respondents did not believe that marketers had to compromise their ethical beliefs in order to assist their organisations to make as high as possible a return on corporate assets (60%).

Personal ethical considerations of marketers

The personal ethics of individuals involved in marketing have often been widely debated and perceived to be on an relatively low moral plane (Murphy and Laczniaik, 1981: 252). This often stems particularly from the infamous (and misquoted!)* observation by Friedman (Friedman, 1962, 1988: 349) that the only responsibility of a business is to make as much money as possible for its stockholders. Respondents were clearly of the opinion that the personal ethics of marketers enhanced this view and the majority suggested

* What is often (conveniently?!?) overlooked is that Friedman clearly stated that the pursuit of money takes place "...so long as it stays within the rules of the game, which is to say, engages in open and free competition, without deception or fraud."
that survival in the firm (60%), promotion (59%) and profit (57%) were more important to marketers than their personal ethical standards. Some 46% also believed that marketers are expected to afford their career a higher priority than their family.

The impression is received that respondents consider it impossible (or difficult) for marketers to pursue both ethics and profit (including personal enrichment) in marketing. Of course, this is not true and, although the societal marketing-concept requires a greater degree of ethical awareness than allegedly displayed thus far by business, it does not deny the basic aim of business to ensure long-term survival and profitability. It simply seeks to redefine the parameters within which this goal may be achieved (Abratt and Sachs, 1988: 497-507).

Respondents were almost equally divided on whether the following two issues should be regarded as ethical or unethical personal behaviour by marketers:

- Using knowledge from a previous firm in decisions at the new firm after switching firms
- Interviewing a new employee formerly employed by a competitor about the internal marketing matters of the competitor

It can probably not be denied that the personal ethics of some marketers may leave much to be denounced. However, this does not imply that all marketers should be viewed as JRs, con artists and cheats. This would call the integrity of all marketers into question - which the discipline of marketing does not deserve.

**Ethical considerations in specific marketing management practices**

Strategic marketing management decision areas which frequently contain ethical questions relate to the controllable variables of the marketing mix namely product/service, pricing, distribution, communication and marketing research. Ethical issues in these areas are discussed.

**Product/service practices**

In marketing products and services marketers are faced with a number of ethical ramifications. For example, in the new product development process, ethical questions may arise in the copying of a competitor's successful product - although 53% of respondents regarded this as perfectly acceptable business practice. However, the issue of planned obsolescence in product development was noted by 47% of respondents as being morally questionable. Respondents also felt (60%) that it is not ethical to develop and market products which are considered to have potentially harmful effects on health (e.g. cigarettes), the environment (e.g. aerosol spray) and culture (some television programmes), even if these are required by consumers.

When considering the properties of products, the topic which probably gives rise to the most intense discussion is safety as it lies at the very core of ethics. Does the responsibility for safety always rest solely with the supplier? Respondents were divided on this issue (Agree 47%. Disagree 44%); suggesting that the responsibility for safety should be shared with the consumer, particularly if he/she is aware of, or can anticipate, the dangers involved.

* This section mainly draws upon ideas from two very useful articles: Abratt (1989: 95-100) and Murphy and Laczniak (1981: 251-266).
Furthermore, the level of quality in respect of safety to be weighed against the cost of obtaining that level—lest the price becomes higher than the consumer would be prepared to pay—and 75% of respondents agreed that this equilibrium should be sought.

Various forces help to control and regulate aspects such as product development and safety: notably market forces (switching brands) and legal (government) regulations. It has already been observed that a low percentage (34%) of respondents had faith in consumer sovereignty as a safeguard and it was surprising that 76% of respondents thought that control over a distinct product property such as safety and products considered to have potentially harmful effects should be left to market forces, i.e., that the consumer should be given the freedom of choice whether to buy the product in question or not. In the case of "harmful products" 70% of respondents thought that government should exercise control while 50% considered it necessary in the case of product properties.

While accepting the need for legal "interference" the legislation affecting aspects of marketing (far beyond products per se) is extensive and, with amendments to the Harmful Business Practice Act before parliament, will become even more stringent (Financial Mail, 1990: 66). Common Law also places restrictions on the activities of the marketer—some can be classified under the Law of Contract and others under the Law of Delict. Many Provincial Ordinances also deal with various aspects affecting the marketer. Are we not overregulated?

**Pricing practices**

Pricing is arguably the most difficult area of all the elements of marketing to examine from an ethical viewpoint because of the complexity of the price variable. The major ethical dilemma facing the marketer is probably whether there is such a thing as a "fair and just" price, i.e., a price that meets corporate objectives while not taking advantage of consumers. This situation exists when both the buyer and seller are given an equal opportunity of reaching a justified standard of living (Hög, 1983: 269-272). Did respondents to this survey believe that there is such a thing as a fair price? Only if the answer is affirmative can one proceed to further investigate their views on the ethics of price. It transpired that a large majority (73%) of respondents agreed that a "fair" price exists.

As far as actual determination of the basic price is concerned, respondents had mixed feelings as to whether it was right (43%) or wrong (49%) to obtain information on a competitor's price quotation in order to requote. However, in the realm of price determination it is probably price fixing which is the oldest and most controversial ethical issue (Kehoe, 1985: 75). In practice this seems to occur mainly in mature markets with undifferentiated products where many competitors are of the opinion that it is the only way to "survive profitably".* In fact, one cynic has gone so far as to suggest 22 basic rules of successfully conspiring to fix prices! ("Lawyer", 1962: 95). With few exceptions (exemption in terms of section 15(5)(b) of the Maintenance and Promotion of Competition Act) price agreements are illegal in South Africa and 54% of respondents also regarded it as a morally questionable practice.

Marketers adjust their basic prices to account for various customer differences and changing situations which, although perfectly legal, sometimes raise ethical questions. Two common adjustment strategies are discriminatory pricing and psychological pricing.

*Economists suspect oligopolies of conspiring to collusion.
• Discriminatory pricing means selling a product or service at two or more prices, where the difference in price is not based on differences in cost. Discriminatory pricing takes several forms. Customer-segment pricing on the basis of small accounts appears to be marginally acceptable (Agree 45%, Disagree 41%) to respondents. However, the majority of respondents rejected as unethical price discrimination on the grounds of higher prices in order to cover anticipated risk areas (51%) (location pricing) and premium prices for life-sustaining products/services such as medical services (55%) (product-type pricing).

• Psychological pricing considers the psychology of prices and is not much concerned with the economics. Price says something about the product and a certain degree of positive relationship between perceived product quality and price, i.e. value-for-money is to be expected. Studies have indicated that this product-price relationship tends to be product specific and weak in general. Respondents (53%) to this survey concurred. For them high price did not necessarily relate positively to quality. Asking a high price in order to indicate something special was not really regarded as ethical. Another aspect of psychological pricing relates to the fact that even small differences in price can suggest product differences to consumers. The practice of intending the consumer to perceive R299 as "about R200" rather than R300 was acceptable to 50% of respondents whilst 40% rejected it.

Distribution practices

The ethical dimensions of decision-making within distribution may not be as obvious as in the product/service and pricing areas. Deliberations and research into this aspect is thus rather limited. However certain issues need to be addressed. Respondents felt strongly that it is unethical for a manufacturer who promises to give a retailer exclusive distribution in a trading area to break this promise (69%) and not to inform resellers well in advance of plans to discontinue making a particular product (75%).

At the intermediary level retailers were perceived mainly (65%) as unresponsive in dealing with customer complaints. The use of lower quality merchandise for end-of-the-month sales seems to be an ethically-suspect practice to 66% of respondents.

Communication practices

Advertising

Despite the appearance of an advertising code of ethics in the United States of America as early as 1928, the ethics of advertising has come under question almost continuously (Clark, 1988). Because advertising is such a visible element of marketing, this situation is not surprising - although many of the allegations made against advertising are in reality criticisms of society rather than of advertising as such. It was Thomas Jefferson who claimed, "Advertisements contain the only truths to be relied on in a newspaper."

Advertising's original mission was to influence behaviour in order to sell goods and services. Today, advertising continues to perform this role (72% of respondents agreed) and each year there is new evidence of advertising's usefulness as a communication channel for promoting causes and other non-commercial missions. Respondents seemed to acknowledge this contribution and an overwhelming majority (73%) regarded advertising as a service to the public, while 46% did not believe that it blatantly tries to deceive and manipulate the consumer. However, 38% of respondents did believe this to be
the case! Advertising in South Africa was generally (52%) regarded as informative, factual, honest and decent (which both the Association of Advertising Agencies - AAA and the ASA can take as a compliment) but 48% of respondents did not believe that advertisers live up to their advertising claims, which is a reflection on advertisers.

Although the South African advertising industry aspires to professionalism, it is not without its ethical problems (Market Place, 1988: 17). Nevertheless, all the main organisations within the industry, including the media, are members of the ASA and subscribe to its Code of Advertising Practice. The main provisions of the code relate to aspects such as decency and fear, while specific provisions are directed towards advertising to children. It was thus somewhat disappointing that respondents still believed advertising to be guilty of the excessive use of sex appeals *(decency) (61%), the use of fear appeals (46%) and manipulating children (66%).

The use of these appeals cannot be denied and sex has been a favourite weapon in the advertiser's armory since at least the beginning of the century, with the most obvious objective of attracting attention. Fear, too, was discovered many years ago, but it is used today to great positive effect in campaigns such as trying to persuade people not to drink and drive. The importance of children as a market is comparatively new and can be traced to the sixties. Although it is a very sensitive issue, it would probably be naive to believe that the real purpose is not to sell a product or service to a child.

Finally, respondents (78%) believed advertising to utilise emotional appeals, something of which they did not approve. This attitude is highly debatable since emotion is most often the very essence in promoting desirable causes and non-commercial issues (i.e., raising money for fighting cancer, family planning, etc.) Furthermore, in a society where the traditional USP has all but disappeared, and where product/service parity is an accepted fact (something for which advertising cannot be blamed!), marketers have to turn to the so-called ESP (emotional selling proposition) which underlines the extrinsics (or intangibles in the case of a physical product) of the market offer, rather than the intrinsics. The importance of this emotional content in today's market place was observed by Enrico, CEO Pepsi, when he concluded, "You can, after all, fix a product. But damage an intangible, and you're condemning yourself to years of distrust" (Botha, 1990: 55).

Selling/publicity

Another area within marketing that draws constant criticism pertains to the ethics of sales and promotions personnel, often categorically labelled as unethical! However, respondents, were divided on the issue of ethical considerations not being of primary importance to people in the sales activity, with 40% agreeing and 47% in disagreement.

The majority of respondents clearly questioned the ethical behaviour of the sales activity per se, believing that sales people do not tell the customer the complete truth about the characteristics of a product/service (76%), make promises they cannot keep regarding the time something will be ready (76%), exaggerate in order to get a bigger order (76%), pressurise customers into making a purchase (74%) and sell a more expensive item when a less expensive one would be better for the customer (69%).

* Sexist advertising, i.e. the stereotyping of women as inferior, was another issue of which 56% of respondents considered advertising to be guilty.
As far as certain practices attributable to sales people are concerned, 44% of respondents suggested that sales people pad their expense accounts up to 10% or even more (although a massive 46% opted for the "no opinion" alternative), but are not guilty (51%) of giving incorrect change to customers on purpose.

Corruption, in some form or other, probably exists in all cultures and countries. Nevertheless, gratuities such as gifts and business lunches were not considered acceptable business practice (50% of respondents) when required in order to ensure a sale. This concurs with a finding in the United Kingdom that "Anybody who expects to take clients to a cricket match and walk away with a handful of signed contracts is probably going to end up feeling that he has wasted his money" (Darwent, 1989: 105). Furthermore, bribes were regarded by respondents as unacceptable (69%), even in countries where they are seen as necessary in order to conduct business.

People in public relations were considered by 54% of respondents to maintain high professional standards in their activities.

Marketing research practices

From a review of available sources it seems that the most extensive analysis of ethical issues within the field of marketing has occurred in the area of marketing research. Since Bogart's (1962: 6-11) ground-breaking discussion of "The Researchers Dilemma", the ethical perspective relating to marketing research has been regularly examined: "The marketing researcher faces two ways: towards a professional ethos concerned with the pursuit of truth for its own sake as an ultimate value, and toward business achievement concerned with advancing his/her own career and contributing to the corporate goal of profit and gain". According to Harben (1988: 3) flagrant unethical practice in the South African research industry has to date been very rare.

Respondents to this survey offered no clear direction as to whether they thought that the general public are reluctant or refuse to take part in research surveys to a greater extent than before, with 34% in agreement, 30% in disagreement and a large 36% offering the "no opinion" alternative. However, respondents did not perceive marketing research to be simply a guise for selling (57%) (suggestion); nor did they believe that it invades the individual's right to privacy (63%).

Although 40% of respondents thought that marketing researchers frequently engage in unnecessary projects, they were seen as applying the "scientific method" (56%). This is in stark contrast to a finding in the United States of America which concluded that "... the courts are suggesting that much of the marketing research brought before them lacks a scientific basis and is, therefore, unworthy of their acceptance" (Achenbaum, 1985: 5).

What may be disturbing from the point of view of the local research industry is the perception of respondents that marketing researchers "massage" data, conclusions and recommendations to suit the needs and interests of the marketing researcher (45%), the research house (57%) and even of the client (47%).

Control mechanisms for professional conduct in marketing

Although respondents thought that marketing related codes of ethics (advertising, research, etc.) are required (63%) and can be enforced within the organisation (81%), they were divided (Agree 46%. Disagree 40%) on whether such codes would be effective in reducing alleged unethical practices in marketing.
With regard to marketing research, for example, it has been suggested that ethical standards can be enforced for all organisations that participate in the marketing research process (Skinner, Ferrel and Dubinsky, 1988: 209-223) and that such enforcement is associated with a higher level of behaviour (Ferrel and Skinner, 1988: 103-109).

Creating more and more marketing controls need not, however, be the solution. A society is just to the extent its people are just and not, as respondents seem to indicate, to the extent that it has mountains of control documents.

OVERVIEW

This overview is not intended as a summary in the traditional sense of the word, but rather an attempt to encapsulate the diversity of ethical issues addressed in the article. This impression was reached by assigning numbers (ranging from 1 through 5) to the individual Likert-responses in order to measure quantified groups of attitudes (summing) towards particular areas. The exercise is not unlike the usual methodology applied to measure an individual respondent's overall attitude.

Respondents were more or less equally, and positively, disposed towards ethics in society (64%) and in marketing (63%). However, a much larger number (25%) expressed a Strongly Agree comfort with the ethics of society than with marketing (13%). As could probably be expected, the overall perception of the ethical conduct of marketing managers (55%) and of their personal ethics (57%) was very similar.

The quantification of individual statements and their grouping within the spectrum of the various marketing management practices areas resulted in what may considered as a perception of the relative level (or index) of morality of each group of practices. Product/service and pricing practices rated highest on this "scale of morality" at 67% and 62% respectively. Next followed marketing research (56%) and advertising (52%). Selling (42%) and distribution (41%) activities rated the lowest.

Somewhat disturbing (to the author!) was the observation that a composite level of 79% of respondents believed that stringent control measures could ensure morality in marketing, with a large 47% in the Strongly Agree category.

CONCLUSIONS

Based on a literature overview and the results of the descriptive ethics questionnaire survey, several conclusions can be made about marketing ethics today as perceived by lower, middle and senior managers engaged in non-marketing functions in both private and public organisations:

1. Top management clearly takes an active interest in ethical behaviour and expects other managers to act accordingly.

2. The marketing function per se is not regarded as unethical in the sense of "ripping people off" and increasing materialism.

3. Marketing represents a grey area which provides many opportunities for unethical behaviour. As such, the general public believes that marketers have a lower ethical standard than they actually have. It was conceded by respondents that marketers, like other professionals, probably know more about what is right and wrong for their profession than others.
4. Non-marketing managers perceive the personal ethics of marketing managers to be basically on a par with those of executives in other areas such as finance, manpower and production, as well as with society in general.

5. Marketers were seen to afford corporate goals (ROI, Profit) and personal aims (Survival, Career) a higher priority than their own ethical considerations.*

6. It was believed that enforced codes would contribute to ensuring ethical behaviour in marketing.

In general, it would appear that there is no reason to believe that the perceived ethical behaviour of marketing managers can in any way inhibit good understanding, cooperation and an efficient working relationship between marketing and non-marketing managers, thus placing a possible limitation on the effective functioning of the organisation.

RECOMMENDATIONS

At the very essence of recommendations on ethics in marketing is the controversy of whether marketing is a profession or not. Certainly the real concept of a profession has not yet been defined beyond any doubt. In a landmark article Barber (1963: 35-39) propounded the differences between genuine professions and emerging professions. He defined it in terms of the existence of a body of systematic knowledge, a community orientation, a code of ethics and symbols of achievements such as prestige, medals, prizes and so forth. Marketing would seem to meet these requirements and in the United Kingdom the Institute of Marketing has been afforded a Charter, thus granting its members full professional status.

With this background the following recommendations are made:

1. **Marketing practitioners** must understand the attitudes towards their profession and act accordingly. In particular, the chief marketing officer, rather than the CEO, must be responsible for providing the ethical guidance to the members of the marketing department. The policy in this regard must be fully and clearly communicated to people at all lower levels in the department.

2. **Marketing academics** should have a clear view of what is perceived as ethical in the "real world", and prepare future marketers accordingly.

This is no easy task! Although the teaching of business ethics is gaining ground in South Africa, there is probably still a long way to go. If the 1989 observation of Dean John H. McArthur of the Harvard Business School is anything to go by: "...fully integrating ethics into the curriculum will require a massive undertaking. It will take at least a generation of work to implement the innovations in the School's research, course development, and professional development activities that will be necessary to establish a curriculum - and faculty-wide foundation for ethics teaching and learning" (HBS Bulletin, 1989: 38).

* The author is of the opinion that this would probably apply across the whole spectrum of business executives, not only marketers! 
Teaching ethics in marketing as a separate subject is, to the best knowledge of the author, currently only taught at the University of Stellenbosch Business School. How to structure such a course is no easy task and over a period of three years the author has tried various approaches, none of which seems to be "perfect". Probably all that can really be achieved is to sensitisize students to ethics in marketing, i.e. consciousness-raising (Smith, 1988: 555).

It has already been noted that academics must have a clear view of ethics in the "real world". This comment follows a finding which suggested that academics, "being further removed from the marketplace, may not have an accurate perception of how marketing ethics are actually being practiced today" (Trawick and Darden, 1980: 15). Perhaps this situation could be partly alleviated in South Africa by involving academics in a joint project with executive members of the IMM to investigate and improve (if necessary) the ethical standards of the marketing profession. A first step could be the re-examination of the IMM Code.

3. It is of utmost importance that professional organisations in the marketing arena such as the IMM, AAA (ASA), PRISA, SAMRA and MRSA accept the major responsibility for ethical conduct, as they have already demonstrated through their codes of behaviour. It has long been established that professional ethics, rather than individual and organisational ethics, are the most appropriate for marketers (Prudon, 1971: 99).

The author believes that the IMM should take the lead and consider the following actions:

- Constitute an umbrella Ethics Committee with representatives of other relevant associations to offer opinions and guidance on the ethical questions of marketers.
- Conduct educational seminars/workshops as a possible method of preparing and assisting marketers in approaching ethically-sensitive problems - not to suggest "right" answers!

FINALLY...

In 1967 Farmer (1967: 3) posed the question, "Would you want your daughter to marry a marketing man?" and followed it in 1977 with "Would you want your son to marry a marketing lady?" (1977: 18). This survey established that 78% of respondents with children would not object - in fact, 37% indicated "No objections whatsoever". One suspects that ethics, like beauty, is in the eyes of the beholder and that Ernest Hemmingway was probably correct when he said: "What is moral is what you feel good after."

H Oosthuizen
July 1990
LIST OF SOURCES:


*Marketing News.* 1983. Study suggests ethical awareness is greater among marketers than financial, production vice presidents, 10 June, 11.


Rip-off marketing can lead to reduced sales

While many opportunities exist for marketers to engage in unethical behaviour, not all marketers are unethical.

This was the focus of the April meeting of the Cape branch of the Southern African Marketing Research Association (SAMRA) addressed by Professor Hein Oosthuiizen of the Stellenbosch Business School.

He also discussed professionalism of the marketing industry.

Research conducted highlighted that marketing activities were not seen to "rip people off" and neither was marketing seen to increase materialism or result in wastage of resources.

Questionable ethics relate to planned obsolescence in product development; the marketing of products with potentially harmful effects on consumers' health (e.g. cigarettes) and the environment (aerosols containing CFCs); price fixing; the use of lower quality merchandise for end-of-month sales; advertisers not living up to their advertising claims; and misleading selling practices by sales representatives.

Customer satisfaction must be the driving force of any professional marketer. Unethical behaviour is contrary to marketing orientation, and such behaviour usually leads to reduced sales. No marketer can afford to be less than professional to safeguard the long term future of his business.