

*CONTEXT BASED RESEARCH FRAMEWORK FOR
IDENTIFICATION OF MARKETING ETHICS GAPS FOR
IMPROVING ETHICAL MARKETING ORIENTATION OF
POTENTIAL MARKETING PRACTITIONERS*

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Abstract

Significance of Marketing Ethics towards long term customer relationship has been recognized in literature. Even though it has been broadly agreed on the significance of Marketers being ethical, research suggests Management and Marketing professionals tend to place relatively low worth in Marketing ethics and values. These highlight the ongoing debate on whether Marketing values and ethics should be taught explicitly in academia or remain as implied. Considerable proportion of that argument depends on the impact to potential marketers ethics from their tertiary education, especially Business schools.

In this backdrop, this papers attempts to propose a research based framework in order to determine whether Marketing ethics and values change in dissimilar contexts related to tertiary marketing education of potential marketers. Therefore, the paper argues on the significance of Marketing ethics and a potential research framework based on selected dissimilar context. It is believed that this framework based on potential research on dissimilar contexts would assist to determine the gaps and in turn assist working towards bridging the gaps based on contexts, for potential marketing practitioners

Introduction

Background

“The biggest corporation, like the humblest private citizen, must be held to strict compliance with the will of the people.” - Theodore Roosevelt, 1900

Marketing’s enduring philosophy of achieving success through long-term customer orientation has been almost nonchalantly assumed and accepted in the field of Marketing, both academia and corporate.

As indicated in the above quote too, it is imperative to know the expectations of the customers in order to keep them in the centre of decision making to achieve long term customer orientation. For example, the extent to which sustainability enhances a product’s appeal depends on the type of benefit consumers value in a given product category (Journal of Marketing, 2010).

As Jim Alling, Starbuck's senior vice president of North American retail said, Starbuck's value proposition based on "Customer intimacy" could be something as simple as recognizing you and knowing your drink or customizing your drink just the way you like it (Moon and Quelch, 2003). Customer-orientated firm is more likely to deliver exceptional service quality and create satisfied customers (Hartline *et al.*, 2000) and also customer orientation leads to greater satisfaction with the service, which leads to greater loyalty giving a firm increased repeat purchases (Macintosh, 2007).

Placing customers at the centre of decision making requires understanding customers and their needs and expectations. These needs and expectations include what customers expect from Marketers in terms of ethical and moral behaviour which forms the required trust in the minds of the customer about the organization and its products.

Though much was researched, discussed and argued in the rational perspective of customer preferences, what customers and society at large expect from Marketers did not receive the same level of attention until recently. But due to the increasing importance in the Ethical Orientation of Marketers, this showed some signs of entering into the mainstream marketing research in the recent past. One such example is the journal article published on The Journal of Marketing of American Marketing Association, where in their September 2010 publication by Luchs *et al* pointed out articles and stories of positive social and environmental ethical principles now appear regularly in popular press such as *Business Week* (Beaven 2009), *Time Magazine* (Betts 2009), and the *Wall Street Journal* (Johnson 2009).

This increased emphasis on Marketing ethics can be due to the impact of unethical marketing practices by marketing professionals in the forms of misleading advertising, deceptive promotions, false labelling, small print, hidden chargers and marketing to children. The significance and impact of unethical business and marketing practices are such that above mentioned are considered relatively less important compared with some significant problems faced by societies due to lack of fundamental integrity of business/marketing professionals. Increasing number of large scale corporate scandals such as the cases of Enron, Worldcom and Arthur Anderson are few examples for such significant problems.

Also, the current level of acceptance and trust of Marketers is considered to be at a relatively low level. According to the Gallup polls, Marketing practitioners rank near the bottom among professionals in honesty and ethical standards (Advertising Age, 2002).

Apart from the ethical marketing orientation of Marketing practitioners towards customers, Marketers also have a high level of ethical and moral expectations placed on them by the Marketing profession and academia in the discipline of marketing.

Above suggests that through better understanding of ethical marketing orientation of Marketing practitioners with relation to the expectations of customers and other stakeholders, Marketers can relate better to the customer and increase customers trust. This will lead to greater customer satisfaction and understanding of customer expectations, which are vital for long term customer orientation.

Understanding Ethical Marketing Behaviour of Marketing practitioners is a daunting task. This is due to numerous categorizations of marketing ethics found in the discipline of Marketing. Authors, whose literature mainly comes before millennium such as Murphy and Laczniaak 1981; and Whysall 200; categorize Marketing ethics according to subdivisions of the discipline such as promotions and pricing and so on. Others divide it into more broad categories of normative, positive, combination of both and other methods (Tsalikies and Fritzsche 1989 and DeGeorge 2005).

Therefore, the proposed research framework based on dissimilar contexts, attempts to

1. Investigate and analyse Ethical Marketing Orientation theories including Conceptual models of Marketing ethics (Hunt, 1976; Hunt and Vitell, 1986; Gaski 1999; Hunt, forthcoming; DeGeorge 2005) and other relevant divisions.
2. Analyse the suitability of Marketing ethics' broad categorization based on the focus of analysis is primarily descriptive or prescriptive. The main categories are **normative ethical theory** and **positive models of Marketing ethics**, where positive theory of marketing ethics fall under descriptive contributions, whereas, normative ethical theory comes under prescriptive contributions.
3. Based upon the above, identify the gaps of customer and other stakeholder expectations and that of Marketers and also the gap resulting through the variance in expectations of ethical orientation of a marketer and that of fellow practitioners. These gaps can be categorised mainly into two (2) areas.

Social expectations / ethical reality gap – Society expects better ethical conduct from Marketers than they are providing

Professional expectations / ethical reality gap – Marketing profession desires improved ethical performance from marketers.

4. Propose a framework and / or strategies to reduce the variance in expectations of customers, profession and society.

The graphical representation of the proposed framework of research is given in Figure 1.0.

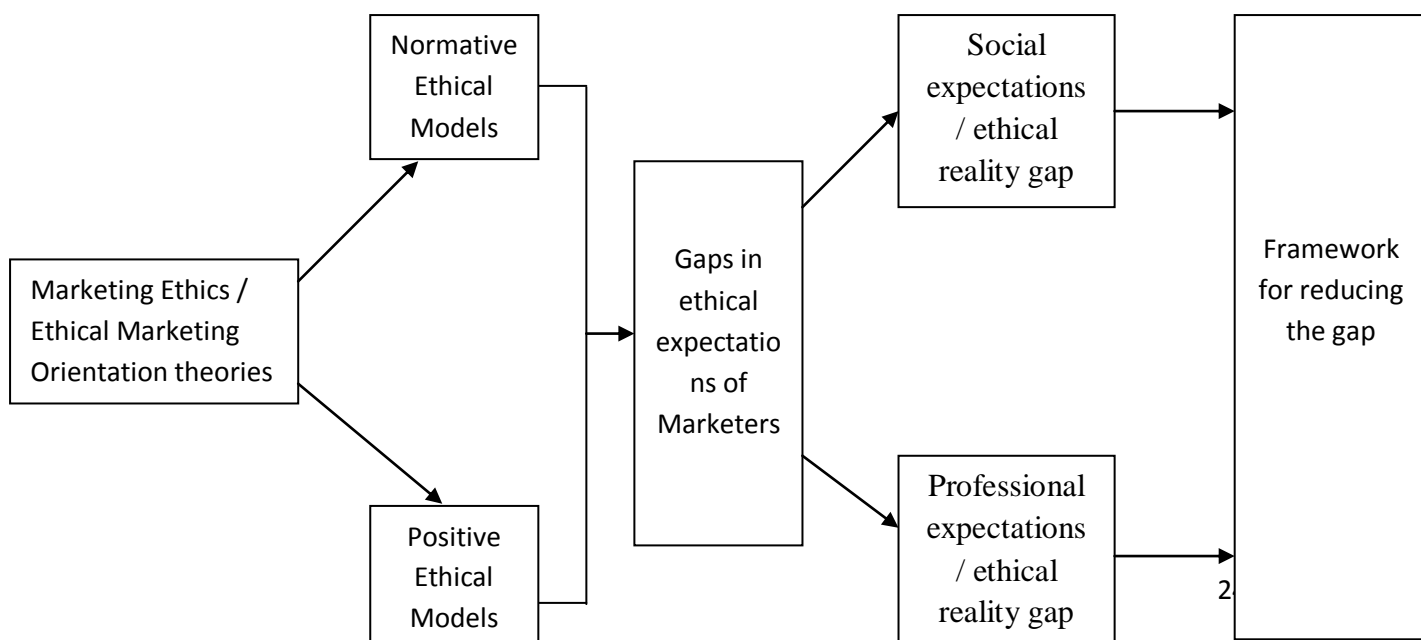


Figure 1.0

The proposed framework of research is also supported by the facts such as;

Importance of ethical decision making in Business has been well recognized by theoretical models of business ethics. However, research on 'how' other factors influence the business ethics have been few (Vitell, Nwachukwu & Barnes, 1993)

The importance of research on Ethical Marketing Orientation of marketing practitioners not only ends in the corporate. It has a long term effect in the areas of potential marketers as well, especially in the Business Schools, where producing ethical marketers is one of the main objectives. At present there is no consensus in business schools about introducing Values and Ethics into their course content, rather it is believed to be delivered implicitly with no formal enforcement from Business Schools or from Lecturers to students. Therefore, incorporation of ethics explicitly to Marketing and Business Schools has become a serious consideration, for academia even more than a matter of concern of the business/corporate sector. More attention on ethical decision making is increasingly becoming a priority for the academy (Pincus 1996).

Research on business ethics in education suggests that business students might be tolerant of ethical behavior. Marketing and Business students feel they must engage in unethical behavior in order to succeed in Business Schools (Lane, Schaupp and Parsons 1988). The conclusion of their findings mentions;

“Business programs rather than reinforcing positive ethical perceptions and actions on the part of students may, in fact, have negative impact on certain ethical actions and perceptions” (Lane *et al.*, 1988, 299)

Gelb and Brian (1971) suggested that universities must share the burden of guilt for business executives failing to fully recognize the need for “social responsibility” in business actions.

Attempts to teach business students how to cope with socially related issues have not been as successful as efforts directed at the development of marketing technicians (Lazer 1971).

This argument receives research suggested specific support in the form of Sharyne Merritt's argument based on data from surveys of members of the American Marketing Association, where it suggests that Marketers with business degrees have lower ethical standards than do graduates from non-business programs (Merritt 1991). Wood and Berger (1989) concluded that student respondents pursuing business qualifications tended to engage in more unethical behavior than those pursuing non-business qualifications.

A survey sponsored by the Association of Business Schools indicated that the main motivation for students taking a business degree at both undergraduate and postgraduate levels was to improve their career prospects (Crisp and Carrington, 2005)

This can be interpreted as placing relatively a low priority to morally right motivations such as 'acquiring knowledge' or 'learning the rights and wrongs of the discipline'

There is another school of thought developed over time, which contradicts the above argument. Arlow 1991; Shepard and Hartenian 1990, Callan 1992, Kidwell, Stevens and Bethke 1987 suggested that ethical beliefs and decision making behavior were independent of the types and years of employment.

Therefore, a research on Ethical Marketing Orientation of Marketing practitioners in order to propose strategies to align current ethical orientation with the level of expectation of consumers will help the potential marketers as well shaping their ethical orientation at a relatively early stage in their marketing career.

The present investigation and Proposed Study

When considered the current business practices and unethical marketing in societies, the need for high ethical standards of marketing and business professionals is of utmost importance. Lack of research on marketing ethics has been highlighted in numerous marketing literatures. But there have been some signs of increased importance placed on Marketing ethics. The number of journal articles on mainstream marketing journals in recent past, where there were 21 contributions of Marketing Ethics articles on mainstream Marketing related journals during the period 1981-85 and this has increased to 147 for the same 5 year period between 2001-05. These articles include eminent publications such as Journal of Marketing, Journal of Marketing Research, Journal of Marketing Practice, Journal of Consumer Research, Harvard Business Review, Advances in Consumer Research, Marketing Science and Journal of the Academy of Marketing Science etc. At academia level, the attempts of Harvard Business School (Piper, 1989) and Wharton School (Dunfee & Robertson, 1988) to incorporate ethics fully into curriculum are real world examples.

Therefore, the proposed framework comprises of following research components;

- 1. Quantitative Research on Existing Marketing ethics models and their classifications under normative and positive models.**
- 2. In depth analysis of the suitability of the Normative and Positive models of Marketing Ethics categorization.**
- 3. Upon inferences generated from above areas and through research mainly based on Marketing literature, identify the gaps, namely, Social expectations / Ethical reality gap and Professional expectations, ethical reality gap in Marketing Ethics.**
- 4. Using both quantitative and qualitative research methods, propose strategies and/ or frameworks to reduce the above gaps and to contribute further to the existing classifications of Marketing ethics.**

Study 1- Quantitative component

1. What is the impact of the national culture on the ethical decision making of Marketing students in Business schools?- Australian more emphasis on fair go , Indian emphasis on respect
2. Comparison with dissimilar contexts

Method of measurement of the study 1 would be a survey conducted among the varying contexts.

Study 2 – Quantitative component

3. What is the impact of the business school subculture on ethical decision making of Marketing Students in Business schools?
4. Comparison with dissimilar contexts

Method of measurement of the study 1 would be a survey conducted among the varying contexts.

Study 3 – Both Quantitative and Qualitative

5. Evaluation of existing ethical decision making models of marketing
6. How cultural impact has effected on the results and outcomes (defined outcomes are given below)

Method of measurement of the qualitative aspects would be the naturally occurring data, mainly based on interviews and observation. The method of measurement of quantitative aspect will be either a MIMIC study or longitudinal analysis.

Dissimilar contexts – Derived by investigating differences in nature, content and cultural diversity of contexts.

1. **Marketing and Business Studies Vs non-marketing studies**
2. **High ranked Business schools Vs Low ranked Business schools**
3. **Different discipline schools (Business, Medicine, IT, Education and Psychology)**
4. **Different cultural backgrounds (USA, Australia and Sri Lanka)**

Conclusion

A detailed analysis of impact of context on Marketing ethics and value would assist to determine the Ethics gap exists between Marketers and Customers and also between Professional expectations. An understanding of the impact of dissimilar contexts related to higher education in Marketing would aid bridging the expectations gaps, by providing a research based insight to the question of whether Marketing ethics should be included in Business schools explicitly.

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