



Ethical Marketing: Commitment or Investment

A.E.Gortzis
European president EBEN



Definitions of Marketing

'Marketing is the management process that identifies, anticipates and satisfies customer requirements profitably'

The Chartered Institute of Marketing

'The right product, in the right place, at the right time, and at the right price'

'Marketing consists of the performance of business activities that direct the flow of goods and services from producer to consumer '

'Marketing is the human activity directed at satisfying human needs and wants, through an exchange process'

Kotler 1980

'Marketing is a social and managerial process by which individuals and groups obtain what they want and need, through creating, offering and exchanging products of value with others'

Kotler 1991

From products

to customers

to humans spirit

Implications of marketing

- **Who are our existing / potential customers?**

Implications of marketing

- **Who are our existing / potential customers?**
- **What are their current / future needs?**

Implications of marketing

- **Who are our existing / potential customers?**
- **What are their current / future needs?**
- **How can we satisfy these needs?**
 - **Can we offer a product/ service that the customer would value?**
 - **Can we communicate with our customers?**
 - **Can we deliver a competitive product or service?**

Implications of marketing

- **Who are our existing / potential customers?**
- **What are their current / future needs?**
- **How can we satisfy these needs?**
 - **Can we offer a product/ service that the customer would value?**
 - **Can we communicate with our customers?**
 - **Can we deliver a competitive product of service?**
- **Why should customers buy from us?**

Advertising & media principles

- **Media budget setting should take account of competitors spend level.**

Advertising & media principles

- **Media budget setting should take account of competitor spend level.**
- **Advertising generates growth when you have something relevant, insightful and new to say.**

Advertising & media principles

- **Media budget setting should take account of competitor spend level.**
- **Advertising generates growth when you have something relevant, insightful and new to say.**
- **Many brands have been killed by poor follow through than by bad launches**

Advertising & media principles

- **Great creative is a reason to spend more ,not an excuse to spend less.**

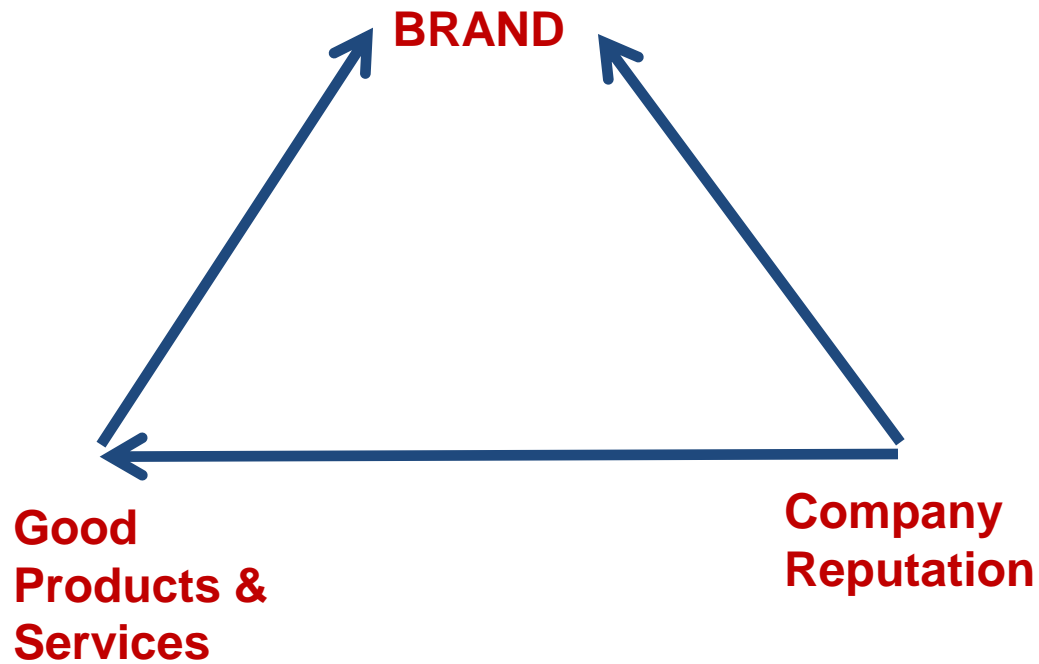
Advertising & media principles

- **Great creative is a reason to spend more, not an excuse to spend less.**
- **Communication should be considered from the perspective of consumers.**

Advertising & media principles

- **Great creative is a reason to spend more, not an excuse to spend less.**
- **Communication should be considered from the perspective of consumers.**
- **Advertising is justified by its long-term effects.**

Company Performance & Respect





New Marketing Era



ETHICS





Ethical Marketing



Ethical marketing

- The word ethics is derived from the Greek word **ETHOS**.

Ethical marketing

- The concern with ethical issues, such as child labor, working conditions, relationships with third world countries and environmental problems, has changed the attitude of the Western World towards a more socially responsible way of thinking. This has influenced companies and their response is to market their products in a more socially responsible way.

Ethical marketing

Ethical marketing is a process through which companies generate customer interest in products/services, build strong customer interest/relationships and create value for all stakeholders by incorporating social and environmental considerations in products and promotions.

Ethical marketing

- **Ethical marketing refers to the application of marketing ethics into the marketing process.**

Ethical marketing

- Ethical marketing should not be confused with government regulations brought into force to improve consumer welfare, such as reducing sulfur dioxide emissions to improve the quality of the air.

Ethical marketing

- **Each Marketer must rely on his/her own value system to determine what is and is not ethical.**

Ethical marketing

- **Ethical marketing generally results in a more socially responsible and culturally sensitive business community.**
- **The establishment of marketing ethics has the potential to benefit society as a whole, both in the short- and long-term.**

Ethical marketing

- **Ethical marketing should be part of business ethics in the sense that marketing forms a significant part of any business model.**



Business Ethics

- **Business ethics (also corporate ethics) is a form of applied ethics or professional ethics that examines ethical principles and moral or ethical problems that arise in a business environment.**

- **Marketing ethics was approached from ethical perspectives of virtue or virtue ethics, deontology, consequentialism, pragmatism and relativism.**

- **Business ethics** is part of the **philosophy of business**, the branch of **philosophy** that deals with the philosophical, political, and **ethical** underpinnings of business and **economics**.
- Business ethics operates on the premise, for example, that the ethical operation of a private business is possible - those who dispute that premise, such as **libertarian socialists**, (who contend that "business ethics" is an **oxymoron**) do so by definition outside of the domain of business ethics proper.

- **Study of Ethical marketing should be included in applied ethics and involves examination of whether or not an honest and factual representation of a product or service has been delivered in a framework of cultural and social values.**

- Marketing ethics involves **pricing practices**, including illegal actions such as price fixing.
- Certain promotional activities have drawn fire, including greenwashing, viral marketing, spam (electronic), pyramid schemes.
- Advertising has raised objections about attack ads, sex in advertising and marketing in schools.

An illustration of a golden arrow with a blue feathered fletching, hitting the center bullseye of a red and white target. The target is on the right side of the image, and the arrow is positioned horizontally, pointing towards it. The background is white.

Leading with values

Ethical values

- **Honesty**
- **Responsibility**
- **Fairness**
- **Respect**
- **Openness (transparency)**
- **Citizenship (social responsibility)**

Honesty and Fairness

Marketers shall uphold and advance the integrity, honor and dignity of the marketing profession by:

- **Being honest in serving consumers, clients, employees, suppliers, distributors and the public.**
- **Not knowingly participating in conflict of interest, without prior notice to all parties involved.**
- **Establishing equitable fee schedules including the payment or receipt of usual, customary and/or legal compensation for marketing exchanges.**

Rights and Duties of Parties in the Marketing Exchange Process

Participants in the marketing exchange process should be able to expect that:

- **Products and services offered are safe and fit for their intended uses.**
- **Communications about offered products and services are not deceptive.**
- **All parties intend to discharge their obligations, financial and otherwise, in good faith.**
- **Appropriate internal methods exist for equitable adjustment and/or redress of grievances concerning purchases.**

In the area of product development and management

- **Disclosure of all substantial risks associated with product or service usage.**
- **Identification of any product component substitution that might materially change the product or impact on the buyer's purchase decision.**
- **Identification of extra cost-added features.**

In the area of promotions

- **Avoidance of false and misleading advertising.**
- **Rejection of high-pressure manipulations or misleading sales tactics.**
- **Avoidance of sales promotions that use deception or manipulation.**

In the area of distribution

- **Not manipulating the availability of a product for the purpose of exploitation.**
- **Not using coercion in the marketing channel.**
- **Not exerting undue influence over the reseller's choice to handle a product.**

In the area of pricing

- **Not engaging in price fixing.**
- **Not practicing predatory pricing.**
- **Disclosing the full price associated with any purchase.**

In the area of marketing research

- **Prohibiting selling or fundraising under the guise of conducting research.**
- **Maintaining research integrity by avoiding misrepresentation and omission of pertinent research data.**
- **Treating outside clients and suppliers fairly.**

Internet Marketers



General Responsibilities

- **Internet marketers must assess the risks and take responsibility for the consequences of their activities.**

A graphic illustration of a target with concentric red and white rings. A golden arrow with a grey feathered fletching is shown in motion, hitting the center bullseye. The arrow has a motion blur effect behind it, suggesting it has just arrived. The target is positioned on the right side of the frame.

Corporate Responsibility

- **Corporate Responsibility** is the commitment to improve community well-being, through discretionary business practices and contributions of corporate resources.

Some of the benefits of being socially responsible include:

- **Enhanced company and brand image**
- **Easier to attract and retain employees**
- **Increased market share**
- **Lower operating costs**
- **Easier to attract investors**

Stakeholders of a firm

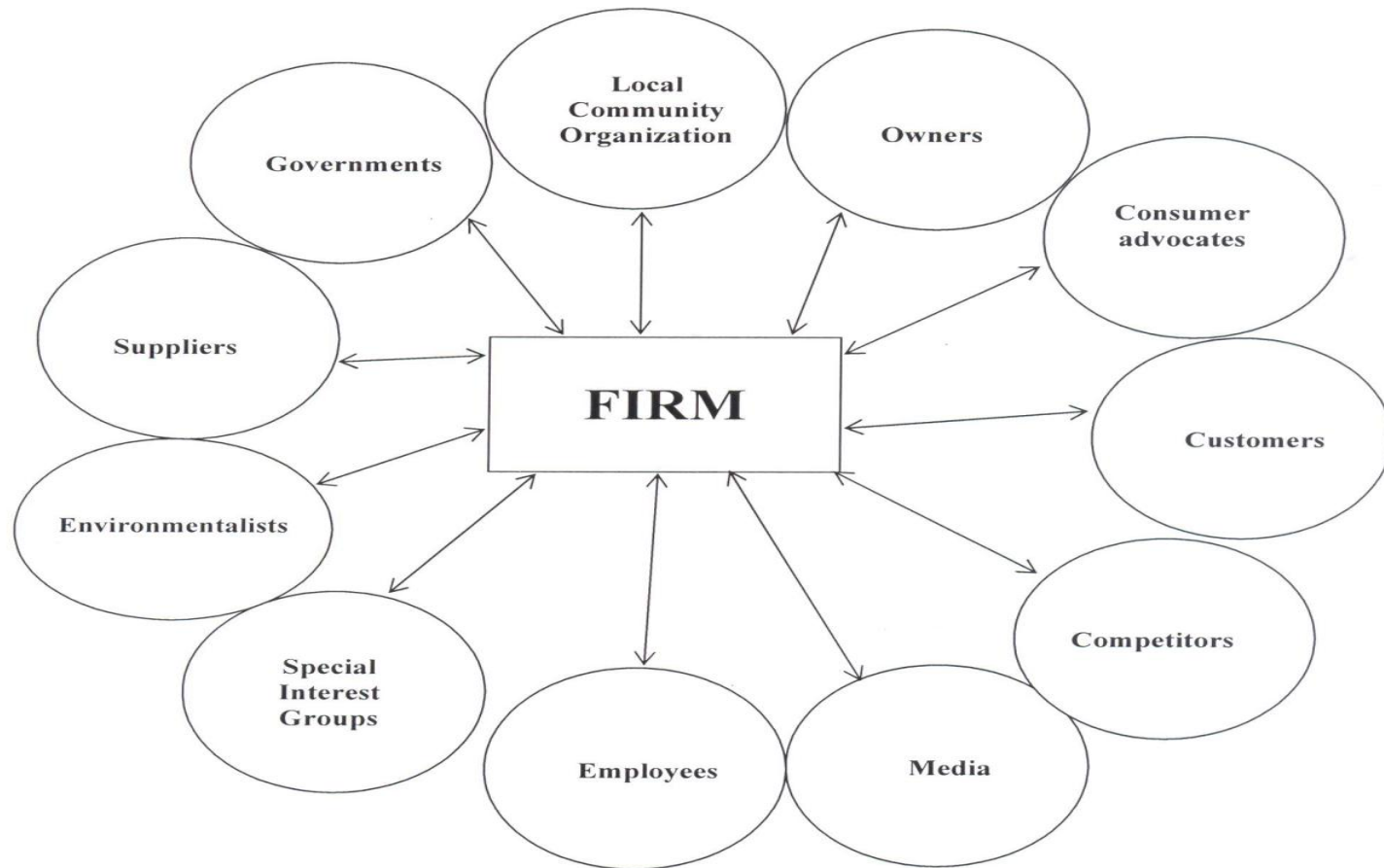


Diagram-1 STAKEHOLDERS OF A FIRM

- **A socially – responsible firm will care about customers, employees, suppliers, the local community, society and the environment.**

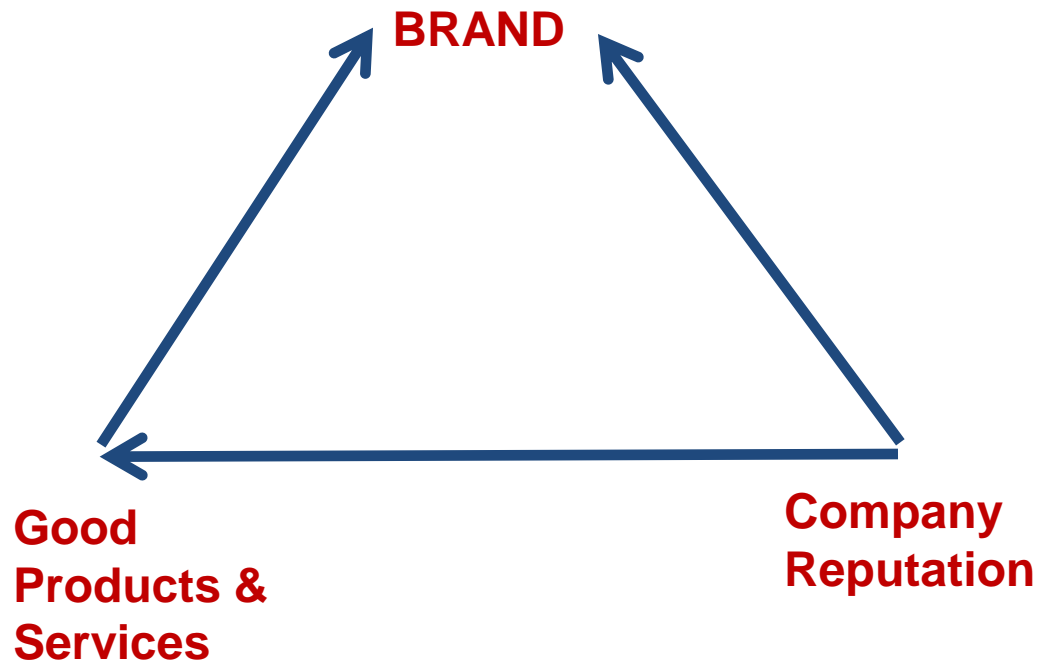
CR can be described as an approach by which a Company

- **Recognizes that its activities have a wide impact on the society and that development in society in turn supports the company to pursue its business successfully**
- **Actively manages the economic, social, environmental and human rights.**



**Company
Performance & Respect**

Company Performance & Respect



Outstanding Reputation for Ethical Companies

- **Increased sales and market share**
- **Strengthened brand positioning**
- **Enhanced corporate image and clout**
- **Increased ability to attract , motivate, and retain employees**
- **Decreased operating cost**
- **Increased appeal to investors and financial analysts**

A graphic illustration of a target with concentric red and white rings. A single arrow with a blue feather and a gold shaft is shown hitting the center bullseye. The target is positioned on the right side of the frame, and the arrow is positioned on the left side, pointing towards the center. The background is white, and there is a red horizontal bar at the bottom of the image.

EBEN GR Business Ethics Model Criteria

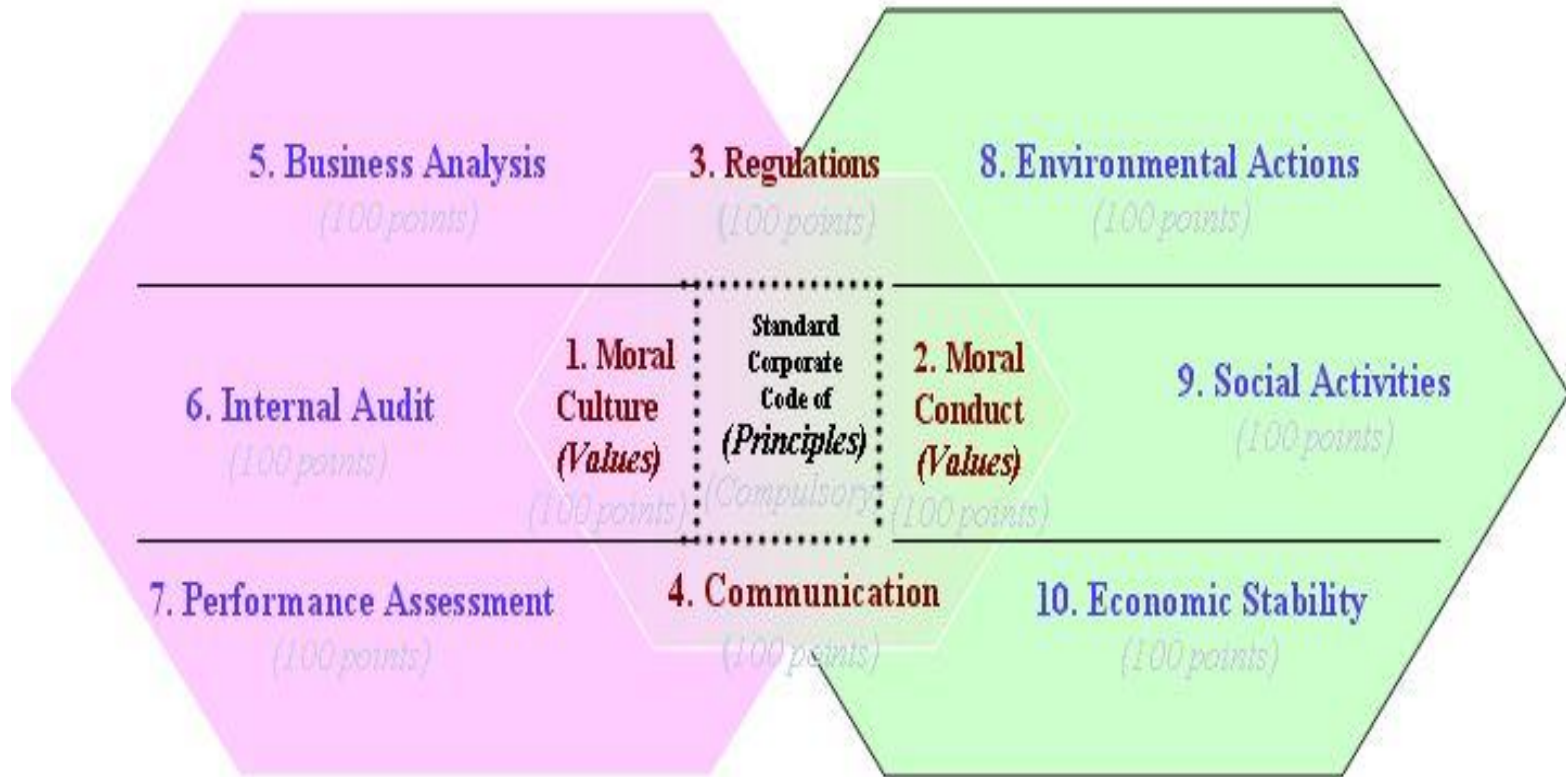
Corporate Governance:

"Corporate Overview of Means for Success"

Corporate Social Responsibility:

"Corporate Environmental & Social Successful Actions"

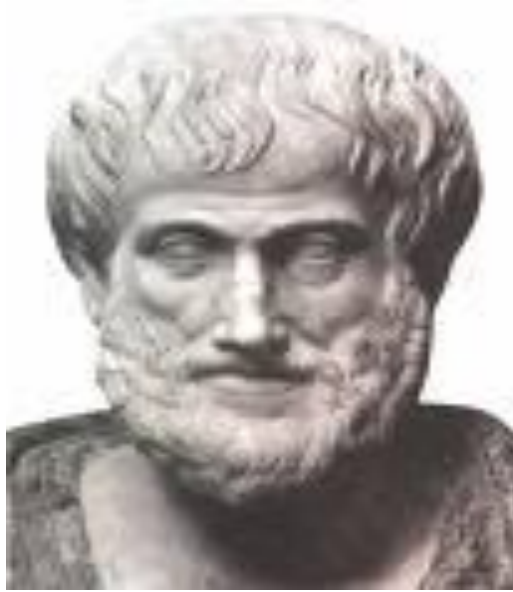
The EBEN GR CEE model



Corporate Governance

Corporate Social Responsibility

Pathos for Ethos



Aristotle (384-324 BC)
Business Ethics Employees: Aristotelian Citizens

Pathos for Ethos

Standard Corporate Code

1. Integrity: ethical handling of personal Vs professional interests
2. Objectivity: compliance with laws, rules and regulations
3. Independence: prompt reporting appropriately
4. Confidentiality: enforceable without side effects
5. Competency: full, fair, accurate, timely, understandable report disclosures
6. Accountability: adherence to the code
7. Sustainability: be present everywhere at all times
8. Respect for Human Life: protect Human dignity
9. Protect the Environment: protecting it like our home
10. Pursue Economic Justice: our welfare is always part of world welfare

PRECONDITION : ALL ONE (code) - **ALL EQUAL** (to the code) - **ALL DIFFERENT** (no discrimination in code).

(Based upon International Standards)

The future success and perhaps even the long term survival of human society, may depend on whether or not we, as members of that marketing community, embrace these concepts or reject them.

**Use Your
Marketing
Superpowers
for Good
Not Evil**



Thank you