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Frameworks for Analyzing Marketing Ethics

Gene R. Laczniak

he issue of ethics in marketing is a concern for marketing practitioners, educators, and researchers. Virtually every business manager would agree that ethical implications are often inherent in marketing decisions. Particularly perplexing are some of the tough-question situations that can occur in which the degree of moral culpability in a specific case is subject to debate. Table 2–1 presents a few illustrations of such situations. The scenarios should be reviewed at this time since they will be used to illustrate various theoretical points made later in the chapter. The situations described in these scenarios deal with the areas of distribution/retailing, promotion, product management, pricing, and nonbusiness marketing. Thus, almost every area of marketing strategy can pose serious ethical questions.

Over the years, marketing writers have tried to address some of the ethical concerns stemming from the practice of marketing. A literature review on the topic of marketing ethics (Murphy and Laczniak 1981) identified and discussed nearly 100 articles, papers, and books that include commentary related to specific ethical dimensions of marketing. Unfortunately, while the various writings contained many provocative suggestions, as well as some interesting insights, they were seldom based on an underlying theory or framework of marketing ethics. Most often, the writings pointed out existing ethical abuses (Rudelius and Bucholz 1979), reported managerial perceptions of ethical behavior (Sturdivant and Cocanougher 1973; Ferrell and Weaver 1978), or provided some rudimentary suggestions for improving ethics (Kelley 1969; Kizelbach et al. 1979). A few marketing academics have tried to take a more global approach to the ethics issue (see table 2-2 for a summary), but even these writings, taken as a whole, have lacked sophisticated theoretical foundations. Normally, references to ethical theories or decision rules have been limited to the citation of simple ethical maxims. Typical of these thumbnail ethical maxims are the following:

The golden rule: Act in the way you would expect others to act toward you.

The utilitarian principle: Act in a way that results in the greatest good for the greatest number.

Kant's categorical imperative: Act in such a way that the action taken under the circumstances could be a universal law or rule of behavior.

The professional ethic: Take only actions that would be viewed as proper by a disinterested panel of professional colleagues.

The TV test: A manager should always ask, "Would I feel comfortable explaining to a national TV audience why I took this action?"

While not without value, these limited ethical frameworks have hampered the analysis of ethics by marketing managers. They have also caused marketing educators some discomfort when discussing ethical issues in the classroom. In short, many marketing educators have shied away from lecturing on the topic of marketing ethics because of the perception that existing frameworks for analyzing the topic are simplistic and lack theoretical rigor. The net result is that the seeming absence of theoretical frameworks for ethical decision making has retarded the teaching, practice, and research of marketing ethics.

This chapter presents some existing ethical frameworks that go beyond ethical maxims in their detail. These frameworks are likely to be useful in stimulating marketing ethics research, establishing a background for discussion of ethical issues in the classroom, and perhaps providing guidance for ethical decision making by marketing managers. The frameworks discussed have no magical monopoly on moral propriety; they are presented with the hope that they might engender additional ethical sensitivity among marketing academics, students, researchers, and managers.

Table 2-1 Marketing Scenarios that Raise Ethical Questions

Scenario 1

The Thrifty Supermarket chain has 12 stores in the City of Gotham, U.S.A. The company's policy is to maintain the same prices for all items at all stores. However, the distribution manager knowingly sends the poorest cuts of meat and the lowest quality produce to the store located in the low-income section of town. He justifies this action based on the fact that this store has the highest overhead due to factors such as employee turnover, pilferage, and vandalism. Is the distribution manager's economic rationale sufficient justification for his allocation method?

Scenario 2

The Independent Chevy Dealers of Metropolis, U.S.A. have undertaken an advertising campaign headlined by the slogan: "Is your family's life worth 45 MPG?"

Table 2-1 continued

The ads admit that while Chevy subcompacts are not as fuel efficient as foreign imports and cost more to maintain, they are safer according to government-sponsored crash tests. The ads implicitly ask if responsible parents, when purchasing a car, should trade off fuel efficiency for safety. Is it ethical for the dealers' association to use a fear appeal to offset an economic disadvantage?

Scenario 3

A few recent studies have linked the presence of the artificial sweetener "subsugural" to cancer in laboratory rats. While the validity of these findings has been hotly debated by medical experts, the Food and Drug Administration has ordered products containing the ingredient banned from sale in the United States. The Jones Company sends all its sugar-free J.C. Cola (which contains subsugural) to European supermarkets because the sweetener has not been banned there. Is it acceptable for the Jones Company to send an arguably unsafe product to another market without waiting for further evidence?

Scenario 4

The Acme Companys sells industrial supplies through its own sales force that calls on company purchasing agents. Acme has found that providing the purchasing agent with small gifts helps cement a cordial relationship and creates goodwill. Acme follows the policy: the bigger the order, the bigger the gift to the purchasing agent. The gifts range from a pair of tickets to a sporting event to outboard motors and snowmobiles. Acme does not give gifts to personnel at companies they know have an explicit policy prohibiting the acceptance of such gifts. Assuming no laws are violated, is Acme's policy of providing gifts to purchasing agents morally proper?

Scenario 5

The Buy American Electronics Co. has been selling its highly rated System X Color television sets (21", 19", 12") for \$700, \$500, and \$300 respectively. These prices have been relatively uncompetitive in the market. After some study, Buy American substitutes several cheaper components (which engineering says may reduce the quality of performance slightly) and passes on the savings to the consumer in the form of a \$100 price reduction on each model. Buy American institutes a price-oriented promotional campaign that neglects to mention that the second generation System X sets are different from the first. Is the company's competitive strategy ethical?

Scenario 6

The Smith and Smith Advertising Agency has been struggling financially. Mr. Smith is approached by the representative of a small South American country that is on good terms with the U.S. Department of State. He wants S and S to create a multimillion dollar advertising and public relations campaign to bolster the image of the country and increase the likelihood that it will receive U.S. foreign aid assistance and attract investment capital. Smith knows the country is a dictatorship that has been accused of numerous human rights violations. Is it ethical for the Smith and Smith Agency to undertake the proposed campaign?

Adapted from Patrick E. Murphy and Gene R. Laczniak, "Marketing Ethics: A Review with Implications for Managers, Educators and Researchers," in B. Enis and K. Roering, eds., Review of Marketing 1981 (Chicago: American Marketing Association), p. 251.

Table 2-2
A Summary of Theoretical Commentaries on Marketing Ethics

| Author/Year | Theme |
|---------------------------------------|---|
| Walton (1961) | Ethical standards of marketers are below par; how- ever, society in general suffers from low moral stan- dards. |
| Alderson (1964) | Personal morality is constrained by organizational and ecological factors. |
| Patterson (1966) | Operational guidelines are lacking for the ethical pre- scriptions postulated by organizations. More checks and balances needed. |
| McMahon (1967) | A condemnation of situational ethics is presented. |
| Farmer (1967) | The public perceives the field of marketing as huck- sterism. |
| Bartels (1967) | Various external factors on ethical behavior, such as culture and the given economic environment, are identified. |
| Westing (1967) | Personal morality is the dominant factor in most ethical decisions. Ethics exists above the law, which regulates the lowest common demoninator of ex- pected behavior. |
| Colihan (1967) | Consumer pressure will dictate marketing's ethics in years to come. |
| Pruden (1971) | Personal, organizational, and professional ethics inter- act to influence decision making; sometimes they can conflict. |
| Steiner (1976) | Marketers are perceived as unethical because of an inability of the public to perceive the value of the time, place, and possession utility provided by marketing. |
| Farmer (1977) | Marketing will never be perceived as ethical because fundamentally it is persuasion. |
| Murphy, Laczniak, and Lusch (1978) | Organizational adjustments to insure ethical mar- keting are discussed. |
| Robin (1980) | The acceptance of relativist philosophy can alleviate ethical conflicts in marketing. |

For a more detailed discussion, see Patrick E. Murphy and Gene R. Laczniak, "Marketing Ethics: A Review with Implications for Managers, Educators and Researchers," in B. Enis and K. Roering, eds., *Review of Marketing 1981* (Chicago: American Marketing Association), pp. 251–266.

Frameworks versus Theories

Some readers will undoubtedly be concerned whether the following viewpoints reflecting ethics should properly be designated as theories, frameworks, propositions, or some other metaphysical specification. Rawls (1971), whose perspective is examined, characterizes his work as a theory, and it is accepted as such by most moral philosophers. In contrast, if one uses the definition of theory utilized by Hunt (1976, p. 104), the work of Rawls might not qualify as a theory because of its normative nature and the fact that it is derived from an idealization that is not reflective of the real world.

Others such as Fisk (1982, p. 5), view a framework as being broader than a theory and therefore more akin to a general paradigm that can accommodate several consistent or contrasting theories. For example, the life-cycle framework has spawned a variety of life-cycle-inspired theories. On this basis, deeming the ethical viewpoints described in the following as frameworks would be incorrect because they are somewhat narrower in scope.

Since all marketers would fail to agree that the opinions expressed here about ethics are either frameworks or theories, I am in a dilemma. Clearly the viewpoints are, at minimum, "skeletal structures designed to support a perspective"—in this case, a perspective about ethics. Since this conforms to the dictionary definition of framework, I use that terminology and offer my apologies in advance to those philosophers of science who subscribe to a lexicon more linguistically precise than mine.

Rationale for the Frameworks

Ethical frameworks have been developed by William David Ross, Thomas Garrett, and John Rawls. Their paradigms have been selected for discussion here because they are multidimensional, nonutilitarian in nature and significant in some important fashion.

Multidimensional

One of the impediments that has limited the study of marketing ethics in the classroom is the perception by many business educators that existing guidelines for ethical behavior are simplistic. This viewpoint has considerable validity. For example, what precisely is the value of the golden rule in assessing whether a firm should pay some bribe money to retain a lucrative foreign contract? The usefulness of such a maxim clearly is limited. One value of the three frameworks selected for presentation is that they illustrate that ethical frameworks do exist that go well beyond the frailty of a maxim in their sophistication; that is, some ethical theories attempt to specify multidimensional factors for consideration.

Nonutilitarian in Nature

In the main, much of the theoretical thinking about marketing ethics has been implicitly based on utilitarian theory. Utilitarianism holds that actions should

be judged primarily upon whether they produce the greatest good for the greatest number. Utilitarianism is based historically on the well-known writings of Jeremy Bentham and John Stuart Mill. Many of the ethical defenses for the efficiency of the free market have also been rooted in utilitarianism. Typically, the argument revolves around showing how free market capitalism benefits a greater number of persons than controlled systems. There are many articulate, modern day spokespersons for utilitarianism (Sartorius 1975; Singer 1976). However, generally speaking, utilitarian analysis has been subjected to a large amount of criticism (Beauchamp and Bowie 1979). The crux of the objection to utilitarianism lies in the fact that a desirable end may come about because of an unjust means. Thus, many moral philosophers have turned their attention to nonutilitarian theories that emphasize the process of arriving at outcomes as much as the outcome. Because of the relative familiarity of business managers with utilitarian thinking and the currency of examining other alternatives, the three frameworks highlighted here are nonutilitarian.

Significant

Each of the frameworks selected for explication is theoretically important for some reason. Ross (1930) was one of the first philosophers to try to specify a list of the major ethical responsibilities facing any person. In addition, Ross tried to create a paradigm that would be a supplement to rather than a replacement for utilitarian thinking. Garrett (1966), in contrast, tried to take various streams of ethical thought and blend them in a fashion that would be useful to the practicing business manager. Thus, the major contribution of the Garrett work is its pragmatic orientation. Finally, the Rawls theory (1971) is the most talked about work on ethics in recent years. Rawls's writings have had an enormous influence on moral philosophy in the 1970s, and this impact is reflected in current writings on the topic of ethics.

The Prima Facie Duties Framework

In his theory of moral philosophy, Englishman William David Ross tried to combine the underpinnings of utilitarianism with certain aspects of Kantian philosophical theory. The bulk of the Ross (1930) model is the notion that there are several prima facie (at first sight) duties that, under most circumstances, constitute moral obligations. Ross contends that these prima facie duties are self-evident (p. 29) in the sense that persons of sufficient mental maturity will recognize that there are certain acts they ought to do. Ross (p. 21) postulated six categories of prima facie duties:

1. Duties of fidelity stem from previous actions that have been taken. These would include (to name a few) the duty to remain faithful to contracts,

to keep promises, to tell the truth, and to redress wrongful acts. In a marketing context, this might include conducting all the quality and safety testing that has been promised consumers, maintaining a rigorous warranty/servicing program, and refraining from deceptive or misleading promotional campaigns. For example, in scenario 2 of table 2–1, the dealers' association may decide that the heavy-handed fear appeal is in bad taste because of the implicit duty of fidelity they have to potential auto buyers.

- 2. Duties of gratitude are rooted in acts other persons have taken toward the person or organization under focus. This usually means that a special obligation exists between relatives, friends, partners, cohorts, and so forth. In a marketing context, this might mean retaining an ad agency a while longer because it has rendered meritorious service for several years or extending extra credit to a historically special customer who is experiencing a cash flow problem. In scenario 4 of table 2–1, Acme management may conclude that the duty of gratitude would allow the provision of a small gift if such a practice is not explicitly forbidden by the client organization.
- 3. Duties of justice are based on the obligation to distribute rewards based on merit. The justice referred to here is justice beyond the letter of the law. For example, an organization using sealed-bid purchasing to secure services should award the contract according to procedure rather than allow the second or third lowest bidder to rebid. Or in scenario 1 of table 2-1, the distribution manager might reason that the managerial problems caused by a few shoplifting or troublemaking customers is not a sufficient reason to discriminate against all the store's buyers.
- 4. Duties of beneficence rest on the notion that actions taken can improve the intelligence, virtue, or happiness of others. Basically, this is the obligation to do good, if a person has the opportunity. In scenario 6 of table 2-1, this might mean that the Smith and Smith Agency turns down the public relations contract, albeit financially attractive, because of the duty to support the human rights of others.
- 5. Duties of self-improvement reside in the concept that actions should be taken to improve our personal virtue, intelligence, or happiness. This seems to represent a modified restatement of moral egoism: Act in a way that will promote one's self-interest. In a marketing context, this might justify a manager's attempting to maximize the return on investment (ROI) of his profit center because such performance may lead to pay increases and organizational promotion. In scenario 6 of table 2-1, this might mean that Smith and Smith undertakes the public relations (PR) contract to survive because, after all, the charges against the client country have not been proven, and the country's government is officially recognized by the U.S. Department of State.
- 6. Duties of nonmaleficence (noninjury) consist of duties not to injure others. In a marketing context, this might involve doing the utmost to

insure product safety, providing adequate information to enable consumers to use the products they purchase properly, and refraining from coercive tactics when managing a channel of distribution. For example, in scenario 3 of table 2–1, Jones Co. may decide against exporting the controversial soft drinks to maximize consumer safety, even though it believes the government's data are invalid.

Several additional comments about these duties are in order. First, Ross (1930) did not intend his six duties to constitute a comprehensive code of ethics. Rather, he believed that the list represented several moral obligations that persons incurred above and beyond the law. Thus, if a person recognized a prima facie duty, a moral obligation existed that might mandate specific ethical action.

How does one recognize when a prima facie duty is present? Ross (1930, p. 29) argues that the action required in many situations is self-evident or obvious. Ross did not mean obvious in the sense of ingrained natural instinct but self-evident in a way that reasonable people would acknowledge the probability that a moral duty is present. For example, in scenario 1 in table 2–1, the distribution manager might inherently accept the argument that the duty of justice compels a more equitable distribution of products to the low income store, regardless of its other managerial complications.

How does a person handle situations where there is a conflict among duties? For example, in scenario 2 of table 2–1, the Chevy dealer's highly emotional, fear-laden advertising may violate the implicit duty of fidelity the dealers have with consumers to refrain from manipulative promotion. Conversely, if the crash test data are accurate, the dealers may feel that the duty of self-improvement justifies implementing the campaign. How can such conflicts be resolved? Ross is clear, if not completely satisfying, on this point:

It may again be objected that . . . there are these various and often conflicting types of prima facie duty that leaves us with no principle upon which to discern what is our actual duty in particular circumstances. . . . For when we have to choose . . . the "ideal utilitarian" theory can only fall back on an opinion . . . that one of the two duties is more urgent. [1930, p. 23]

Thus, conflicts among duties are resolved by our opinion of how the general duties apply after we have carefully assessed the situation.

This discussion may lead one to conclude that the Ross (1930) framework is rather arbitrary and incomplete. Certainly these are valid criticisms. However, the Ross framework interjects several important insights critical to the practice of ethical marketing. First, the Ross theory encourages managers to determine what their prima facie duties might be and to discharge them unless other such obligations take precedence. Thus, if a marketer knowingly misrepresents product quality to buyers, a duty of fidelity has been violated;

if sales representatives are let go when their sales fall below quota, a duty of gratitude may be violated; and so on. Second, the Ross framework emphasizes the constant moral obligations that always exist. It deemphasizes the approach of attempting to predict results in morally sensitive situations. Such outcome-oriented approaches frequently are used to rationalize potentially unethical behavior. For instance (again alluding to the scenarios), if Jones Co. exports the subsugural-laden soft drinks, they may speculate that consumers will not be hurt because the test data are invalid; if Thrifty Supermarket continues its distribution policy, they may decide it is doubtful outsiders will ever know it. Thus, concern with outcomes may prohibit the examination of impending moral duties on the premise that no harm will probably occur.

The Proportionality Framework

Another multidimensional model of business ethics has been articulated by Garrett (1966). The framework is distinctive because it was specifically developed with the practicing business manager in mind. In addition, it attempts to combine the appealing utilitarian concern for outcomes ("the greatest good . . .") with the Kantian preoccupation with process or means. Garrett contends that ethical decisions consist of three components: intention, means, and end.

Intention has to do with the motivation behind a person's actions. Garrett (1966) believes that what is intended by a particular act is an important component of morality. For example, the organization that formulates a code of marketing ethics motivated solely by the belief that such a code will help sell its products to religious or sectarian organizations has not acted ethically. Thus, purity of intention is a factor in evaluating the ethics of a specific situation.

Means refers to the process or method used to effect intention and bring about specific ends. For example, suppose a sales representative whose family has recently incurred some substantial medical expenses begins to overstock her customers and pad her expense account. The intention, to relieve the financial distress of her family, is good; however, the means chosen to accomplish this goal is unethical.

End deals with outcomes, results, or consequences of actions. Utilitarian theory is based on the precept that the correctness of an action is determined by calculating the end goodness that results from that action compared with the goodness produced by alternative actions that could have been taken. Garrett's (1966) view is that ends are properly evaluated by analyzing the intrinsic nature of the acts rather than the consequences produced by these acts. Or, put another way, it will not allow permitting the end to justify the means. For example, suppose a brewing company announces that all the revenues from beer sales at a new hotel will be donated to charity. However, suppose

the distribution rights at the hotel had been obtained by bribery. In this instance, the ends (a charitable contribution) do not justify the means (bribery).

These three elements have been synthesized by Garrett into his principle of proportionality:

I am responsible for whatever I will as a means or an end. If both the means and end I am willing are good, in and of themselves, I may ethically permit or risk the foreseen but unwilled side effects if, and only if, I have a proportionate reason for doing so. To put it another way: I am not responsible for unwilled side effects if I have sufficient reason for risking or permitting them, granted always that what I do will, as a means or an end, is good. [1966, p. 8]

This principle raises a number of issues that require clarification. Most important, what is the nature of the side effects that are permitted? Garrett (1966) elaborates on these issues with several amplifications.

It is unethical to will, whether as a means or an end, a major evil to another. [p. 12]

By major evil, Garrett means the loss of a significant capacity that an entity (person or organization, for example) needs to function. For example, in scenario 3 (table 2–1) suppose the substance subsugural had been linked to birth defects when consumed by pregnant women. Jones Co.'s strategy of exporting the product to avoid writing off a major financial loss (the end goal) would not be ethical because consumption of the cola would have a reasonable probability of causing major evil: a significant birth defect in a newborn.

It is unethical to risk or permit a major evil to another without a proportionate reason. [p. 14]

The concept of proportionate reason is at focus here. The principle of proportionality specifies that a proportionate reason exists when the good willed as means or end equals or outweighs the harmful side effects that are not willed as either a means or end. For example, again examine the scenario 3 situation. Suppose Jones Co. researchers knew for a fact that the government studies were invalid and that subsugural would soon be declared benign by the FDA. This would constitute a proportionate reason for going ahead with the soft drink export.

It is unethical to will, risk or permit a minor evil without a proportionate reason. [p. 14]

By minor evil, Garrett means a harm to physical goods or to some means that are useful but not necessary for an entity's operation. For instance, in scenario 5 (table 2-1), suppose the potential reduction of quality in the Buy American TV sets is such that, even if it occurred, the video and audio difference in the TVs could not be perceived by consumers. In this case, the minor evil (an unstated quality difference) would be justified by a proportionate reason (higher market share for Buy American and lower prices for consumers).

It must be acknowledged that certain dimensions of the proportionality model remain vague or at least subjective. For example, where does one draw the line between a major evil and a minor evil? Attempting to influence a purchasing agent with a pair of \$10 sports tickets (scenario 4) is probably a minor evil. However, if the company receives the contract because of the gift and the competing bidder goes bankrupt, does it become a major evil? Similarly, what constitutes a proportionate reason? In scenario 6, is it a proportionate reason for the financially ailing Smith and Smith agency to take the PR contract, knowing that a demur will simply result in another reputable agency's doing the work?

Despite these difficulties, the Garrett (1966) framework has much to recommend its use. Basically, it provides the marketing manager with a three-phase battery of questions that can be used to analyze the ethics of a given situation:

- Phase 1: Given the situation, what is willed as a means and end? If a major evil is willed, the action is unethical and should not be taken.
- Phase 2: Given the situation, what are the foreseen but unwilled side effects? If there is no proportionate reason for risking or allowing a major evil or willing a minor evil, the action is unethical and should not be taken.
 - Phase 3: Given the situation, what are the alternative actions? Is there an alternative to the end that would provide more good consequences and fewer evil consequences? Not to select this alternative would be unethical.

Notice that the three elements of any ethical decision—intent (will), means, and end—are incorporated into the framework. Moreover, the approach is consistent with the type of analysis many managers already conduct in their planning and forecasting efforts; that is, it involves attempting to predict outcomes of strategies and compare them with alternative options. This lends a dimension of familiarity to the model for planning-oriented managers. Finally, the principle of proportionality provides a flexible model of ethical decision making because it does not postulate specific trespasses. It provides general, universal guidelines that can be applied to a wide variety of managerial situations.

The Social Justice Framework

In intellectual circles, one of the most influential books on the subject of ethics has been John Rawls's *A Theory of Social Justice* (1971). Rawls, a Harvard University moral philosopher, proposed a detailed system of social ethics that attempted to maximize rewards to those most disadvantaged in a given social system. Rawls used deductive reasoning to arrive at his conception of social justice.

Central to Rawls's (1971) thesis is the construction of an imaginary state of affairs called the *original position*. This hypothetical situation would be somewhat analogous to the time frame *preceding* a game of chance. The participants do not know in advance what the game of chance might hold—that is, if they will be winners or losers. So, too, in the original position, people do not know what their place in society will be once the game of life begins; they do not know their social status, educational opportunities, class position, physical or intellectual abilities, and so on. They might be king or pauper.

Why is the original position and the so-called veil of ignorance it imposes so important? Rawls (1971) believes that hypothesizing such a state is the only way to reason to a pure system of justice—that is, one that is unblemished by the knowledge of the current state of affairs. For example, if a person knows that he has wealth in the society, that person will likely consider a system that heavily taxes the rich to provide for the poor as unjust. Or, if a person is poor, she will probably feel the opposite (p. 18–19). Therefore, what Rawls seeks to obtain from the original position is a vehicle that can be used to deduce an ideal system of justice—one that rational people would choose if they knew nothing of what their station in life might be.

Rawls's (1971) entire treatise is devoted to specifying the conclusions or consequences at which persons would arrive for assigning rights and duties in a social system, given the original position. Rawls's arguments defy easy explanation, but basically he concludes that rational people (not knowing what their fortune will be) would utilize a *minimax* method of decision making; that is, they would choose a system that minimizes the maximum loss they could incur. They would opt for a system that seeks to avoid harsh losses (for example, slavery, starvation, indigence) for those at the bottom of the scale, because conceivably this could be their position.

Rawls concludes (1971, p. 60) that we would arrive at two principles of justice, the *liberty principle* and the *difference principle*:

The liberty principle states that each person is to have an equal right to the most extensive basic liberty compatible with a similar liberty for others.

The difference principle states that social and economic inequalities are to be arranged so that they are both to the greatest benefit of the least disadvantaged and attached to positions and offices open to all.

These principles require some elaboration. The liberty principle guarantees equal opportunity as well as basic liberties such as the freedom of speech, the right to vote, the right to due process of the law, and ownership of property. In addition, the principle explicitly states that greater liberty should always be preferred to lesser liberty provided it can be attained without major social dysfunctions. For example, suppose a law specified that airline pilots should be between 40 and 60 years of age, but data showed that this job could be done with the proper training by anyone between 25 and 70; it would be a violation of the principle of liberty to accept the more restricted scheme. Holding that airline pilots must be between 40 and 60 would be unethical to those outside this age bracket who could perform the job. Similarly, an industry code that mandated that all bicycles should be built to withstand crashes with automobiles up to 55 MPH would also likely violate the principle.

The difference principle specifies the conditions that must exist to act contrary to the liberty principle. In essence, inequality of economic goods or social position (that is, the lessening of liberty) can only be tolerated when the practice that generates the inequality works to the advantage of every individual affected or to the advantage of those members of the system who are least well off. However, the basic liberties like the right to vote can never be traded for economic goods or temporary social position. In this fashion, Rawls's (1971) system is a bold contrast to that of classical utilitarianism. Why? Utilitarians would permit some individuals to become worse off as long as a greater number of others become better off. The Rawls framework claims to prohibit the disadvantaged becoming more so. It is highly egalitarian in the sense that actions are never permitted that disadvantage the least well off; the tendency instead is a "drive to equality" (pp. 100–108) that over time should benefit those worse off in a particular system more than those better off.

What are the ramifications of the social justice theory on marketing ethics? In all fairness, it should be emphasized that Rawls (1971) did not conceive his theory would be readily transferred to marketing or, for that matter, business ethics. However, the two guiding principles alone seem to suggest some enormous implications. The principle of liberty emphasizes the inherent right of individual persons to determine their destiny and always to be treated equitably by others. This maximization of personal liberty, subject to the claims of others, would seem to underscore the consumer's right to safety, information, choice, and redress. Applied to a specific situation (for example, scenario 5 in table 2–1), the liberty principle would seem to demand that Buy American Electronics Co. inform consumers of the change in components and the possible reduction in quality of the second generation System X sets. Not to take this course of action would unfairly restrict the liberty of choice consumers have in this situation.

The difference principle holds an even more striking implication. It emphasizes the fact that it would be unethical to exploit one group for the benefit of others. A particularly severe violation of the principle would occur

if a group that was relatively worse off were victimized to benefit a better situated group. For example, in scenario 6 of table 2–1, the difference principle would probably suggest that the Smith and Smith Agency forego the PR contract because its acceptance could add legitimacy to the ruling foreign government and further jeopardize the position of a worse off group—namely, the citizens of the totalitarian country. On a more general plane, Rawls's principles would seem to affirm the ethical validity of the marketing concept that formally incorporates the rights of a less powerful group (consumers) into the planning and goal setting of a more powerful group (business).

The Value of the Frameworks

The potential contribution of these frameworks should be clearly stated. First, the purpose of these perspectives is not to provide precise answers to ethical dilemmas. In fact, an attempt to apply more than one framework to a particular situation could lead to a conflicting conclusion. For example, in scenario 1 of table 2–1, the Rawlsian would undoubtedly conclude that Thrifty Supermarkets must cease and desist its practice of sending its lower quality products to the economically inefficient retail store because this allocation scheme further discriminates against the already disadvantaged, low income shopper. In contrast, one could argue, using Ross's duty of gratitude as a rationale, that Thrifty Supermarkets owes its loyal, upscale customers a special status when it comes to the selection of their meats and produce.

If these frameworks do not answer tough questions dealing with marketing ethics, what is their value? Their major purpose is to be used as a pedagogical tool to sensitize managers to the factors that are important in coming to grips with ethical issues. There are few irrefutably right answers to these questions, but the fact that management has systematically considered the options along with their ethical ramifications is of ultimate importance. Thus, the contribution of such devices is to provide marketing managers with a philosophical mnemonic that serves to remind them of their ethical responsibilities. The perspectives provided by writers such as Ross, Garrett, and Rawls emphasize that the factors involved in reaching an ethical judgment are deeper than the jingoism of ethical maxims such as "Thou shalt be good."

Toward a Theory of Marketing Ethics

As noted earlier, there is nothing supernatural about these frameworks. Their adoption will not automatically generate ethical behavior in marketing; these models do not explain or predict the incidence of unethical behavior that can occur in marketing. However, taken together, they introduce certain advantages to marketing educators, practitioners, and researchers.

For educators, the frameworks provide perspectives that go beyond the proverbial ethical maxim. The frameworks represent quasi-models of intermediate sophistication that suggest a rationale for why particular moral choices might be made. In this sense, the introduction of this material establishes a useful background for the classroom analysis of marketing cases having ethical implications. Explaining the models to students provides the educator with the opportunity to inject ethical considerations into the discussion of mainstream marketing strategy.

For practitioners, the frameworks suggest a list of possible factors that might be utilized to decide tough-question situations regarding ethics. Some speculation about the possible application of these frameworks to real world situations was discussed earlier. If the answer to any of the following questions is yes, then action A is most probably unethical and should be reconsidered; if every question truly can be answered with no, then action A is probably ethical. Consider the following possible sequence:

Does action A violate the law?

Does action A violate any of the following moral obligations:

Duties of fidelity?

Duties of gratitude?

Duties of justice?

Duties of beneficence?

Duties of self-improvement?

Duties of nonmaleficence?

Does action A violate any special obligations stemming from the type of marketing organization in question (for example, the special duty of pharmaceutical firms to provide safe products)?

Is the intent of action A evil?

Are any major evils likely to result from or because of action A?

Is a satisfactory alternative B, which produces equal or more good with less evil than A, being knowingly rejected?

Does action A infringe upon the inalienable liberties of the consumer?

Does action A leave another person or group less well off? Is this person or group already relatively underprivileged?

The questions need not be pursued in any lockstep fashion but can be discussed in an order dictated by the situation.

For researchers, the frameworks may suggest some of the components necessary for the construction of a model describing ethical behavior in marketing. To be sure, such a model should specify appropriate standards of ethical action; demarcate the factors, both internal and external, that influence the likelihood of ethical behavior; and provide a listing of the organizational variables that might be adjusted to enhance the probability of ethical action. In this vein, the Ross (1930) framework identifies some fundamental duties or obligations that are incumbent upon managers and thereby could constitute potential ethical standards. The Garrett (1966) framework specifies three variables-intention, process (or means), and outcomes-that the researcher would have to analyze to have a relatively accurate picture of the ethics inherent in a particular action. It may very well be that different internal and external variables influence different dimensions of the ethical action. For example, the attitude of top management (an internal factor) may be a major influence on the process or means a manager selects to handle an ethical question; in contrast, professional standards (an external variable) may be a major determinant of a manager's intent in a given situation. Thus, Garrett provides insight into the necessary requisites for empirically measuring the ethics of a given action. Finally, the Rawls (1971) framework suggests some special considerations that could be introduced into an ethical evaluation; namely, he provides a justification for giving special ethical consideration to parties that are relatively worse off (that is, socially disadvantaged). Rawls, in effect, sketches the moral equivalent of affirmative action ethics for marketing managers.

Assuming the frameworks of Ross, Garrett, and Rawls could be integrated into one grand theory, it is still doubtful that the theory would constitute a satisfactory model of marketing ethics. Nevertheless, given the relevance of ethical questions in marketing, it is important that marketing academics con-

tinue to strive to develop a theory of marketing ethics.

On a pragmatic level, the frameworks stimulate several suggestions concerning marketing ethics that could have a beneficial influence at the macro level. First, Garrett's concern with major and minor evils suggests that researchers should attempt to rank in terms of severity the various ethical abuses that regularly occur in the field of marketing. Since it is naive to believe that significant unethical conduct in marketing can be eliminated overnight, the resulting ranking could constitute a makeshift "hit list" that would then single out particular areas for concern and remedial action. For example, the passage of the Foreign Corrupt Practices Act (1977) forced most corporations operating overseas to re-examine the propriety of their selling practices. In publicizing areas of acute ethical concern, the hope is that the marketing discipline could short circuit the necessity of legislation to engender ethical reform.

Second, Ross's compilation of prima facie duties, a listing formulated at the most general level, should motivate textbook writers in marketing to propose a listing of what they consider to be the minimum ethical responsibilities incumbent on practicing marketing managers. While such specifications will undoubtedly cause some controversy and debate, the subsequent sifting and winnowing will spotlight the topic of ethics and, we hope, raise the moral sensitivities of students.

Third, Rawls's concern with the multifaceted impact of business policies on various groups in society (especially the most disadvantaged) should ideally stimulate case writers to incorporate ethical problems and analysis into the cases they author. The reason for this is that the case method is the best pedagogical tool for getting the student to visualize the influence of an organizational decision on sundry stakeholders. Surely an inference that can be drawn from Rawls is that it is the duty of every discipline (including marketing) to foster mechanisms that will generate ethical introspection. The reputation of marketers may depend on it.

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