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## Some Prescriptions for Marketing

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# Some Prescriptions for Marketing

Patrick E. Murphy and Gene R. Laczniak

The ethical sensitivity of all professionals lawyers, physicians, politicians, educators, clergymen, and businessmen—has come under close scrutiny in recent years. Post-Watergate morality has dictated that the general level of ethical behavior exhibited by professionals in the immediate past is no longer adequate and may never have been. This renewed ethical concern represents the recurrence of an established theme: the lack of well-developed moral sensitivities by many persons in positions of responsibility.

Within the business firm, the functional area most closely associated with ethical abuse is *marketing*. This is because marketing is charged with the function of satisfying customers and communicating with them. Since it is closest to the public view, it is subject to considerable public analysis. The purpose of this paper is to enumerate the ethical dimensions of marketing and to suggest possible prescriptions for proper ethical conduct in marketing decision-making.

*Traditional Marketing Ethics.* Before discussing some ethical guidelines for marketing, the ethical aspects of traditional marketing require a brief review. There are several areas where marketing practices have raised major ethical questions. For purposes of convenience we will group these into six distinguishable categories: (a) general issues, (b) product strategy, (c) promotion, (d) pricing, (e) distribution, and (f) marketing research. Specifically, the general issues category addresses questions about consumer satisfaction and the degree of marketing ethics present in American industry and society. The marketing mix variables—product, promotion, pricing, and distribution which comprise the next four categories—also imply several ethical questions. Furthermore, marketing research ethics has received ample discussion in the literature. These topics are analyzed in depth below.

Any discussion of marketing ethics should begin with the consumer. Over ten years ago Colihan cogently argued that marketers must adjust to the changing ethical expectations of consumers and society.<sup>1</sup> Certainly his words hold true today. Similarly, Clasen felt that clear two-way communication between marketers and consumers was the best way to avert ethical problems.<sup>2</sup> Many additional consumer-

marketer ethical inter-relationships exist, and some will be analyzed within the marketing mix categories.

Within the *product strategy* area several ethically sensitive issues arise for marketers. The development of socially detrimental products, such as cigarettes and alcoholic beverages, and the planned obsolescence of many consumer products pose difficult ethical questions. In addition, "product differentiation" strategies employed by many marketers, such as packaging proliferation for supermarket products, complicated and cosmetic design features on many electrical appliances, and the use of multiple product lines for competitive rather than functional purposes create ethical problems. Even product elimination decisions with regard to treatment of customers, dealers, and suppliers pose further moral questions. For example, in a study of ninety-six manufacturing firms, Hise and McGinnis concluded that the ethical aspects of product abandonment are not fully recognized or appreciated.<sup>3</sup>

The *promotional strategy* aspect of marketing which includes primarily advertising and personal selling is the most visible mix variable. Consequently, the ethical precepts of "promoters" are constantly being questioned. The moral appropriateness and factual accuracy of advertising claims are sub-topics which have received considerable attention.<sup>4</sup> Recently the Federal Trade Commission has required the substantiation of broad classes of advertising claims, but the popular "comparative ads" are often not held to this requirement. The temptation to stretch the truth about a product vis-a-vis that of a competitor is often too much to resist. Since an additional objective of advertising is often to embellish the product, the use of sex appeals and puffery is inevitable—raising complex ethical questions. (Perhaps the most ethically charged issue of the present time involves the considerations marketers should have in constructing TV commercials aimed at children.) An article entitled "Advertisers Must Stop Conning Consumers" provides good ground rules for advertisers to follow in their ethical dilemmas.<sup>5</sup> Since our purpose here is to give an overview of the ethical problems in marketing, we will not discuss these rules here.

The personal-selling component of promotion also produces ethical questions. Probably the best-known unethical tech-

nique utilized in personal selling is the "high pressure" approach. Other techniques not as psychologically damaging, but no more ethical, include the use of fear and the giving of incomplete or misleading information about one's own or a competitor's product.<sup>6</sup> Finally, false or misleading claims are made by salespersons about the performance of the products sold.

*Pricing procedures* employed by marketers are also fraught with ethical complications. Several retailing pricing practices like using "special" merchandise for advertised clothing sales and utilizing multiple-pricing deals (for example, four for \$1) on end-aisle displays to make it appear that merchandise is "on sale," when actually it is not, raise ethical questions. Legal forms of price discrimination based on the location, the size of the buyer, and the quantity of purchase can create unethical pricing decisions between manufacturers and "middlemen." In these inflationary times the ethical questions arising from producers' decisions to cut the quality and/or quantity of their merchandise, while leaving the price of goods sold at the same level, need to be recognized.<sup>7</sup>

*Channels of distribution* which are used to move the product to the consumer contain many interactions. The relationships developed among manufacturers, wholesalers, and retailers are often not based on mutual trust and respect. Large retailers may coerce otherwise decent but small suppliers into producing low quality products just to keep costs down. The services rendered to one another and the consumer by the various channel intermediaries frequently leave much to be desired. For example, a recent poll of consumers indicated that auto and appliance repairs were the leading areas of customer complaints.<sup>8</sup>

The ethical practices of marketing researchers have raised considerable discussion. Since respondents are sometimes misled in survey research and

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experiments as to the actual purpose of the study, ethical codes have been proposed to guide client and consultant relationships with consumers and one another.<sup>9</sup> In a comprehensive article in this area, Tybout and Zaltman examined the various rights of users of marketing research and the practical considerations and possible solutions to the ethical dilemmas associated with such research.<sup>10</sup>

Despite the seemingly growing sensitivity of traditional marketers to ethical issues, the foregoing overview of some of the major moral questions arising from marketing practices shows that major problems still exist. Except for the marketing research area, little operational guidance has been provided by ethicists for crucial areas of the business enterprise. Therefore, additional evaluative effort and constructive ethical advice need to be provided to traditional marketers.

Despite the pitfalls associated with providing general ethical guidelines to fit every situation, several general prescriptions, based upon responsible business practice and the recommendations of other scholars, appear useful for marketers. The first of these calls for an emphasis on *professionalism*. Marketing practitioners have not historically been viewed as highly professional individuals. And it is not likely that marketing will ever become a "true" profession because it does not meet all of the conditions generally mentioned as necessary. These are:

1. A high degree of generalized systematic knowledge.
2. A primary orientation to community interest rather than to individual (or corporate) self-interest.
3. A high degree of self-control through internalized codes of ethics, work socialization, and organization.
4. A system of rewards as symbolic of work achievement.<sup>11</sup>

Of course, all of these so-called requirements of *professionalism* require interpretation. And some may be slightly arbitrary. However, it can be argued that commercial marketers do employ a high degree of generalized and systematic knowledge, and marketing activities are characterized by a system of rewards symbolic of work achievement. Yet very few traditional marketers exhibit a primary orientation to community interest as opposed to individual interest, and perhaps even fewer marketing managers have developed the high degree of self-control through internalized codes of ethics found in other professions. Therefore, professionalism appears to be an approachable but rather difficult goal to achieve for marketers. To develop the necessary "internalized codes of ethics" and work socialization requires support and commitment. Some suggestions for such developments are outlined in the following paragraphs.

Becoming a "professional" requires that an individual possess a great deal of integ-

ity and have a broad vision. For instance, when the marketing vice president of a toy company decides that his company should not manufacture and sell a potentially unsafe product even though demand for it is established and his competitor is already successfully marketing a similar model, he is acting in a professional manner. To achieve professionalism will undoubtedly be a long-range goal for marketing, but it is essential that those who fulfill the criteria be promoted to positions of influence in their organizations. Only then will they serve as "role models" for others to follow.

A second guideline to making all types of marketing more ethical would be the use of *ethical consultants*. Similar proposals have been offered by Purcell who called for an "angel's advocate" within the corporation and Steiner who felt that "ethical advisors" (functional officers in charge of ethical matters) were necessary.<sup>12</sup> For large corporations an internal ethical consultant would likely be necessary to deal with the intricate details of marketing and related problems. In fact, Cummins Engine Company has utilized a person in this capacity for over three years, and Monsanto named a director to scrutinize moral issues raised by company policies and actions.<sup>13</sup>

For smaller firms with less complex problems proposed ethical consultants might be outsiders, disinterested third parties. Clergymen, consumers, or interested lay persons could be likely candidates for this job. The important point is that marketing practitioners interact with someone who can offer them guidance on morally difficult questions. This relationship should be an ongoing one, and it would be necessary that the consultant be accessible when needed.

A third mechanism for dealing with ethical issues is the use of *ethical seminars*. These periodic seminars could be conducted either by the ethical consultant or an outside agency. Former business executives might be the ideal individuals to run such seminars. A case or scenario approach to ethical issues could be deployed. Pragmatic ethical situations might be presented and then followed by ample opportunity for discussion. Several major corporations are using this approach with their executives. Various cases on topics like advertising, product development, and channel structure could be discussed. The objective of the seminars would *not* be to suggest ethically "right" answers, but to prepare the executives to examine the ethical dimensions and implications of their decision-making and to suggest the need for considering alternative modes of analysis for marketing decisions besides a narrowly conceived cost-benefit framework.

The final prescription encompasses the use of *ethical cost/benefit analyses*. From the information provided by the ethical consultant or seminars, marketing professionals might practice the application of cost/benefit to the broader so-

cial arena. This would usually involve weighing the tradeoffs identified in a certain decision. For example, what would be the ramifications of a company's not going ahead with a new energy consumptive electric appliance, like an automatic vegetable peeler, even though customer demand was evident? The answer to such a question is difficult to agree upon and quantify. This issue and similar ones will likely continue to plague the marketer, but the guidelines provided may help the decision-maker contemplate more deeply the ethical dimensions of the issues.

Traditional marketers usually experience many ethical dilemmas, and few procedures have proved useful in dealing with difficult situations. The prescriptions suggested here—increased professionalism, ethical consultants, seminars, and ethical cost/benefit analyses—provide at least a skeletal framework for all marketers. ■

#### Notes

1. William J. Colihan, Jr., "Ethics in Today's Marketing," in *Changing Marketing Systems*, ed. Reed Moyer (Chicago: American Marketing Association, 1967), pp. 164-166.
2. Earl A. Clasen, "Marketing Ethics and the Consumer," *Harvard Business Review* (January-February 1967), pp. 79-96.
3. Richard T. Hise and Michael A. McGinnis, "Product Elimination: Practices, Policies, and Ethics," *Business Horizons* (June 1975), pp. 25-32.
4. For several articles concerning this issue, see John S. Wright and John E. Mertes, *Advertising's Role In Society* (St. Paul: West Publishing Co., 1974), Part VI, pp. 252-300.
5. Leo Greenland, "Advertisers Must Stop Conning Consumers," *Harvard Business Review* (July-August 1974), pp. 18-28+.
6. For some examples of these practices, see Warren G. Magnuson and Jean Carper, "Caveat Emptor," in *The Dark Side of the Marketplace* (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1968), pp. 3-31.
7. "Consumers Find Firms are Paring Quantities to Avoid Price Rises," *The Wall Street Journal* (February 15, 1977), p. 1+.
8. Alan R. Andreason and Arthur Best, "Consumers Complain—Does Business Respond?" *Harvard Business Review* (July-August 1977), pp. 93-101.
9. Dick Warren Twedt, "Why a Marketing Research Code of Ethics," *Journal of Marketing* (July 1963), pp. 45-50; and R. Bezilla, J. B. Haynes and C. Elliot, "Ethics in Marketing Research," *Business Horizons* (April 1976), pp. 83-86.
10. Alice M. Tybout and Gerald Zaltman, "Ethics in Marketing Research: Their Practical Relevance," *Journal of Marketing Research* (November 1974), pp. 357-368.
11. Bernard Barber, "Some Problems in the Sociology of Professions," in *The Professions in America*, ed. K. S. Lynn (Boston: Beacon Press, 1967), p. 18.
12. T. V. Purcell, S. J., "A Practical Guide to Ethics in Business," *Business and Society Review* (Spring 1975), pp. 43-50; and John F. Steiner, "The Prospect of Ethical Advisors for Business

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interests more compatible with the public interest. That does not mean that every agent must attempt massive social reform with every action he performs. It just means that loyal agency does not imply acting as if one were a mindless tool without feelings. More importantly, it should be emphasized that it is up to individuals, one by one, to make sure that the world is not run by such creatures. In the last analysis, individual agents must have the moral courage to refuse to become tools in someone else's hands. That is what moral agency is all about.

In conclusion then, I think I have accomplished the task announced at the beginning of this study. I have destroyed the Loyal Agent's Argument internally by demonstrating the falsehood of its premises and externally by producing four independent arguments against it. ■

Notes

1. J. J. McCloy, N. W. Pearson, and B. Mat-

thews, *The Great Oil Spill* (New York: Chelsea House Pub., 1976), p. 31.

2. *Ibid.*, p. 13.

3. R. Powell, *The Law of Agency* (London: Sir Isaac Pitman and Sons Ltd., 1965), p. 7.

4. M. Friedman, "The Social Responsibility of Business Is To Increase Its Profits," *The New York Times Magazine* (September 13, 1970). Reprinted in R. Baum, ed., *Ethical Arguments for Analysis* (New York: Holt, Rinehart and Winston, 1975), p. 205.

5. M. A. Chirelstein, "Corporate Law Reform," *Social Responsibility and the Business Predicament*, ed. J. W. McKie (Washington: The Brookings Institution, 1974), pp. 73-74.

6. *Ibid.*, p. 73.

7. Powell, *op. cit.*, p. 312.

8. Section 387 as quoted in P. I. Blumberg, "Corporate Responsibility and the Employee's Duty of Loyalty and Obedience: A Preliminary Inquiry," *The Corporate Dilemma*, ed. D. Votaw and S. P. Sethi (Englewood Cliffs: Prentice-Hall, Inc., 1973), p. 87.

9. J. E. Smyth and D. A. Soberman, *The Law*

and *Business Administration in Canada* (Toronto: Prentice-Hall of Canada, Ltd., 1968), p. 360.

10. Section 385 as quoted in Blumberg, *op. cit.*, p. 86.

11. *Ibid.*

12. Powell, *op. cit.*, p. 302.

13. Powell, *op. cit.*, pp. 35-119.

14. *Ibid.*, p. 303.

15. *Ibid.*, p. 305.

16. *Ibid.*, p. 321.

17. *Ibid.*, p. 320.

Notes continued from p. 50

Corporations," *Business and Society* (Spring 1976).

13. Chuck Powers, Executive Director of Corporate Responsibility Division, Cummins Engine Company, Columbus, Indiana, telephone conversation, September 26, 1977; and "Conscience of a Company," *The Milwaukee Journal* (September 23, 1977), Part 2, p. 23.

DRIVING THROUGH FOG

for James Wright

The heads of twelve Holstein steam and bob inches from a fence humming with enough current to flatten a man. Sheep gallop in and out of nothingness on stiff and stubby legs, bunch like minnows near the gate. A stallion bucks, his need encompassing the mare, breath a ragged circle the shade of fog, hoofs drumming out the measure of his rite. There's nothing else to see.

On either side of the Ohio county road I follow there's only mist thick as smoke from green oak. Then dawn slowly parts the waters of the Olentangy from those above, fields of autumn corn from meadows of the firmament, the sky from grackle, hawk and morning star. Now there's just enough vision for me to know my future, a future involving speed and recklessness, mist and dawn and river and song. I promise

everything I see today I'll love.

David Citino

CENTRAL PENNSYLVANIA

Some stopped in Pennsylvania. It was not A solemn, tribal act of state. Rather, Here and there in the maze of slanted mountains A slender valley lay virginal and waiting, And love or lust lighted the scanning vision Of vaguely westering eyes. Some stopped and stayed, While others turned sharp left to Shenandoah Or tagged the sun and begot the Middle West On almost eastern Ohio.

Here am I now among the ones who stayed. Each pickup truck displays its rifle rack. Deer-hunting season closes down the schools. "Sheriff Replogle is a huntsman," TV Proclaims to me, and certifies the fact, Showing him, gun at shoulder, in the brush. The peaceful Brethren wash each other's feet. Lush Amish farms follow the winding highway Like beads strung on a simple and expensive chain.

Do not say to yourself you are out of the world. This is the world. The Shenandoah valley, The compromise of eastern-western Ohio Are rumors to recount but not to believe. Not southern, not western, and far from the Brahmin east Central Pennsylvania smiles in its chosen contentment. The forests leveled by the charcoal burners Rise like a green messiah from the grays of death. The eighteenth century slumbers, awakes, slumbers.

Chad Walsh

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CHAD WALSH is the editor of the anthology *Today's Poets* (Scribner, 1964).