

The Use of Codes of Ethics in New Zealand Marketing Research and Effects on Ethical Behaviour

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ATTESTATION OF AUTHORSHIP

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly referenced), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning.

The following presentations and papers relate to work undertaken for this thesis:

1. Yallop, A.C. (30 November-2 December 2009). Use of codes of ethics by New Zealand marketing research organisations. Paper Published in the Proceedings of the Australian & New Zealand Marketing Academy (ANZMAC) Annual Conference, Melbourne, Australia.
2. Yallop, A. C. (25 September 2009). Use and effects of codes on ethical behaviour – Conceptual framework development and preliminary results. Presentation at the AUT Postgraduate Research Symposium, Auckland, New Zealand.
3. Yallop, A. C. (2-5 December 2008). Ethics in Marketing Research: Codes of Ethics in New Zealand Marketing Research. Presentation at the Doctoral Colloquium, 22nd Australian and New Zealand Academy of Management (ANZAM) Conference, Auckland, New Zealand.
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DEDICATION

I wish to dedicate this thesis to my father who taught me the value of hard work and perseverance (I only wish he could have lived to see this; he would have been so proud.)

ABSTRACT

In the last years there has been an increased attention given in the literature to ethical issues in business. Within academic and industry literature, codes of ethics are generally understood to act as a mechanism guiding and ensuring ethical behaviour. However, this premise has not yet been thoroughly explored. This study proposes to address this gap, investigating codes of ethics' use and effects on ethical behaviour. This research examines the tools used in ethical decision-making by New Zealand marketing research practitioners. The focus of this research is on client relationships.

The study uses literature on business ethics, marketing research ethics, models of ethical decision-making, codes of ethics' use and effectiveness, trust in business relationships, reputation, and individual values and personal ethics. A conceptual framework evolved from the literature review and helped guide the research questions. The model drawn from the literature uses a three level approach: industry/organisational level, individual level and relationships level. The model indicates that at the industry/organisational level, three main dimensions may have an impact on ethical decision-making within client relationships: codes of ethics, size of organisation and affiliation. At the individual level, personal values, ethical perceptions and judgements are seen to guide individual behaviour. At the relationships level, trusting business relationships are believed to lead to a good and ethical climate between marketing research practitioners and their clients; at this level of analysis, dimensions such as trust, credibility and reputation form the basis of such relationships.

Mixed research methods were used in the study. A preliminary survey was employed in order to provide background industry information which assisted with and informed the development of the structure of interviews with New Zealand marketing research practitioners. Accordingly, a qualitative research approach underpinned the thesis. Twenty-nine interviews were conducted in both the North and South Island. The participants were selected from small, medium and large marketing research organisations as well as members and non-members of Market Research Society New Zealand (MRSNZ). They reported on their awareness and familiarity with professional and organisational codes of ethics as well as on codes' use. In particular, information

on ways of dealing with ethical issues when they arise in their relationships with clients has been provided by participants.

The study showed that there is limited use of codes of ethics by New Zealand marketing research practitioners albeit they identify the code as a hygiene factor which can guide ethical behaviour. Consultation with peers is a common way of dealing with ethical issues in client relationships. The findings also revealed that personal values and ethics are the tools that ultimately shape their behaviour. At the relationships level, trust and its adjacent constructs, credibility and reputation have a significant role in generating good and ethical business relationships. Following these findings, the model was revised accordingly.

The findings and model proposed in this study contribute to literature and theory by providing an additional dimension for the analysis of ethical behaviour in client relationships. The actual findings on ethical decision-making of New Zealand marketing research practitioners have also implications for the practice of marketing research.

CHAPTER ONE – INTRODUCTION

1.1. RESEARCH CONTEXT

This research study begins with the premise that the degree to which an organisation can be held to be ethical is dependent on its ability to create an ethical environment internally in its members' relationships with each other and with the organisation itself, as well as externally in organisational members' relationships with others. Codes of ethics are widely understood to act as a mechanism facilitating and ensuring ethical behaviours within organisations, but as yet this second premise has not been thoroughly explored in the literature.

The practice of business ethics in general and of ethics within the marketing research function in particular has attracted substantial attention both from the public and from academics (Malhotra & Miller, 1998). Many studies have focussed on the importance of business ethics in the activities of organisations, with the aim of understanding the actual tendencies in business and organisational environments of acting and behaving in accordance with particular norms and standards that would generate an ethical business environment, good relational interaction between actors involved, and good outcomes for the stakeholders involved. The whole realm of ethics and, within this realm, of what constitutes an ethical business environment, is one in which there is differing opinion. Thus, a contextualised study such as the research study conducted for the completion of this thesis becomes important.

Ethics is the study of what contributes good and bad conduct, including related actions and values (Barry, 1979). Similarly, Thompson (2005) defines ethics as the study of right and wrong; of the moral choices people make and the way in which they seek to justify them. Ethics is concerned with the nature of specific decisions made and the "goodness or badness" of those decisions in terms of the consequences of those decisions (Chonko, 1995). Business ethics exists as a subfield of ethics (which is not canvassed within this particular study, although insights from the broader field do inform this research). Business ethics also exists within the context of a variety of

business disciplines, most notably management as the base business discipline that most business ethics scholars associate with. There is also marketing ethics and within this subfield marketing research ethics exists as a smaller strand of research drawing from both ethics and business ethics in the particular context of organisational activities concerning marketing research that informs this study. Consequently, both these strands and the study itself can be considered to be within the realm of applied ethics.

With both increasing public concern around business ethics (Brenkert, 2008; Chryssides & Kaler, 1996; Sligo & Stirton, 1998) and the increasing prevalence of codes of ethics (Murphy, 1995; Ziegenfuss & Martinson, 2002) (variously described as codes of conduct, ethical codes, corporate ethical codes, codes of practice), a study of the role they actually play in guiding behaviour is useful. That marketing research practitioner ethics might be a fruitful site of exploration becomes obvious when one considers that marketing research is a key activity within business for generating efficient outcomes in terms of sales and profits. This activity is dependent on the connections and relations with customers and clients, and appropriate relationships for generating high levels of customers' satisfaction need to be established. Skinner, Ferrell and Dubinsky (1988) claim that conflict is endemic in the relationships between marketing researchers and clients. Although the use of codes of ethics is intended to govern these relationships, there is little research on how clients and marketing researchers interact (Skinner, Ferrell & Dubinsky, 1988) particularly when ethical issues occur in their relationship.

It is these relationships and the potential ethical conflict between marketing researchers and their clients that the present study examines, investigating the marketing research practitioners' decision-making in relation to their clients when ethical issues arise in the relationship – the researcher attempts to understand the methods and tools used in arriving at an ethical decision and ways of dealing with client conflicts in ethically sensitive situations.

The marketing profession is a very dynamic one, which involves a higher degree of risk-taking and pressures from the business and organisational environment. Within this environment, the marketing research function becomes one of vital importance in providing the necessary know-how for achieving desired organisational outcomes.

Because of the performance pressures and the relationships foci, ethical issues are central to marketing research activity, and marketing research professionals are confronted with many ethical issues.

This research study is relevant to the New Zealand context where sample sizes often tend to be smaller, but where more complete coverage of a particular domain can be gained. In New Zealand, too, there have been many events that have demonstrated that the problem of unethical conduct is ever present, even if it is usually not very visible (Brennan, 1991; Milton-Smith, 1997). Previous research suggests that, historically, New Zealand organisations placed less emphasis on ethical standards (Orr, 1995), and feedback from professional bodies and industry associations indicates slow and uneven progress in business ethics' institutionalisation (Milton-Smith, 1997). However, more recent studies propose that important steps are being taken by New Zealand organisations to incorporate business ethics and ethical values in their daily operations (Pajo & McGhee, 2003), and that a number of measures have been put in place (such as revisions of professional codes of ethics, changes in regulation and disclosure rules) to strengthen the standards of individual, professional and corporate ethics in New Zealand (Milton-Smith, 1997). However, even with the heightened recent emphasis indicating the necessity of existence and implementation of legal norms and standards to be followed by New Zealand organisations, concerns are still found with regard to the level of organisational ethical values, and of conflicts between corporate and individual ethics (Alam, 1999). Oliver, Kearins and McGhee (2005) have done some work analysing the codes of ethics of professional bodies in New Zealand, pointing the way for further work to be done as to how the codes are implemented and enforced.

Subsequently, more research in the area of business ethics and particularly around codes of ethics' use and their behavioural effects on professionals is needed. This study embarks on the journey of examining these issues in the marketing research industry within a New Zealand context.

1.2. RESEARCH PURPOSE AND SIGNIFICANCE

This study explores the role of codes of ethics in New Zealand marketing research organisations in the context of the different ethical issues marketing research practitioners face in their professional work and relationships. The role played by individual ethical values and norms in professional work and relationships is also analysed. Ethical issues are particularly salient in the field of marketing research, and through their membership of the Market Research Society New Zealand many of the organisations involved in marketing research in New Zealand have either adopted a code of ethics or realise the necessity of implementing a code of ethics.

Consequently, the present research study examines the codes of ethics' utility within these organisations and examines the extent to which codes of ethics are enforced and implemented by New Zealand marketing research organisations. This is achieved by undertaking a survey of marketing research organisations in New Zealand, an analysis of their codes of ethics, and conducting semi-structured interviews with a selection of marketing research practitioners. The latter provide for an in-depth qualitative analysis of the codes of ethics' implementation and the perceived effects that the codes of ethics have on the behaviour of practitioners. In particular, the proposed study focuses on the perceptions and understandings of codes of ethics by practitioners, and how these inform and guide relationships with clients, especially as regards ethical issues.

One major interest and subject of study for various scholars is the existence of norms and standards that can provide the marketing research industry with general tools in dealing with unethical situations by marketing researchers. Scholars and industry specialists have analysed the presence and importance of an ethical code in the organisation. Studies concerning the theoretical utility of codes of ethics were identified in the literature (Hunt, Chonko & Wilcox, 1984; Ferrell, Hartline & McDaniel, 1998), but a relatively small number of these have focused on how these codes of ethics are practised in the workplace and on their effects on the working environment and relationships between professionals and clients (Cowton & Thompson, 2000; Somers, 2001). In addition, the existing studies on the effects of ethical codes have not reported any consistent findings (Grundstein-Amado, 2001; Kaptein & Schwartz, 2008).

Different views exist in the ethics and marketing literature with regard to the effects of the codes of ethics and their influence on the marketer's behaviour. Cleek and Leonard (1998) studied the question whether corporate codes of ethics influence behaviour. Their results indicate that corporate codes of ethics are not influential in determining the individual's ethical decision-making behaviour. Similar results were presented by Hunt et al. (1984), Akaah and Riordan (1989), Cowton and Thompson (2000), Marnburg (2000), Sims and Brikmann (2003). Other scholars, on the contrary, affirm that there is a relationship between codes of ethics and behaviour, codes of ethics having been identified as a potential factor influencing the behaviour of professionals (Ferrell & Skinner, 1988; Chonko, Wotruba & Loe, 2003; Schwartz, 2001; Valentine & Barnett, 2003).

To date, the effectiveness of codes of ethics has not been conclusively determined within the literature and previous research. There seems to be little substantive evidence to confirm the extent to which an effective and operational code of ethics affects professionals' behaviour and relationships with clients. One reason for conceptualising this is because attempts have not been undertaken to determine and analyse the mechanisms by which ethical behaviours in marketing research are produced, including those of codes of ethics. This research study looks in more depth at this question in order to understand the role of codes of ethics in marketing research organisations, specifically at the level of the client relationship. This also represents an area where the study adds to the literature information as to whether and how codes of ethics create and help maintain an improved relationship with clients.

1.3. INTENDED AUDIENCE

This research is aimed mainly at two types of readers: academics and industry related organisations and individuals (i.e. marketing research organisations, professional bodies and associations, and marketing research practitioners).

First, those involved in academia may find this study useful as it provides a further understanding of processes involved in ethical decision-making, in particular in relation to codes of ethics' role in ethical decision-making when ethical issues occur in client

relationships. Academics from different discipline areas may find this study useful. Those within the business ethics field may find the framework proposed as a result of this study of value for future research into the analysis and evaluation of the effectiveness of codes of ethics and ethical behaviour. The study should also help scholars within the marketing area, particularly those in the marketing research field, to understand how codes of ethics are used in practice by New Zealand marketing research practitioners, what tools they use in dealing with ethical issues, and specifically the kind of behavioural effects an ethical code has on practitioners' behaviour. Likewise, academics within the management field could benefit from this study as it can inform on ways of managing business relationships when ethical issues arise between the two parties involved in the business relationship – i.e. organisation and/or practitioner and client.

Second, the research findings of this study could be of interest to the three main parties involved in the marketing research industry (i.e. marketing research organisations, professional bodies/associations and practitioners). Thus, the findings of this study could engage marketing research practitioners in considering how ethical issues in client relationships can be dealt with more effectively, generating a higher level of awareness about codes of ethics and their potential role in guiding behaviour. This awareness in turn can be used to help them create greater insight into ethical practices to be used in marketing research and help them influence and guide personal and organisational behaviour from an ethical perspective.

For marketing research organisations, the study could provide useful information about organisations' ability to enforce codes of ethics and the extent to which these are enforced. In particular, regional specific information made available through this study could be used by New Zealand marketing research organisations in order to inform them about the level of enforcement and implementation of codes of ethics, and possibly guide their future endeavours to create higher levels of awareness and use of codes of ethics.

Finally, professional bodies and industry associations (such as the Market Research Society New Zealand - MRSNZ) and those involved in administering these bodies and

associations (such as the MRSNZ committee members) could make use of this research in order to enable them to better understand the realities within the New Zealand marketing research industry around codes' use by marketing research practitioners. This study could help them direct their future actions towards creating a more ethical industry environment by means of providing continuous support in implementation of codes of ethics by New Zealand marketing research organisations and practitioners.

1.4. ORGANISATION OF THE THESIS

This thesis consists of five further chapters. Chapter Two comprises the literature review and discusses current research describing studies undertaken in relation to business ethics in general and codes of ethics in particular along with theory and literature on models of ethical decision-making, personal ethics and constructs of trusting business relationships. It also serves as a basis for the establishment of a conceptual framework that is further developed in the course of the study, consistent with the norms of qualitative research. Chapter Three discusses the development of the conceptual framework for this study and introduces the resulting research questions. Chapter Four explains the methodology and research methods used for this study, and the limitations of the study. In Chapter Five the findings of this study are presented and discussed. These findings are then used in the redesign of the conceptual framework leading to a revised model that integrates the research findings of this study. Finally, Chapter Six of this thesis provides a discussion of the conclusions drawn from the study, the contributions this study makes to theory and practice, implications for practice and suggestions for further research.

CHAPTER TWO - LITERATURE REVIEW

The literature review is intended to provide background and to lead to the development of a conceptual framework for ethical decision-making in order to better understand the use and effectiveness of codes in the New Zealand marketing research industry as well as to form the basis upon which the research questions are generated.

This chapter consists of three main sections. The first section provides an introduction to business ethics and discusses academic literature and studies in marketing research ethics. It presents an overview of the main ethical problems and dilemmas faced by marketing research practitioners in their relationships with respondents and clients in particular, and a detailed analysis of different models of ethical decision-making. Section Two of this chapter examines relevant literature on codes of ethics – provides a definition of the concept and examines the ethical codes' use and effectiveness in organisations in general, and marketing research organisations in particular. In Section Three, constructs of business relationships are addressed. In particular, the concepts of trust, individual values and reputation are discussed, as seen to influence and generate good business relationships.

Section I – MARKETING RESEARCH ETHICS

The first section of this chapter presents an introduction to business ethics and reviews the literature on ethics in marketing research and models of ethical decision-making. A review of empirical research in ethics in marketing research is offered, with a presentation of ethical issues and conflicts that exist in marketing research; the two main types of dyadic relationships are examined – the relationship between marketing research practitioner and respondent and the relationship between marketing research practitioner and client. In the second part of this section, an analysis of models and studies on ethical decision-making is provided.

2.1. INTRODUCTION TO BUSINESS ETHICS

In the endeavour to discuss issues related to marketing research ethics, it is necessary to understand and provide an overview of ethics and business ethics. Ethics is a branch of philosophy that is concerned with formal academic reasoning about right and wrong (Fisher & Lovell, 2003). It is the study of what constitutes good and bad conduct, including related actions and values (Boatright, 2007; Barry, 1979; Crane & Matten, 2007). Thompson (2005) defines ethics as the study of right and wrong; it is the study of the moral choices people make and the way in which they seek to justify them. Similarly, McDonald (2004, p. 2) states that '*ethics examines whether something is good or bad*'. Ethics is concerned with the nature of specific decisions made and the 'goodness or badness' of those decisions in terms of their consequences (Chonko, 1995).

According to De George (2006), ethics is the study of morality. Morality relates to the customs that a society accepts as being wrong or right. Taylor (1975, p. 1) defines ethics as an '*inquiry into the nature and grounds of morality*', where morality means '*moral judgments, standards, and rules of conduct*'. It would appear that the term ethics is often used interchangeably with morals (Taylor, 1975; Vitell, 1986). Following on from this observation and arguing that it would be more accurate for terms like morals and morality to be restricted to the conduct itself, Tsalikis and Fritzsche (1989) suggest that the terms ethics and ethical refer to the study of moral conduct or to the code one follows within the particular society.

It needs to be explained here that this study does not intend to look into ethics in wider society, but to narrowly examine individuals' decision-making about ethical issues they are confronted with in a business environment. The study does not intend to examine the nature of ethics and/or abstract virtues that form one's personal morals. Ferrell (1999) argues that personal morals are often confused with professional ethics. He notes that abstract virtues such as truthfulness, honesty, avoidance of harm are too general and, although they may be assumed to provide 'self-evident guidance' for professionals, different perceptions of right and wrong will create ethical conflict' (p. 226). It is these different perceptions among marketing research practitioners about

right and wrong and the approaches they take to solve ethical conflicts in client relationships that are examined within the present study.

Business people and professionals must make judgements about what is 'right' or ethical to do. Hence, the task of ethics is to distinguish between ethical and unethical business practices (Tsalikis & Fritzsche, 1989; Harrison, 2005; Johnson, 2006). Consequently, the study places itself within the realm of applied ethics, that is, business ethics.

Business ethics is a form of applied ethics, a branch of ethics that deals with ethical problems and questions in a business / organisational context. It can thus be applied to all aspects of business conduct and is relevant to the conduct of individuals (Trevino & Nelson, 2006; Rossouw & van Vuuren, 2006). Business ethics is '*the study of business situations, activities, and decisions where issues of right and wrong are addressed*' (Crane & Matten, 2007, p. 841).

Barkhuysen and Rossouw (2000, p. 230) state that '*business ethics studies the ethical dimensions of economic activity as it is being manifested on three different levels*'. The three levels of inquiry into business ethics are: the macro-level where the main focus is on the morality of economic systems, the meso-level where the centre of the study is placed on the moral obligations of business(es) on the institutional level towards other institution(s) and / or societal stakeholders, and last, the micro-level of inquiry where the focus of study is decision-making and ethical dimensions of intra-organisational behaviour (Barkhuysen & Rossouw, 2000).

Since this study examines employees' decision-making processes in relation to their engagement with their clients and attempts to understand the methods and tools used in arriving at an ethical decision and client conflict resolution in ethical matters, the study places itself at the micro-level of inquiry into business ethics.

In the academic literature, business ethics is also divided into three modes of inquiry: descriptive, normative or prescriptive, and meta-ethics (Barkhuysen & Rossouw, 2000; De George, 2006, 2008; Tsalikis & Fritzsche, 1989). Descriptive ethics studies and

explains ethical matters and behaviour; it can lead to discerning '*patterns and regularities in moral behaviour that can be influenced by managerial interventions*' (Barkhuysen & Rossouw, 2000, p. 231). Similarly, Tsalikis and Fritzsche (1989) view descriptive ethics as being concerned with the study and description of the morality of people, culture or society, while normative or prescriptive ethics seeks to develop basic principles and values of a moral system. It includes studies on what managers 'ought to do' when confronted with ethical dilemmas; meta-ethics studies moral reasoning and is concerned with the meaning of terms and formal language system of normative ethics.

For the purpose of this study the focus is, therefore, on descriptive ethics since it attempts to describe and explain how individuals / employees go about managing ethical problems in their relationships with clients.

In addition, literature on normative ethics includes that on (a) ethical codes or guidelines to be followed in situations that have ethical content, (b) decision models to be followed in these situations, (c) studies that relate to specific areas of marketing such as marketing research, and (d) studies about ethical abuses in marketing (Tsalikis & Fritzsche, 1989). It would appear that most business ethics literature in the area of marketing research has focused on the normative aspect of business ethics (i.e. ethical codes and decision models development). Another set of studies describe the actual ethical issues that marketing research practitioners are facing (Hunt et al., 1984; Kelley, Ferrell & Skinner, 1990; Kelley, Skinner & Ferrell, 1989; Kimmel & Smith, 2001; Malhotra & Peterson, 2001; Murphy & Laczniak, 1992; Schneider, 1977; Segal & Giacobbe, 2007; and Tybout & Zaltman, 1974). However, fewer descriptive studies have been undertaken in an attempt to clarify how and if ethical codes are used in the decision-making process and what effects, if any, they have on professionals' ethical behaviour.

Having examined the various levels and modes of inquiry into business ethics, the core or main focus of the present study is therefore located at the micro-level of ethics (work / practice / individual behaviour and ethics), using a descriptive approach that proposes to explain and describe individuals' decision-making and behaviour at the level of inter-personal relationships. It is a study within the field of marketing research ethics

that examines the role of ethical codes and their behavioural effects on New Zealand marketing research practitioners' behaviour.

Once again, it is necessary to emphasise that, for this study, the general societal level is out of scope. This study does not propose to investigate ethical questions about society at large, but to focus on ethical questions pertinent to individuals' decision-making in a business environment and within inter-personal relationships with client(s).

The following sub-section of this chapter provides an overview of the main ethical issues that marketing research practitioners appear to face in their activity. It provides an understanding of ethical issues related to marketing research, issues that, in previous literature, have been found to represent major concerns for professionals involved in this industry.

2.2. ETHICS IN MARKETING RESEARCH

Studies in the area of ethics in marketing research have involved the analysis of ethical issues marketing researchers are confronted with and the attitudes of marketing research professionals towards ethics (Akaah & Riordan, 1989; 1970; Ferrell & Skinner, 1988; Kelley, Ferrell & Skinner (1989, 1990); Lund, 2001; Malhotra & Miller, 1998; Michaelides & Gibbs, 2006; Murphy & Laczniak, 1992; Peterson, 1996).

Within the marketing discipline, Lund (2001) believes that, from an ethical perspective, marketing research is the most challenging. He states that the problem of ethics *'revolves around a researcher's relationship with four parties in the research process, namely, the general public, respondent, client, and the researcher . . . and in fulfilling his/her duties and responsibilities to these constituents, the marketing researcher encounters many ethical dilemmas'* (Lund, 2001, p. 6). Similarly, Malhotra and Miller (1998) suggest that marketing research is more complex because of its relationship with the client and supplier. Also Ferrell, Hartline and McDaniel (1998) examine the nature of complex relationships between various parties in marketing research and propose that understanding these relationships represents a first step in the attempt to control the potential for ethical conflict among marketing research participants.

In marketing research, the researcher has direct responsibility to several parties at the same time – i.e. clients, firm, self, respondent, and public – and is also responsible for retaining objectivity and good faith in relation to the research findings (Giacobbe & Segal, 2000). Giacobbe and Segal (2000) review the literature on marketing research ethics and state that, in general, *‘research from studies in marketing and marketing research ethics can be described as fragmented and mixed’* (p. 230) and that *‘the extent of unethical behaviour among marketing research professionals has virtually remained unchanged’* (p. 239).

Ethical Issues and Conflicts

The literature presents us with studies that look into ethical issues and behaviours of those involved in the marketing research industry. As such, studies in marketing research ethics can be classified by the type of dyadic relationship under examination (Giacobbe & Segal, 2000). Consequently, ethical issues involving marketing researchers are generally divided into two main categories: first, studies that address ethical problems faced when interacting with respondents and second, ethical problems and issues that appear in the relationships with clients. These situations and correspondent studies are presented next.

(a) Marketing Research Practitioner – Respondent

At the marketing research industry level, studies often concentrate on the ethical issues faced by marketing researchers. Whilst many of these focus on the relationship between researcher and respondent (i.e. any individual or organisation from which information is collected for the purposes of a marketing research project), the emphasis is upon outcomes for the organisation.

The main traditional ethical issues discussed in the literature are: deceptive marketing research practices (such as unrealised promises of anonymity, falsified sponsor identification, and misrepresentation of research procedures), invasion of privacy, respondents’ anonymity and lack of protection of respondents’ rights.

A list of studies that address ethical issues in the dyadic relationship between marketing research practitioner and respondent is presented in Table 1.

Table 1: Ethical issues between marketing researchers and respondents

Author(s)	Year	Ethical issues
Crawford	1970	Dubious research tools (ex: use of ultraviolet ink; hidden tape recorders and one-way mirrors); Fake research firm
Tybout and Zaltman	1974	Lack of protection of respondents' rights: right to choose, right to be informed, right to safety
Schneider	1977	Deceptive practices; Invasion of privacy; Lack of consideration for respondents
Hunt, Chonko and Wilcox	1984	Fair treatment of respondents; Interviewer dishonesty
Adair, Dushenko and Lindsay	1985	Informed consent; Freedom to withdraw; Use of deception
Ferrell and Skinner	1989	Deception; Invasion of privacy; Disguised sales
Akaah; and Akkah and Riordan	1990 1989	Fair treatment of respondents; Truthfulness about the nature/purpose of research
Murphy and Laczniak	1992	Deceptive practices; Invasion of privacy; Lack of concern for subjects; Focus groups designed as sales pitch
Peterson	1996	Accuracy of statements; Protection of respondent anonymity; Respondent's right to refuse cooperation; Parental consent for interviews with children; Treatment of respondents with respect
Kimmel; and Kimmel and Smith	2001	Deceptive research
Malhotra and Peterson	2001	Disguised purpose of research; Deceptive procedures; Videotaping and recording; Respondents' level of comfort; Disguised selling or fundraising; Anonymity of respondents; Observation and recording of behaviour; Invasion of privacy
Michaelides and Gibbs	2006	Treatment of respondents as consumer objects (lack of caring)

All of the above studies suggest a high incidence of unethical research practices, particularly affecting respondents.

In a more recent study, Michaelides and Gibbs (2006) address the impact of the age of technology on marketing research and suggest that modern technology – use of computers, online marketing research – creates an environment where people / subjects are not cared for, and *'are valued only to the extent that information is bought off them'* (p. 50). They argue that more attention has to be given to respondents so that respondents do not alienate themselves from marketing research in general and marketing research practitioners in particular.

(b) Marketing Research Practitioner – Client

Research in the area of ethics in marketing research has also focused on the unethical behaviours undertaken by marketing research organisations and practitioners in their relationships with clients (i.e. any individual or organisation that requests and commissions a marketing research project), albeit these studies are fewer than those investigating the relationship with the respondents. Skinner, Ferrell and Dubinsky (1988) propose that ethical conflict between clients and marketing researchers is prevalent and that these relationships are complex.

Giacobbe and Segal (2000) suggest that the success of the marketing research profession depends on the level of trust built with clients. They also suggest that relationship building has been long recognised in the marketing research industry as important in maintaining and improving the market position and profitability of a marketing research firm. Trust is seen as a critical element in the success of such relationships and therefore is analysed more in-depth in Section Three of this chapter.

From the previous literature, it appears that the main ethical issues that arise in the relationship with clients are: the integrity of research, data reliability and accuracy, deception and abuse, ethical issues in the research design, methodology and presentation of research findings. Relevant studies that address these issues are presented in Table 2.

Table 2: Ethical issues between marketing researcher and clients

Author(s)	Year	Ethical issues
Hunt, Chonko and Wilcox	1984	Research integrity / Honest research; Fair treatment of clients; Research confidentiality
Akaah	1990	Responsibility to gather accurate and reliable data
Kelley, Ferrell and Skinner	1990	Results and/or sample distortion Compromised reliability of study in order to finish within deadlines Revealing identity of respondents Partially reporting of results to please the client; Cover up non-response and sampling error; Continue research project despite early errors; Lying about research tools used
Murphy and Laczniak	1992	Research design; Researcher's responsibility to the client; Client's responsibility to the researcher
Malhotra and Peterson	2001	Research design; Misrepresentation of project by client and unreasonable demands; Client taking advantage of research firm
Boggs	2003	Deception and abuse
Michaelides and Gibbs	2006	Use of unsuitable research methods; Research reporting and conclusion drawing

Hunt, Chonko and Wilcox (1984) identify three main areas of ethical conflict:

- Integrity of research: *'deliberately withholding information, falsifying figures, altering research results, misusing statistics, ignoring pertinent data, compromising the design of a research project, and misinterpreting the results of a research project with the objective of supporting a predetermined personal or corporate point of view'* (p.312);
- Treating outside clients fairly: hidden charges, pricing issues, conflicts of interests between research firm and client – requiring subcontractors to follow

all specifications demanded by clients when costs are running higher than estimated;

- Confidentiality: protection of data sources; use of research data obtained within a project for a particular client for other projects / clients.

Boggs (2003) reports continued deceit and abuse in different situations – e.g. in the selection of research, outcomes of commercial focus groups used to test new product development. On the same note, Michaelides and Gibbs (2006) believe that the potential for ethical wrong-doing exists from research methodology through to research reporting and conclusion drawing. They suggest that opportunity for abuse exists both between researcher and respondent, as well as researcher and client – the value of research is the engagement of the researcher with both respondent and client and the form that this engagement takes (Michaelides & Gibbs, 2006).

Murphy and Laczniak (1992, p. 16) identify three main categories of ethical abuse in the relationship with clients:

- the research design: conducting unnecessary research, researching wrong or irrelevant problems, use of unwarranted shortcuts to secure contract or save expenses, misrepresentation of limitations of a research design, inappropriate analytical techniques, lack of sufficient expertise to conduct required research, overly technical language in research report, overstating validity or reliability of conclusions;
- the researcher's responsibility to the client: over-billing the project, failure to maintain client confidentiality, failure to avoid possible conflicts of interest;
- the client's responsibility to the researcher: inappropriate use of research proposals, disclosure or use of the researcher's specialised techniques and models, cancellation of project (or refusal to pay) without cause, conducting research solely to support *a priori* conclusions, failure to act upon dangerous or damaging findings.

Ethical issues concerning the design of a research project were also brought into attention by Malhotra and Peterson (2001) along with other situations when, on the

contrary, the client is in the wrong by not describing clearly the parameters of the research needed and under which the researcher should operate. Also there have been noted situations when the client asked the research firm for unfair concessions for the current project by making false promises relating to future research projects.

Although several ethical issues arise in the relationships between marketing researchers and clients, it is believed by some researchers that partnering relationships between the two parties will become the norm in the future, and that such partnerships could help to resolve such ethical issues (Malhotra & Peterson, 2001).

As per the identified literature discussed above, it is apparent that ethical issues in marketing research have received increased attention in the last decades. This situation is evident in the marketing ethics literature where, due to the important role of marketing research in generating profits for a business, an increased emphasis has been placed on marketing research ethics. However, as Segal and Giacobbe (2007) note, the increase in academic and industry literature related to ethics in marketing research has been noticed on a larger scale in the United States (Tsalikis & Fritzsche, 1989; Giacobbe & Segal, 2000; 2001; Rottig, Heischmidt & Khamis, 2005) while studies in other country contexts appear to be scarce. In the context of Australia, in particular, Segal and Giacobbe (2007) claim that no empirical study reported in the marketing literature has focused exclusively on research ethics issues.

To date, no published studies examine the New Zealand marketing research industry and the ethical issues faced by marketing research practitioners. The present study represents thus a first step in analysing the New Zealand marketing research industry from an ethical perspective. It does not only propose to understand the range of ethical issues and dilemmas that marketing research practitioners face but, more importantly, to identify what tools they use in the ethical decision-making process.

Hence, it is considered opportune at this stage to understand the mechanisms of ethical decision-making, providing a detailed analysis of models of ethical decision-making designed and developed by academics and researchers in previous literature.

2.3. MODELS OF ETHICAL DECISION-MAKING

Since the 1980s, with the increase in publicly notified occurrences of misconduct and ethical problems in business in general and marketing in particular (Brass, Butterfield & Skaggs, 1998; Chryssides & Kaler, 1996; Cleek & Leonard, 1998; Rottig, Heischmidt & Khamis, 2005; Sligo & Stirton, 1998), scholars and researchers have channelled their research efforts around the development of models of ethical decision-making. The business ethics literature provides a variety of studies on models of ethical decision-making and conduct in organisations, and this topic is of special prominence in the marketing research field. Based on ethical philosophies and considering external variables that can influence the decision, the literature presents various attempts to design models for ethical decisions in marketing research. The models presented in this section as a result of the review of literature on ethical decision-making are all business decision-making models – these models were developed following studies within a business context and not ethics in general, and therefore all references in this section are within this context. Furthermore, business ethics needs to be reviewed across different disciplines for applied research and descriptive approaches in order to gain a complete view of various contributions to ethical decision-making within the literature. Thus, several models that were developed by scholars within different disciplines such as psychology, management, marketing, are presented in this section.

In essence, the models discuss the variables that affect the decision-making from an ethical perspective. These variables are typically divided in two major categories: individual and situational / organisational variables (Brady & Hatch, 1992; Ford & Richardson, 1994).

In order to examine the different development stages in the design of models of ethical decision-making, eight relevant models are reviewed and discussed here in detail:

- three from marketing (Ferrell & Gresham, 1985; Ferrell, Gresham, & Fraedrich, 1989; Hunt & Vitell, 1986; Hunt & Vitell, 1993, 2006; Malhotra & Miller, 1998),
- five from management (Bommer et al., 1987; Brass et al., 1998; Jones, 1991; Schwartz, 1999, 2001, 2004; Trevino, 1986), and

- one from psychology (Rest, 1983; Rest & Barnett, 1986).

The above models are discussed in this subsection in chronological order as per their development. An overview of the above models and their emphasis on individual vs. organisational factors and their effect on behaviour is presented at the end of this section.

Rest's Four Component Model

Rest's four component model (Rest, 1983; Rest & Barnett, 1986) offers an analysis of the decisional making process at individual level; its grounds lie in social and cognitive psychology. The main aspect investigated by Rest in his research is morality; it is suggested that morality is present due to people living in groups and is an important aspect of social cooperation and coordination. To function and work together people need to set up guidelines for interaction. Rest proposes that in order to behave morally a person performs four psychological processes. These are: ethical perceptions, ethical judgements, intentions, and behaviour. These components are presented by Rest (1983) as four interconnecting stages in the process people experience when they decide to behave morally. See Figure 1 below.

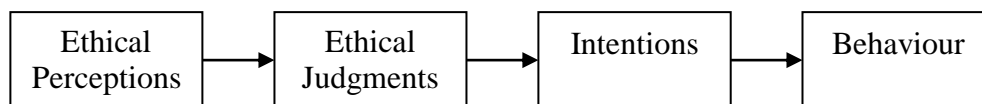


Figure 1: Rest's model of ethical decision-making

It is apparent that Rest's model focuses on the processes that take place at individual level – a person will (or will not) perceive an ethical issue or dilemma to be addressed; the perceived issue will be judged according to personal ethical beliefs, and the subsequent intention will generate a certain behaviour (ethical or unethical).

Interestingly, in the incipient phase of the process, personal and situational characteristics are seen as factors able to influence an individual's ability to perceive the moral issue(s). Subsequently, in the second stage, it is argued that how people make moral judgements is learned through socialisation and that, over time, the differences in

a person's moral judgements about a particular ethical dilemma exist because of the effects of the learning process. In the later stages, drawing the line between what people believe is right or wrong and how they actually intend to behave (ethical intentions), intentions are transformed into actions (behaviour). Other studies on ethical perceptions and judgements and the role and impact of individual values and beliefs on behaviour are discussed in more detail in Section Three of this chapter.

'Self regulatory processes' are discussed as having an effect on people's ability to remain true to their moral beliefs. Opportunity, a variable that is discussed by other theorists too (Brady & Hatch, 1992; Brass et al., 1998; Ferrell & Gresham, 1985; Hunt & Vitell, 2006; Jones, 1991), is also seen as an important factor in the transition between ethical intentions and behaviour – i.e. a person who has intentions to behave unethically may not end up behaving unethically just because there was no opportunity to do so.

Ferrell and Gresham's Contingency Model

Ferrell and Gresham (1985) present what is known in the literature as the contingency model, looking at two main categories of variables: individual factors, such as knowledge, values, attitudes and intentions and organisational factors, such as significant others (i.e. interaction with other people) and opportunity (i.e. the opportunity of engaging in ethical / unethical behaviour). The authors see the absence of punishment as an opportunity to behave unethically; they also see opportunity as being influenced by the existence of codes of ethics and suggest that '*professional codes of ethics and corporate policy are moderating variables in controlling opportunity*' (Ferrell & Gresham, 1985, p. 92). They make reference to Weaver and Ferrell's study (1977) which suggests that codes of ethics must be established to change individual ethical beliefs and that these beliefs are more ethical when standards and norms exist. Consequently, Ferrell and Gresham (1985) support the idea that codes and corporate policies will influence behaviour, and that when enforced, '*they will produce the highest level of compliance to established ethical standards*' (p. 93).

Ferrell and Gresham (1985) also suggest that norms within codes of ethics must be learned in order to influence decision-making and behaviour. Furthermore, they

maintain that future decision-making should incorporate feedback received from evaluating the consequences of behaviour and should influence future decisions through the various contingency factors: individual, significant others, and opportunity factors. Ferrell and Gresham's (1985) model appears in Figure 2, below.

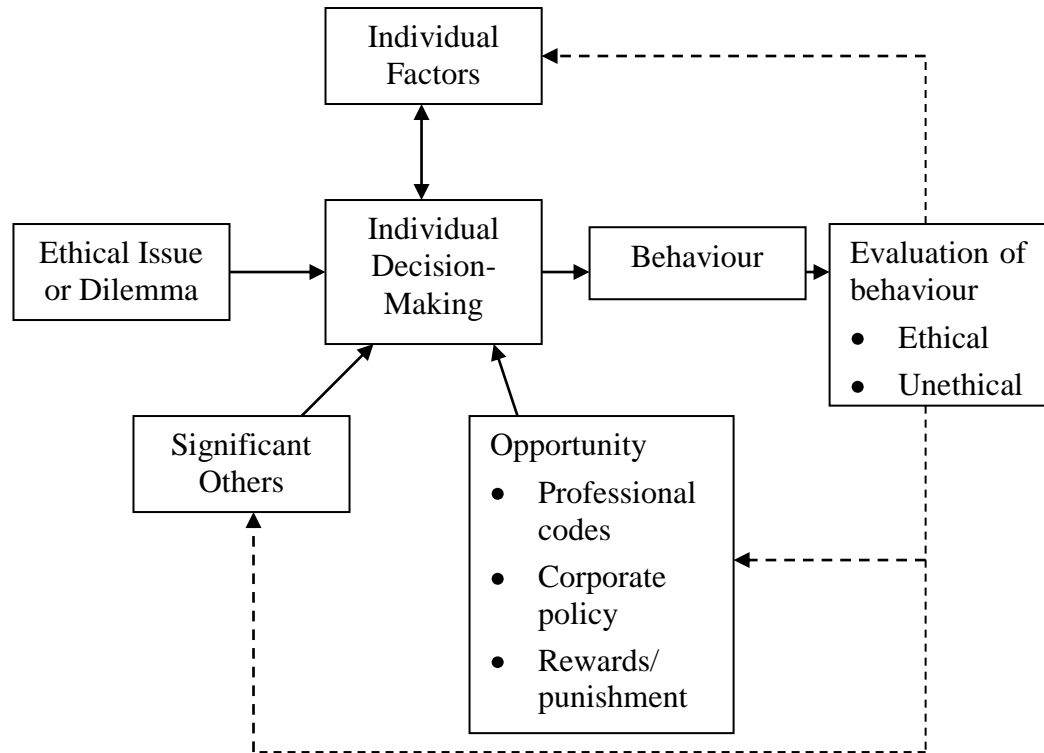


Figure 2: Ferrell and Gresham's contingency model

This model was revised in 1989 – other models of ethical decision-making that were developed at the time were considered in the revised model. In particular, Hunt and Vitell's (1986) model was analysed and incorporated into Ferrell and Gresham's (1985) model as a combined framework. The revised perspective of Ferrell, Gresham and Fraedrich (1989) on ethical decision-making suggests that both external (environment, peers, situation) and internal (moral value structure) constructs influence the decision-making.

Hunt and Vitell's General Theory of Marketing Ethics

As explained before, the model that had a significant influence on Ferrell, Gresham and Fraedrich's thinking (1989) was Hunt and Vitell's model developed in 1986, later revised in 1992, and then discussed again in 2006. The model analyses how different environments (i.e. cultural environment on one hand, and professional, industry and

organisational environments on the other hand) and personal characteristics (i.e. religion, value system, belief system, strength of moral character, cognitive moral development and ethical sensitivity) influence the ethical decision-making processes of marketing professionals. Under Hunt and Vitell's (1986) model, the professional, industry and organisational environments are characterised by informal norms, formal codes and codes' enforcement. The model suggests that an ethical problem is first perceived and then is evaluated from deontological and teleological perspectives. This evaluation leads to a specific intention to behave in a certain manner – the consequences of the behaviour and their effects on other's welfare are also considered. Deontological and teleological approaches in business ethics are discussed in more detail in Section Three of this chapter.

Trevino's Person-Situation Interactionist Model

Trevino (1986) develops a model of ethical decision-making which relies on Kohlberg's (1969, 1984) model of cognitive moral development. Trevino (1986) argues that people react cognitively to a particular ethical issue depending on their level of cognitive moral development. As per Kohlberg's study, there are three levels of cognitive moral development and each level consists of two stages. The progress through different levels and stages reflects the individual's capacity for moral reasoning.

Within the model, moral development is moderated by individual and situational moderators. Trevino (1986) discusses the effects of individual moderators (i.e. ego strength – one's strength of conviction and ability to moderate behaviour; field dependence – one's tendency to rely on others as social referents; and locus of control – one's perception about the extent of control they have on life events) and situational moderators (i.e. one's immediate job context; organisational culture, and characteristics of the work).

The organisational culture is defined here as consisting of several components: normative structure, referent others, obedience to authority, responsibility for consequences, and codes of ethical conduct. With regard to codes of ethical conduct, it is argued that organisations attempt to guide members' ethical behaviour through the development of such codes. Trevino (1986) also suggests that '*another way*

organisations attempt to guide members' ethical behaviour is by developing formal codes of ethical conduct. Research is inconclusive regarding effectiveness of the formal codes in changing attitudes and behaviours. It suggests that codes of ethics must be consistent with the organisational culture and must be enforced in order to be effective' (p. 613).

More recent research conducted by Trevino and Weaver (2003) revisits some of the claims made by Trevino (1986). The findings of this research show that formal ethics program characteristics, such as codes of ethics, are relatively unimportant. Familiarity with the code of ethics and the frequency to which employees referred to the code did not seem to have any impact on ethical behaviour. In addition, variations in the codes' content did not seem to influence employees' responses to those codes (Trevino & Weaver, 2003). In their more recent book, Trevino and Nelson (2010) maintain that, nevertheless, formal ethics policies often called codes of ethics or codes of conduct have the role of providing guidance to employees. This recent work of Trevino and Nelson (2010) offers an application of theory and concepts, providing informative and educational examples of real-case scenarios of ethical issues from various worldwide organisations.

Bommer, Gratto, Gravander and Tuttle's Behavioural Model

Bommer et al. (1987) developed a 'behavioural' model, suggesting a list of all of the internal and external factors that they believe influence decision-making from an ethical perspective. These factors are divided in six sets of variables which are then grouped into:

- environmental factors (i.e. social, government/legal, work, professional, and personal); and
- individual attributes (i.e. moral level, personal goals, motivation mechanism, position/status, self concept, life experiences, personality, and demographics).

Within the work and professional environment, stated policy and codes of conduct are identified as variables that influence the process of decision-making and conduct regarding sethical / unethical behaviour. Within Bommer et al.'s (1987) model these

influences are linked with an ethical / unethical behaviour through the mediating structure of the individual's decision-making process. The decision process functions as a central processing unit with its own internal characteristics – the individual's cognitive style, type of information acquired and processed, and perceived levels of loss and reward that influence the decision. The model also distinguishes between the degree of influence which the decision maker perceives the various factors to have and the influence they actually have.

Jones's Issue-Contingent Model

Jones (1991) reviews the preceding models of ethical decision-making in organisations, and argues that although significant research has been undertaken to understand the process of ethical decision-making, the previously proposed models do not analyse the ethical issue itself. Therefore, he suggests a closer analysis of the 'moral intensity' construct – i.e. *'...a construct that captures the extent of issue-related moral imperative in a situation. It is multidimensional, and its component parts are characteristics of the moral issue such as magnitude of consequences, social consensus, probability of effect, temporal immediacy, proximity, and concentration of effect.'* (p. 372). As noted earlier, along with a more detailed discussion of the cognitive process (which includes ethical awareness, perception, judgement, intentions, and behaviour), the concept of moral intensity is discussed more fully in Section Three of this chapter.

Jones (1991) argues that moral issues vary in terms of their moral intensity and that an issue-contingent model of ethical decision-making and behaviour can add significantly to the understanding of moral processes. The model is presented below as Figure 3.

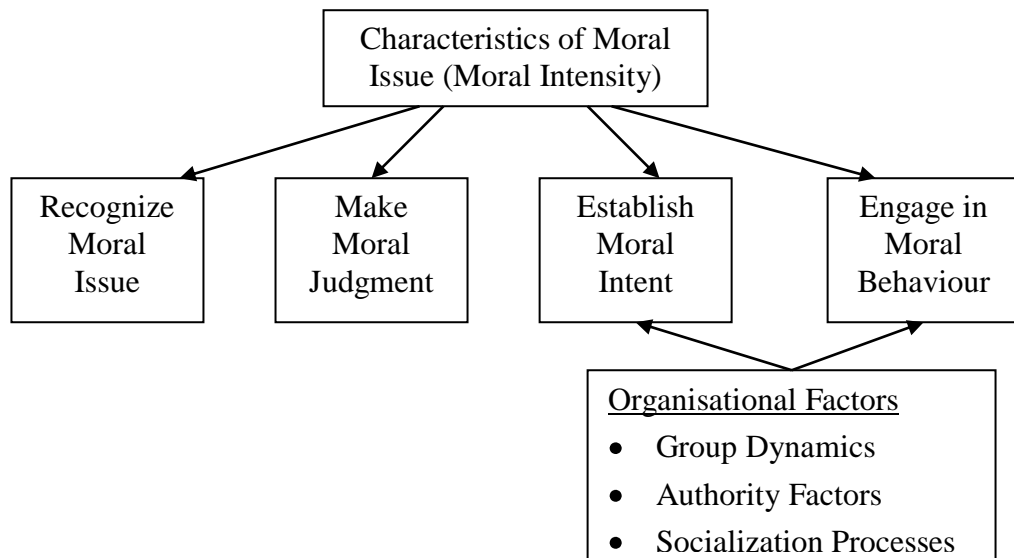


Figure 3: Jones's issue-contingent model

Jones's primary proposition is that in addition to the various individual and situational / external moderators proposed in previous models, the moral issue itself has to be considered too. From a teleological perspective, Jones (1991) believes that a moral issue is present *'if a person's actions, when freely performed, may harm or help others'* (p. 380).

Jones proposes that organisational factors such as group dynamics, authority factors, and socialisation processes have an influence only on establishing moral intent and engaging in moral behaviour – the last two stages in the issue-contingent model. However, it is arguable that group dynamics, socialisation processes and authority factors such as norms and formal codes may also have an influence on the earlier stages of the ethical decision-making process, especially in the stage of moral issue recognition and awareness.

Brass, Butterfield, and Skaggs' Social Network of Unethical Behaviour

Brass et al. (1998) also review previously proposed models of ethical decision-making and indicate that three categories of factors influence decision-making. These factors are: organisational, individual, and issue-related factors. However, they propose that an aspect that has been missed and left unexplored by previous researchers is the relationships between actors involved in the process of decision-making. Brass et al.

(1998) suggest that the types and structure of relationships – i.e. social network – will then influence how these factors affect unethical behaviour. Organisational factors are defined here as including the organisational climate, rewards system, norms and codes of conduct. Brass et al. (1998) state that codes of conduct ‘...can significantly decrease the prevalence of unethical behaviour in organisational contexts’ (p. 15). See Figure 4 below.

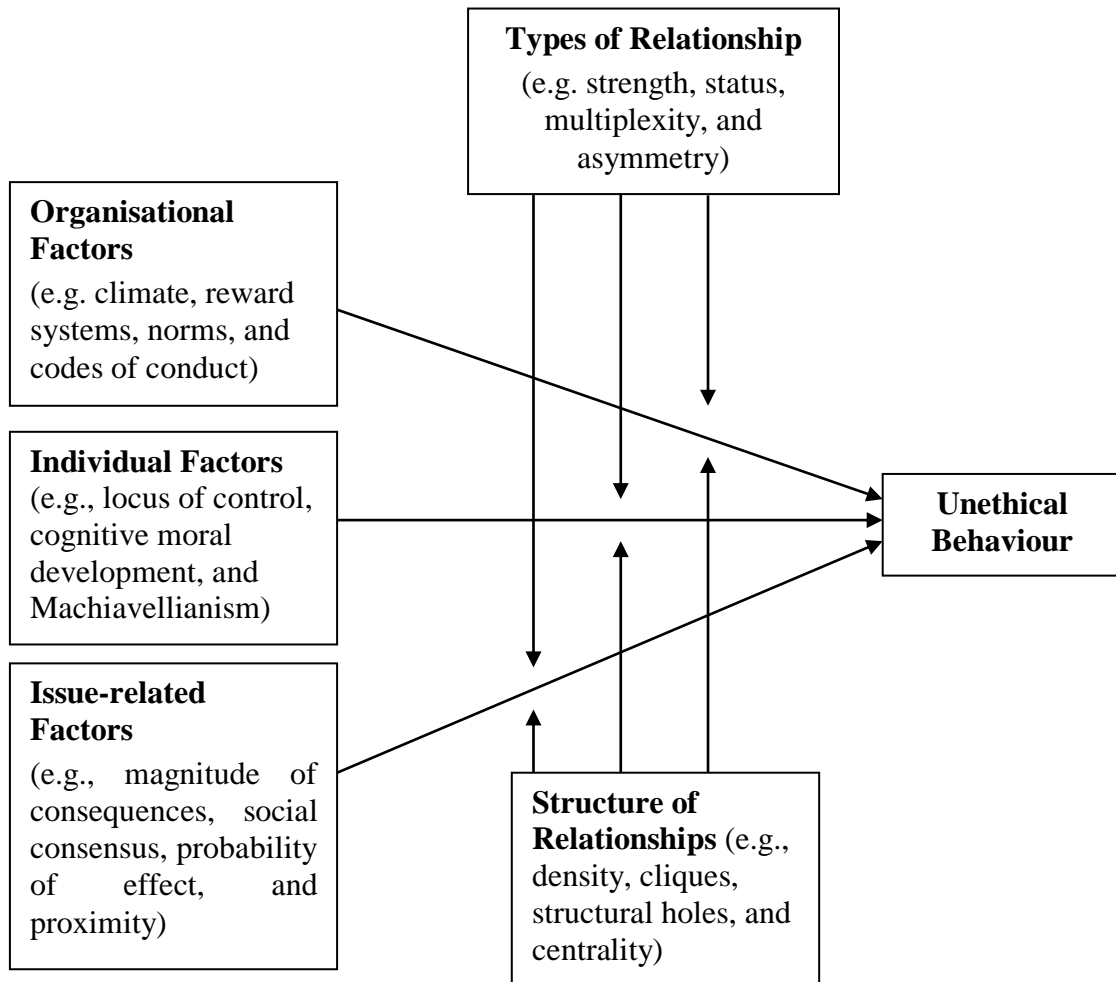


Figure 4: Brass et al. social model of unethical behaviour

Malhotra and Miller’s Integrated Model for Ethics in Marketing Research

Malhotra and Miller’s (1998) study lays the foundation of a descriptive model for ethics in marketing research, and is an attempt to design a model that provides an ethical framework for marketing research.

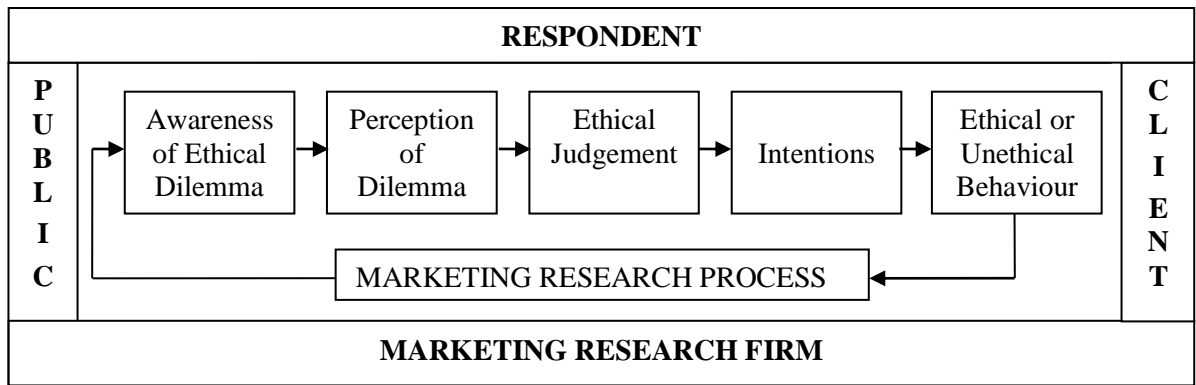


Figure 5: Malhotra and Miller's integrated model for ethical decisions in marketing research

The authors develop an integrated model of ethical decision-making (see Figure 5) that incorporates the perspectives of all parties involved in the process of making ethical marketing research decisions (marketing research firm, respondent, client and general public), various ethical philosophies, and external variables (project/situational variables, marketing research industry variables, culture and individual variables). One of the most important contributions of this model is that it introduces the client / public perspective into the literature, a facet that the authors consider that it has to be included in any paradigm of the ethical decision-making process in which marketing is involved.

Schwartz's General Framework for Causal Models

Schwartz (1999) reviews several previous studies that propose descriptive models of ethical decision-making (Bommer, Gratto, Gravander, & Tuttle, 1987; Brass, Butterfield, & Skaggs, 1998; Ferrell & Gresham, 1985; Trevino, 1986), and identifies the code of ethics as a situational variable, as well as a variable which influences both directly and indirectly the ethical decision-making. Using the causal model proposed by Brady and Hatch (1992), Schwartz (1999) goes further into emphasising the role that codes of ethics have in the process of ethical decision-making. This model is presented as Figure 6, below.

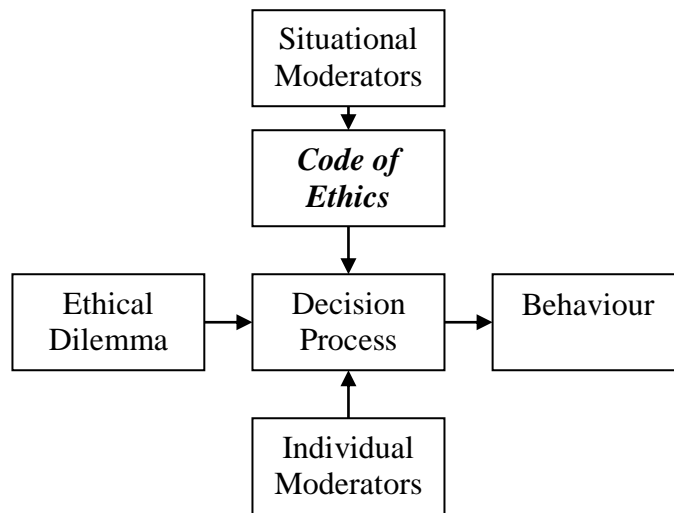


Figure 6: Schwartz's general framework for causal models

An overview of all the above models and studies of ethical decision-making and their causal relationship with behaviour is presented in Table 3 below. As organisational/situational factors, the contribution of norms and codes in generating unethical/ethical behaviour has been highlighted within the table.

Table 3: Models and studies on ethical decision-making and behaviour

Models / Other studies	Individual Factors	Organisational/ Situational Factors	
Rest (1983; 1986)	Personal characteristics	Situational characteristics	➔ Behaviour
Ferrell and Gresham (1985; 1989)	Knowledge, values, attitudes, intentions	Environment, peers, situation, codes , corporate policy	➔ Behaviour
Hunt and Vitell (1986; 1993; 2006)	Personal characteristics	Cultural / professional/ industry / organisational environment (norms, codes, code enforcement)	➔ Behaviour

Trevino (1986)	Individual moderators	Situational moderators (organisational culture – codes of ethics)	➔	Ethical / unethical behaviour
Jones (1991)	Individual factors / Moral intensity	Organisational factors (group dynamics, authority factors - codes , socialization processes)	➔	Moral behaviour
Bommer et al. (1987)	Individual attributes	Environmental factors (stated policy, codes of conduct)	➔	Ethical/ unethical behaviour
Brass et al. (1998)	Individual/ Issue-related factors	Organisational factors (reward systems, norms, codes of conduct)	➔	Unethical behaviour
Malhotra and Miller (1998)	Individual variables	Project / situational, marketing research industry, culture	➔	Ethical/ unethical behaviour
Schwartz (1999)	Individual moderators	Situational moderators (codes of ethics)	➔	Behaviour

Other Studies of Ethical Behaviour in Marketing Research

Ferrell and Skinner (1988) attempt to determine whether perceived ethical behaviour is influenced by the bureaucratic structures and policies (including codes of ethics) of the diverse organisations that participate in the marketing research process. The emphasis is on the relationship between three facets of bureaucracy – formalisation, centralisation, and controls – and perceived ethical behaviour. Within formalisation, the authors highlight the importance of codes of ethics in establishing the desired ethical conduct of marketing managers. The results of this research show that formalisation explains the most variance in ethical behaviour. Formalisation is evaluated through means of existence of informal and formal rules in the organisation, and existence of written agreements. The relationship between bureaucracy and ethical behaviour is examined within three types of organisations involved in marketing research activities – data

subcontractor organisations, research firms (marketing research agencies), and corporate research departments. In another research study, Skinner, Ferrell and Dubinsky (1988) investigate inter-organisational relationships that influence marketing research ethics and suggest that there is limited interaction between organisations on ethical decision-making. Codes of ethics are perceived to govern these relationships.

Similar to previous studies that examine the process of ethical decision-making from a cognitive perspective, Akaah and Riordan (1989) analyse ethical issues in marketing research, with an attempt to describe and analyse the marketing professional's judgements about ethical issues in marketing research. They examine changes in marketing professional's research ethics judgements using Crawford's (1970) study as a benchmark – a study that looks at executives' and research directors' views towards research ethics – and then they examine the organisational factors as determinants of ethical judgements. Six organisational variables are seen as determinants of research ethics judgements – the extent of organisational ethical problems, top management actions on ethics, existence of code of ethics, organisational rank, industry category, and organisational role. In relation to these variables the results showed that marketing professionals who perceive fewer ethical problems tend to disapprove more strongly of 'unethical' / questionable research practices than those who perceive more ethical problems. Also, the results show that code of ethics, organisational rank and industry category do not influence the professionals' research ethics judgement significantly. Section Three of this chapter is dedicated to a more detailed discussion of ethical judgements and evaluations.

Other previous studies examined the differences in research ethics attitudes among marketing professionals (Akaah, 1990; Giacobbe & Segal, 2000). Akaah (1990) performed a cross-national comparison of marketing professionals' attitudes from Australia, Canada, Great Britain and USA toward ethics in marketing research. The results indicate the lack of significant differences in research ethics attitudes based on respondents' evaluations of possible ethical scenarios. Similar results are found in Giacobbe and Segal (2000), who undertook a comparative analysis of ethical perceptions in marketing research of American and Canadian professionals. The authors focus on the salience of norms common to marketing research, codes of ethics and

marketing research practitioners' familiarity with such codes. Researchers' attitudes toward today's ethical climate are identified and compared between the two countries. Relationships are examined between familiarity, ethical intention and salience. Results indicate that U.S. and Canadian marketing researchers have similar perceptions of the relative importance of specific ethical norms.

From the models of ethical decision-making discussed above, it appears that ethical codes (i.e. codes of ethics, codes of conduct, and other codes that contain ethical guidelines) are an important organisational variable seen to affect ethical behaviour. The following section therefore discusses ethical codes – a definition of a code of ethics is provided along with previous studies on codes of ethics' use and effectiveness in guiding and leading to ethical behaviour.

Section Summary

- The present study places itself within the realm of applied ethics that is business ethics – it deals with and studies ethical issues and problems in an organisational context and it is applied to all aspects of business, including the conduct of individuals.
- In terms of levels and modes of inquiry into business ethics, the study is located at the micro-level of ethics (examining work / practice / individual behaviour and ethics) and uses a descriptive mode / approach (describing and explaining individuals' decision-making behaviour in inter-personal relationships).
- Most business ethics literature in marketing research has focused on the normative aspect – i.e. ethical codes or guidelines to be followed and decision models development; other studies describe the ethical issues present in the marketing research industry; fewer descriptive studies have been undertaken in marketing research ethics in relation to ethical codes and their effects on professionals' behaviour.
- Ethics in marketing research is regarded as a complex area due to its relationship between client and marketing research professional; however, studies in marketing research ethics are fragmented and mixed, with two main types of marketing research studies depending on the dyadic relationship under examination – the relationship between the practitioner and respondent and that

between practitioner and client; these have been conducted on a larger scale in the United States and less in an international context – a few Australian studies have been conducted but no studies have been conducted in New Zealand.

- A larger number of studies addressing ethical issues faced by marketing research practitioners focus on the relationship between marketing researcher and respondent; studies addressing ethical issues of marketing researchers in client relations are fewer – previous research suggests that, within these relationships, trust plays a key role and that the marketing research profession depends on the level of trust built with clients. In addition, personal values are seen to represent a key factor contributing to un/ethical behaviour between marketing researchers and their clients.
- Various models of ethical decision-making are presented in the literature – within these models, ethical codes are perceived to have an influence on the process of decision-making, along with other individual factors such as personal intentions derived from personal judgements and beliefs which are underlined by the person's values.

Section II – CODES OF ETHICS

Several strands of literature attempt to address ethical behaviour and standards in relation to the use of codes of ethics. This section discusses relevant literature and studies on codes of ethics, providing an overview of various definitions of the concept and a literature analysis on codes of ethics' use in organisations in general and in marketing research companies in particular. A first strand of research that examines the use of codes of ethics is identified. A second strand of research attempts to measure the effectiveness of codes of ethics.

2.4. DEFINITION OF CODES OF ETHICS

Academic literature on codes of ethics focuses particularly around organisational / corporate codes of ethics (Pajo & McGhee, 2003). Various attempts have been made to define a code of ethics (Berenbeim, 1988; Hosmer, 1991; Stevens, 1994). However,

there is a lack of clarity around what exactly a code of ethics consists of, and there is confusion between a code of ethics and other ethics documents that comprise ethical guidelines (Pearce & David, 1987; Schwartz, 1999; Stevens, 1994). Codes of ethics may be variously described as codes of conduct, codes of practice, ethical codes, corporate ethical codes, ethical guidelines, business conduct, codes of professional behaviour, operating principles and so on (Fisher, 2001; Marnburg, 2000; Schlegelmilch & Houston, cited in Schwartz, 1998).

Schwartz (1999) suggests that it is very difficult to isolate a code of ethics from other various documents that present ethical guidelines and principles such as a code of conduct or a code of practice. He presents a thorough analysis of various ethics documents and identifies that '*...a code of ethics could also be a code of conduct, code of practice, corporate credo, or even a values statement*' (p.20).

Several definitions of a code of ethics have been provided in the literature, such as the following:

- The Encyclopedia of Applied Ethics (1997) defines codes of ethics as '*those bundles of intentional or behavioural requirements that members of a profession or other group must comply with in order to remain part of the group*' (p.528).
- Melrose-Woodman and Kverndal (1976; cited in Schlegelmilch and Houston, 1989) define a code of ethics as '*...a statement setting down corporate principles, ethics, rules or conduct, codes of practice or company philosophy concerning responsibility to employees, shareholders, consumers the environment or any other aspects of society external to the company*' (p. 11).
- Berenbeim (1988, p. 91, cited in Schwartz, 1998) defines a code of ethics as '*...a major vehicle for stating ethical principles.*' (p. 91).
- A written code of ethics is defined by Hosmer (1991, p. 185) as '*...a statement of the norms and beliefs of an organisation ... is an attempt to set the moral standards of the firm.*'
- Stevens (1994, p. 64) states that codes of ethics are '*...written documents or statements ranging from five to fifty pages ... which are intended to impact employee behaviour ... [within codes] companies attempt to manage and articulate ethics through these messages which are designed for both internal and external audiences ... [they] are managerial tools for shaping change. They*

often demand from employees higher standards of behaviour than required by law.'

- Schwartz (2002, p. 28): *'A corporate code of ethics is a written, distinct, formal document which consists of moral standards used to guide employee or corporate behaviour.'*
- Kaptein and Schwartz (2008, p. 112) use the concept 'business code' to include all the different types of codes at the corporate level and to imply that the code is developed by and for a specific company. A 'business code' is defined as: *'...a distinct and formal document containing a set of prescriptions developed by and for a company to guide present and future behaviour on multiple issues of at least its managers and employees toward one another, the company, external stakeholders and/or society in general.'*

All the above definitions seem to address the need to define an organisational / corporate code of ethics, or as Kaptein and Schwartz (2008) identify it, a 'business code'.

However, in the literature, a distinction is made between corporate codes of ethics and professional codes (Kaptein & Schwartz, 2008; Schwartz, 1999; Stevens, 1994), such as codes of ethics developed by professional institutions and associations (e.g. Market Research Society New Zealand – MRSNZ, European Society for Opinion and Marketing Research – ESOMAR, American Marketing Association – AMA). As suggested by Tucker, Stathakopolous and Patti (1999), only a limited number of studies focus on codes of ethics of professional associations.

- Stevens (1994, p. 64) describes professional codes as *'...codes that communicate the goals and beliefs for groups and professionals by which individual practitioners can be guided.'*

However, as Stevens (1994) states, the terms are often used interchangeably by corporations and in academic literature. This interchangeability is also reflected in the definition of a code of ethics provided by Grundstein-Amado (2001) and Frankel (1989):

- Grundstein-Amado (2001, p. 462) defines a code of ethics as a *'statement of principles that describes desirable professional conduct and guides individuals in resolving ethical problems'*.
- Similarly, Frankel (1989, p. 109) describes a code of ethics *'as both a foundation and guide for professional conduct in the face of morally ambiguous situations'*.

The above definitions of corporate code of ethics and / or professional codes of ethics share similar characteristics, such as:

- 1) A code of ethics is a written and formal document;
- 2) It consists of ethical guidelines and principles to be followed by employees / practitioners; and
- 3) It is designed to guide employees' / practitioners' / organisations' behaviour or conduct.

Despite the fact that organisations and professional associations have different goals and objectives, the developed codes of ethics serve a similar purpose, that of creating and generating ethical behaviour (Oliver, Kearins & McGhee, 2005). Furthermore, as noted earlier, codes of ethics are known by different names, such as codes of professional behaviour, codes of conduct and operating principles (Schlegelmilch & Houston, 1989).

Following on from Steven's (1994) proposition that distinctions between organisational codes of ethics and professional codes *'often become blurred and sometimes overlap'* (p. 64), in this thesis, as per definitions above, the term 'codes of ethics' is used when discussing organisational codes of ethics and / or professional codes of practice / conduct.

For the purpose of this study, a code of ethics is defined as:

'A written document that incorporates ethical guidelines and principles, and is designed to guide employee / practitioner behaviour'.

2.5. USE OF CODES OF ETHICS

Previous studies show that codes of ethics are now prevalent around the world and attract an increased usage in organisations (Chonko, Wotruba, & Loe, 2003; Oliver, Kearins & McGhee, 2005; Schlegelmilch & Houston, 1989; Weaver, Trevino, & Cochran, 1999). However, codes of ethics have typically been more likely to be developed and used in larger rather than smaller organisations (White & Montgomery, 1980). This situation seems to remain the case as indicated in the following paragraphs.

According to a survey conducted by Center for Business Ethics (1992), over ninety percent of American large corporations had a code of ethics. More recently, in Canada over eighty-five percent of them have a code (KPMG, 2000; Lindsay, Lindsay, & Irvine, 1996).

Even more recently, of the largest European corporations, sixty percent of U.K. companies have a code (Webley & Le Jeune, 2005), over fifty percent of German companies have a code, and in France thirty percent of companies have a code (Langlois & Schlegelmilch, 1990).

In New Zealand, very few studies have examined the use of codes of ethics by New Zealand organisations, how they are implemented and perceived, and what their effects are. A study by Pajo and McGhee (2003) on the institutionalisation of business ethics in the New Zealand organisations suggests that more and more companies are taking steps to incorporate ethical values into their daily operations. However, less than a quarter of the 192 New Zealand organisations surveyed indicated that resources were being set aside to accomplish the objective. Moreover, almost fifty percent of the surveyed New Zealand companies did not have a code of ethics, and the simple existence of an ethical code was not normally seen as sufficient to guarantee ethical behaviour. Within their survey, only one of the managers indicated that their organisation makes use of a code of ethics.

Similarly, a study on views from New Zealand middle and lower level managers as regards the state of business ethics in organisations (Alam, 1999) shows that New

Zealand organisations gave lower priorities to ethics than other values in the corporate culture (i.e. securing profits, for example). A large number of middle and lower level managers also believed that pressures from the top management to achieve results, the organisational climate and ruthless competition help create an unethical environment. Moreover, the majority of them believed that ethical standards in New Zealand organisations had declined from 1989 to 1999.

Internationally, several studies stress the importance of codes of ethics as a necessary tool for creating and establishing an ethical environment within organisations (Ferrell & Skinner, 1988; Hunt et al., 1984; Oliver, Kearins & McGhee, 2005; Schlegelmilch & Houston, 1989; Segal & Giacobbe, 2007; Ziegenfuss & Martinson, 2002).

Ziegenfuss and Martinson (2002) analyse the use of codes of ethics within the field of management accounting. This study examines whether members of the Institute of Management Accountants (IMA) use the institute's codes of ethics in recognising and resolving ethical dilemmas. The study indicates that a significant statistical relationship exists between members' rating of IMA code of ethics and their perception and judgement. However, the study found only weak associations among members' ethical perception and judgement, and personal ethical philosophy, corporate ethical values, age and certification.

Employees' perceptions about the usefulness of codes of ethics were also investigated by Wotruba, Chonko and Loe (2001). Their research findings suggest that the perceived usefulness of codes of ethics is positively related to the degree of familiarity with the code. Code familiarity is seen as a factor that influences the extent to which the code is used and, in turn, has an impact on the employee's behaviour.

Schlegelmilch and Houston (1989) examine British large organisations as regards corporate codes of ethics' use, content and attitudes. The study analyses the spread of corporate codes of ethics, popular titles used for corporate codes of ethics, circulation of codes of ethics, timing of the introduction of codes, formats, contents and some arguments for and against codes of ethics and their implementation. Providing a comparison between the U.S. (where three out of four organisations had a code of

ethics) and the U.K. (where codes were not so widely used), the study found that large U.K. companies were becoming increasingly interested in thinking formally about business ethics and designing an organisational code of ethics. Although attitudes and opinions in relation to the use and implementation of such codes of ethics are discussed, the employees' attitudes and behaviour generated by an understanding and implementation of the code of ethics are not examined. The authors conclude by saying that the limited value of codes of ethics as an isolated measure suggests that corporate codes of ethics need to be accompanied by ethical education and other processes that support their enforcement. In this respect, the findings of the study are inconclusive.

Fisher (2001) also analyses the use of codes of ethics by organisations from the U.K. The author explores how codes of ethics are understood and responded to by those whom the codes seek to influence. The employees' reaction to codes is analysed using interview material, with an attempt to interpret their attitudes. The study seeks to understand the dialogic tensions in people's understanding of ethical codes and suggests that managers' understandings and responses to codes are mediating factors between codes and their implementation. The general findings suggest that they were aware of the codes of ethics' existence but were hazy about their content.

Similarly, Oliver, Kearins and McGhee (2005) investigate the use of codes of ethics and its content. Different New Zealand professional bodies' codes are analysed here, providing a content analysis based on Cressey and Moore's (1983) three point typology, examining policy area, authority and compliance. Differences in the codes' content and the implications for the bodies are discussed, suggesting that codes do not appear to meet adequate professional standards for guiding ethical behaviour (Oliver, Kearins & McGhee, 2005).

Other studies focus explicitly on the content and functions of codes of ethics (Brinkmann & Ims, 2003; Schwartz, 2001). From an educational, regulatory and aspirational perspective, Brinkmann and Ims (2003) identify six main functions of ethical codes – to increase individual moral awareness and behaviour, to recognise moral conflicts and help with resolving them, to communicate ideals for individuals and collective conscience (moral climate), to assume and reinforce pre-/conventionalism,

cynicism, outer-directedness, to hinder necessary / possible learning of conflict handling by dialogue, and to conceal a disputable practice. The authors attempt to illustrate the code effects in general and the code dysfunctions in particular. It is suggested that most people have a positive attitude towards codes, but on the other hand, many of these people seem realistic about or sceptical towards code efficiency and code enforcement.

Use of Codes in the Marketing Research Industry

In the marketing research industry in particular, it is becoming clear that there is more and more pressure to recognise and apply specific standards and guidelines in an attempt to ensure ethical behaviour, to ensure industry consistency regarding acceptable and unacceptable practices, and to maintain credibility with the public upon whose goodwill the industry depends (Peterson, 1996). Marketing research associations have designed codes of ethics to be followed by their members (such as the American Marketing Association code of ethics, European Society of Marketing Research code of ethics, etc).

In New Zealand, the Market Research Society New Zealand (MRSNZ) is the association that develops the code of ethics for New Zealand marketing research organisations to use. The MRSNZ code was inspired by ESOMAR's (European Society Marketing Research) code of ethics. Most New Zealand marketing research organisations and practitioners refer to the MRSNZ code of ethics. This code clarifies expectations through specific description of acceptable practices in marketing research. The existence of a code highlights the accepted importance of business ethics in the marketing research industry and the fact that there is a perception of widespread ethical problems.

Studies investigating the use of codes of ethics in marketing research organisations are scarce. Few studies examine ethical codes – organisational and / or professional codes – and their role in creating an ethical environment in marketing research organisations (Ferrell & Skinner, 1988; Hunt et al., 1984; Segal & Giacobbe, 2007).

However, the majority of these studies treat only the theoretical utility of codes of ethics. One such study outlines the specific ethical problems faced by marketing researchers practitioners in their interactions with both respondents and clients, such as research integrity, treating outside clients fairly, and confidentiality (Hunt et al., 1984). The study attempts to examine the extent to which the professional codes of conduct address major ethical problems of marketing researchers. The approach applied is to analyse the content of the codes of ethics, to see if they include guidelines referring to the highlighted ethical issues. The limitation of this study is that it does not address how professional codes of conduct are applied and implemented in marketing research organisations, providing just a content analysis of codes.

Ferrell et al. (1998) analyse the existence, enforcement and awareness of codes of ethics within the three main types of participants involved in marketing research: research departments, marketing research firms, and data subcontractors. The study suggests that marketing research firms and data subcontractors tend to possess and enforce internal codes of ethics, and are aware of and enforce external codes to a greater extent than corporate research departments. In a more recent study, Segal and Giacobbe (2007) examine the Australian marketing research industry and propose to identify the key factors that contribute to unethical marketing research practices in Australia. Attitude and behaviour of senior management coupled with a lack of personal values seem to be top key factors contributing to unethical behaviour; in addition, the lack of recognition and enforcement of formal codes of ethics appears to be a key factor. The study, however, does not present ethical issues Australian marketing practitioners are facing and / or how they arrive at a resolution when encountering an ethical dilemma in creating and delivering marketing research services. As mentioned before, their study suggests that lack of recognition and enforcement of a formal code of marketing research ethics is perceived to be leading to unethical behaviour. A better understanding of the code of ethics' implementation process and other variables that would affect the researchers' behaviour thus becomes important (Segal and Giacobbe, 2007).

2.6. EFFECTIVENESS OF CODES OF ETHICS

The increasing use of corporate ethical codes is recognised in the literature, but there are concerns that a code may be just an instrument in a company's image management (Marnburg, 2000). Although there is no shortage of academic literature about codes of ethics' use, awareness and enforcement, there is very little on how effective a code is in guiding ethical behaviour. Kaptein and Schwartz (2008) identified a relatively small number of studies (79) examining the behavioural effects of codes of ethics, studies that produced conflicting results. In addition, in the literature there appears to be no agreement as to how useful and effective codes of ethics are (Grundstein-Amado, 2001; Valentine & Barnett, 2002, 2003; Weller, 1988; Wotruba, Chonko & Loe, 2001).

Marnburg (2000) contends that the introduction and use of ethical codes must have the intention of achieving behavioural change or the maintenance of already superior behaviour. He claims that previous research has, with some exceptions, failed to demonstrate that the introduction of ethical codes has had any behavioural effect. Therefore, a survey of Norwegian professionals was undertaken in order to analyse the existence or non-existence of ethical codes, and their influence on the professionals' attitudes. The main and singular hypothesis tested was that there will be differences in ethical attitudes between employees who work in companies having ethical codes, and employees who work in companies without ethical codes. The findings of the study suggest that ethical codes did not have any attitudinal effects on professionals. Ethical codes seemed to be an inferior document in most organisations. The study suggests that the foundation of ethics is in the mind of the individual, and a further body of research explores this theme (Glenn & Van Loo, 1993; Lee & Yoshihara, 1997; Schwartz, 2001).

Cleek and Leonard (1998) also examine whether codes of ethics are effective in promoting ethical behaviour. Similar to Marnburg's (2000) findings, their research results indicate that codes of ethics are not influential in determining a person's ethical decision-making behaviour.

Several articles concentrate on the nature of the relationship between codes of ethics and individual behaviour. Schwartz (2001) examines the relationship between corporate

codes of ethics and behaviour, interviewing fifty-seven employees, managers, and ethics officers from four large Canadian companies. Unlike Marnburg (2000) and Cleek and Leonard (1998), the results propose that codes of ethics are a potential factor influencing the behaviour of corporate agents. The author suggests eight metaphors (or themes) which emerged from the interview data, and which explain the role of codes in influencing behaviour. Thus, the code is seen as a:

- *rule-book* that helps to clarify what behaviour is expected from employees;
- *sign-post* that leads employees to consult with other people, peers or corporate policies to determine if a certain behaviour is acceptable;
- *mirror* that provides employees with an opportunity to confirm whether behaviour is acceptable;
- *magnifying glass* that suggests a note of caution to employees before acting;
- *shield* that allows employees to better challenge unethical requests;
- *smoke detector* that leads employees to try to convince others of their unethical behaviour;
- *fire alarm* that leads employees to contact the appropriate authority and report violations; and
- *club* that causes employees to comply with the code's provisions.

Schwartz suggests that codes can potentially influence behaviour in a variety of fashions as identified by the various metaphors. However, he admits that codes of ethics and their influence on behaviour have to be studied more fully. Although the study's initial concern was to analyse the codes of ethics' influence on behaviour and how they make a difference, greater clarification is needed.

McDonald and Nijhof (1999) develop a framework for implementing an ethics programme as this implementation framework may stimulate morally responsible behaviour in organisations and, combined with a code of ethics, could increase the ethicalness in the employees' actions and behaviour. It is proposed that for an organisational programme to be effective, five dominant conditions are necessary: (1) awareness of formal organisational goals and corresponding informal norms; (2) suitable procedures for decision-making; (3) correct distribution of resources; (4) existence of necessary skills; and (5) personal intentions for ethical behaviour. Thus,

organisational elements, such as codes of ethics have a great importance if brought together with other individual, personal values and intentions to generate an ethical behaviour in the organisation. On a similar note, Doig and Wilson (1998) raise questions about the use of codes of ethics as frameworks for defining ethical conduct and suggest that the use of codes alone may be less effective and may have less impact on managers and employees than expected.

The relationship between codes of ethics and organisational context interest other authors too. Somers (2001) analyses the relationship between codes of ethics, employee behaviour and organisational values. In particular, the relationship between codes of ethics and employees' attitudes and behaviour is examined. The results show that the presence of codes of ethics was associated with less perceived wrongdoing in the organisation, but not with an increased propensity to report observed unethical behaviour. It is noted that future research focused on clarifying the dimensions of the context in which ethical codes operate and on understanding the processes embedded in this context seems highly desirable.

The study undertaken by Fisher (2001), examining the use of codes of ethics in British organisations, reflects the idea that codes of ethics contribute to a loss of personal ethical responsibility on the part of employees. Codes of ethics undermine or challenge personal integrity and codes of conduct restrict and limit the development of wider loyalties.

Lee and Yoshihara (1997) studied the ethical behaviour of Korean and Japanese business executives; their study has also found that codes of ethics are an important factor in improving ethical standards, although not as important as the business executives' personal values.

Similarly, Glenn and Van Loo's (1993) study has shown that codes of ethics appear to be less influential than the individual's strong personal value system. It is suggested that support for codes is declining.

In contrast, as seen in the models of ethical decision-making analysed in Section One of this chapter, codes of ethics are regarded as an important factor in generating ethical behaviour. It is however unclear how effective a code of ethics is in dealing with ethical issues and making ethical decisions when required. For this reason, an in-depth analysis of codes of ethics' effectiveness appears to be needed in order to provide a better understanding of what constructs and generates ethical behaviour.

Section Summary

- Various definitions of a code of ethics have been provided in the literature. Codes of ethics are variously described and known by different names (e.g. code of conduct, code of practice, ethical guidelines, business conduct, operating principles). The literature suggests that there is a level of confusion between a code of ethics and other ethical documents and a lack of clarity around what a code of ethics consists of.
- A distinction is made between corporate codes of ethics (i.e. developed by organisations) and professional codes of ethics (i.e. developed by professional bodies) albeit these terms are used interchangeably by corporations and in academic literature.
- For the purpose of this study, a code of ethics is defined as **'a written and formal document that includes ethical guidelines to be followed by employees/practitioners and is designed to guide their behaviour and conduct'**.
- Codes of ethics are prevalent around the world – though more present in the United States – and tend to be more present in larger organisations. In New Zealand, however, studies on use of codes of ethics are scarce; these studies suggest that only half of top New Zealand organisations use a code of ethics and that New Zealand organisations give low priority to ethics.
- Studies investigating the use of codes of ethics by marketing research organisations are scarce. Recent studies suggest that the lack of use and enforcement of codes of ethics in the marketing research industry is perceived to lead to unethical behaviour.
- Codes of ethics are seen as an important tool in creating and establishing an ethical environment. Nevertheless, there is little agreement in the literature on

the extent of usefulness of codes and the influence they have on behaviour, with some scholars proposing that a code of ethics has a significant influence on ethical perceptions, judgements and behaviour, while others are more sceptical, suggesting that the foundation of ethics is in the mind of the person, through the personal value system.

Section III – MARKETING RESEARCHER-CLIENT RELATIONSHIP: THEORETICAL CONSTRUCTS

This section examines theoretical constructs seen to generate good and ethical business relationships. Among these theoretical constructs, previous literature identifies trust as a critical element in the success of business relationships and argues that trust enables the development of ethical business relationships (Brenkert, 1998; Ennew & Palmer, 1998; Malhotra & Peterson, 2001; Giacobbe & Segal, 2000). Trust is also seen as a substitute for contracts, an element that is indispensable in business relationships and one that is believed to be a source of confidence (Das & Teng, 1998).

The concepts of trust and ethics are connected. Brenkert (1998) suggests that ethics and trust are bound up together and should be both largely promoted as they provide benefits to the business (such as reduced transaction costs and the possibility of sharing sensitive information). The relationship between business ethics and trust was also examined by Bews and Rossouw (2002). They propose that ethics promotes trust. Similarly, Bews and Palmer (1998) claim that trust and ethics are both determinant factors of relationship satisfaction. In marketing research in particular, studies such as those of Giacobbe and Segal (2000) and Malhotra and Peterson (2001) emphasise the importance of trust development in client relationships and argue that partnering relationships between marketing researcher and clients could solve ethical issues as ethical issues become less of a concern when trust is present within these relationships.

This section, therefore, discusses the meanings of trust, examines and defines trust from the perspective of different disciplines such as sociology, psychology, ethics and business disciplines and discusses trust in business relationships. In a second part, the role of personal values versus organisational values is analysed, providing an overview

of ethical perceptions and judgements and their role in making ethical decisions. Last, the concept of reputation is examined.

2.7. THE CONCEPT OF TRUST – DEFINITION

In the literature, definitions of trust are numerous and vary depending on the social or business context and disciplines that have operated as a platform for the concept's research.

One of the early social theorists of trust, Rotter (1967) defined interpersonal trust '*as an expectancy held by an individual or a group that the word, promise, verbal or written statement of another individual or group can be relied upon*' (p. 651).

A definition of trust that has been conceptualised and studied across numerous disciplines was proposed by Rousseau et al. (1998): '*a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another*' (p. 395).

Johnson-George and Swap (1982) assert that '*willingness to take risks may be one of the few characteristics common to all trust situations*' (p. 1306).

Within an organisational context, trust is defined as '*a willingness to rely on an exchange partner in whom one has confidence*' (Moorman et al., 1992, p.315). The authors suggest that the concept of trust has two facets: first, it is an expectation about the partner's trustworthiness and second, it is a behavioural intention that reflects a reliance on a partner. However, they argue that both belief and behavioural intention must be present for trust to exist (Moorman et al., 1993). Mouzas et al. (2007) also suggest that trust has been defined in the literature in two different ways: as a main component of relationship quality, and as an essential requirement and determinant of sound business relationships.

Castaldo (2007) draws attention to the lack of a shared and clear definition on trust within the literature, arguing that trust has been conceptualised in numerous analyses but they have not achieved much beyond creating more confusion around the concept. He embarks in a thorough content meta-analysis of the concept and talks about essential conceptual requirements such as the emergence of a new economy based on relationships and networked and interconnected economic structures, which without trust cannot exist. Castaldo discusses the emergence of trust demand within high relationship-intensive market contexts such as the industrial good markets, distribution channels, services and marketing sectors. Examining the services sector, the author emphasises long-term relationships as representing an essential construct in the services industries. Looking at the relational orientation in marketing studies, the theory of inter-organisational relations is discussed and attributed as one of the main contributions in the literature – *‘the central analytical construct is not just the exchange as suggested by the economic tradition, but the relationship’* between two parties who exchange products / services (p. 10).

2.8. TRUST

Most literature presents a variety of studies on trust in the context of different and various disciplines – sociology, psychology, ethics, politics, organisational studies, strategy and marketing and other business disciplines such as marketing research (Arnott, 2007a). Arnott (2007a) presents a useful review of literature sources on trust, examining a vast literature. He states that although trust has been studied within a number of disciplines, marketing disciplines are relatively poorly represented in the literature examining trust.

It is useful to review the literature on trust that has provided a basis for discussion and investigation of trust in business relationships. Therefore, trust in social sciences (i.e. sociology, psychology) is examined next.

2.8.1. TRUST IN SOCIOLOGY

In sociology, studies have generally addressed the aspect of trust and trustworthiness in people's relationships when an exchange process – exchange of money, e.g. a loan – takes place, and the two parties' behaviour is analysed: that of the 'truster' and of the 'trustee'.

Table 4 presents a summary of selected sociology studies.

Table 4: Trust in sociology

Author(s) Year	Methodology	Issues addressed	Findings
Ermisch and Gambetta (2006)	Trust-game experiment: 200 subjects	Design of a two-stage experiment which aims to measure trust and trustworthiness	Model development (not tested)
Khodyakov (2007)	Theoretical study	Provision of a three-dimensional approach to trust	Thick interpersonal trust, thin interpersonal trust and trust in institutions
Kollock (1994)	Experiment: 80 subjects divided in groups of eight	Analysis of exchange structures	Uncertainty has a significant effect on the level of interpersonal trust in a group
Möllering et al. (2004)	Theoretical reorientation	Analysis of nature of trust	Three key elements define trust: expectation, interpretation and suspension
Pavlou (2003)	Theoretical study	Impersonal trust in business to business relationships	Accreditation, feedback, monitoring, and legal bonds are antecedents of impersonal trust

Shapiro (1987)	Theoretical study	The social control of impersonal trust and its paradox	Procedural norms, policing mechanisms increase the opportunities for abuse and encourage less acceptable trustee performance
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The identified studies make reference to Coleman’s social theory (1986). Coleman suggests that trust is an action that involves a voluntary transfer of resources (physical, financial, intellectual, or temporal) from the truster to the trustee with no real commitment from the trustee – a risk factor is attached to the transactions between the two parties. Coleman refers to trust as the incorporation of risk into a decision, arguing that there are situations in which the risk taken by someone depends on the performance of the other actor involved in the exchange.

Ermisch and Gambetta (2006) explore the relationship between a truster and a trustee undertaking an experiment that tentatively suggests a design model which aims to measure trust and trustworthiness. They discuss the limitations of the most common design of the ‘trust-game’ experiment in providing information about the concepts of trusting and trustworthiness.

Similarly, Kollock (1994) has also performed an experiment in an attempt to analyse the exchange structures, concluding that uncertainty has a significant effect on the emergence of exchange structures and on the level of interpersonal trust in a group.

In their study, Möllering, Bachmann and Lee (2004) examine the nature of trust, analysing the work of Georg Simmel (b.1858–d.1918) and his contribution to the sociological conceptualisation of trust (Simmel, 1950). Möllering et al. (2004) base their research on Simmel’s theory of trust that provides a framework for analysing personal and impersonal trust. They argue that trust is in danger of becoming an insignificant sociological concept, unless the problem of the ‘leap’ of trust (when we decide to trust rather than suspect) is recognised and carefully studied. Thus, Möllering et al. (2004) extend the work of Simmel, suggesting that besides the two elements

within Simmel's theory: expectation (the state reached at the end of the trust process) and interpretation (human experiences of life form the foundation of trust – 'good reasons'), another element is necessary to be considered. That element is suspension (the bracketing of the unknowable that becomes a defining aspect of the nature of trust) (Möllering et al., 2004).

Other studies examine the meaning and significance of impersonal trust. Pavlou (2003) discusses two types of trust that are present in inter-organisational exchange relations – “*an impersonal type created by structural arrangements, and a familiarity type arising from repeated interaction*” (p.86). The nature of trust is examined and it is found that the main dimensions of trust are credibility and benevolence (goodwill). As such, impersonal trust, generated primarily through credibility, focuses on institutional structures that business to business exchanges enable through inter-firm relations. Pavlou (2003) also suggests that the antecedents of impersonal trust are accreditation, feedback, monitoring and legal bonds. Impersonal trust is proposed to increase satisfaction, reduce risk, and encourage anticipated continuity.

However, an earlier study undertaken by Shapiro (1987) finds impersonal trust and its guardians – procedural norms, structural constraints, entry restrictions, and policing mechanisms – to allow complex developments in social organisation and exchange that create opportunities for abuse. Shapiro discusses the paradox that the more the institution of trust is controlled, the more dissatisfaction with its offerings will exist.

Khodyakov (2007), extending his analysis from the concept of trust between people to that of institutional or organisational trust, argues that trust should be seen not as a variable but as a process. He refers to previous research undertaken by Fukuyama (1995) who considers trust in people as being a necessary factor for the development of trust in institutions: if there is no interpersonal trust, institutional trust is impossible (Fukuyama, 1996). Khodyakov (2007) argues that, frequently, interpersonal trust is more valued by people than is institutional trust. Khodyakov provides the example of Uzzi's (1997) study. Uzzi found that in order to develop social embeddedness, some small firms in the women's fashion industry preferred to rely on close collaboration with each other, rather than on formal contracts - embedded relationships were seen to

be characterised by high levels of interpersonal trust. However, the relationship between trust in people and trust in institutions can go in both directions, because institutional trust can also promote, or hinder, the development of interpersonal trust (Khodyakov, 2007).

Khodyakov develops a three dimensional model as per Figure 7 below.

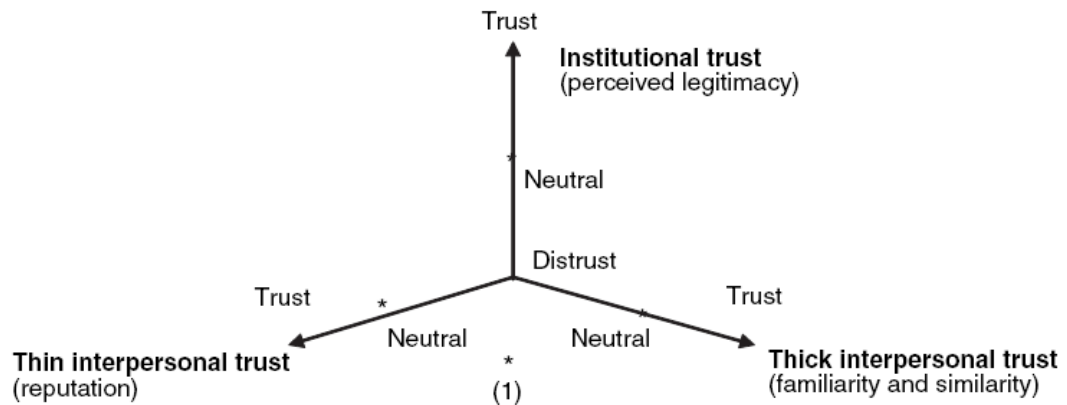


Figure 7: Dimensions of trust

Khodyakov refers to Hardin's study (1996) which explains that because people have to trust strangers, they often rely on rules and institutionalised norms of social exchange that are meant to be independent from individuals' characteristics. This opinion sets up the assumption that a dialogue based on trust between two parties involved in a social exchange is reliant on rules and norms as a background to enable trusting relationships between the two parties.

2.8.2. TRUST IN PSYCHOLOGY

Research on trust is also present within the discipline of psychology. Trust is analysed and associated with a variety of issues that address the concept's connotation within psychology's research stream. Studies within the discipline of psychology address the concept of interpersonal trust (Tan & Chee, 2005; Dirks, 1999; Rotter, 1967), trust in leadership (Dirks & Ferrin, 2002; Gillespie & Mann, 2004), trust and distrust (Kramer, 1999; Worchel, 1979; Lewicki et al., 1998) and trust in relationships (Gill et al., 2005; Miller & Rempel, 2004; Olekalns & Smith, 2005; Rempel et al., 1985; Mayer et al.,

1995; Schoorman et al., 2007, Wrightsman, 1966). Table 5 provides a summary of selected studies.

Table 5: Trust in psychology

Author(s) Year	Methodology	Issues addressed	Findings
Dirks (1999)	Experiment	The effects of interpersonal trust on work group performance	Trust affects motivation and indirectly influences group's performance
Dirks and Ferrin (2002)	Quantitative Meta-analysis	Trust in leadership (direct leaders versus organisational leadership)	Parties operate on basis of trust, goodwill, mutual obligations
Gillespie and Mann (2004)	Survey (Questionnaires)	Relationship between different leadership practices and trust towards team leaders	Consultation, communication and shared values predict trust toward leader
Gill et al. (2005)	Survey and Scenarios	Antecedents of trust: relation between propensity to trust and intention to trust	Perceived ability, benevolence, and integrity of the trustee predicted an individual's intention to trust
Kramer (1999)	Literature survey	Trust and distrust: bases, benefits and barriers to trust	Trust is fundamentally a psychological state and has an ethical facet – represents an expectation of morally correct decisions
Rotter (1967)	Quantitative (Likert scale)	Measurement of individual interpersonal trust	Trust is positively related to trustworthiness
Schoorman et al. (2007)	Literature survey	Development of an integrative model of organisational trust (revisited)	Trust and control systems are alternate and sometimes compatible means for managing risk

Tan and Chee (2005)	Qualitative study	The construct of trust and its factors of trustworthiness	Heavy reliance on affective factors of trustworthiness in the decision to trust
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An area that has been much examined in psychology is that of interpersonal trust. Interpersonal trust is defined as ‘*an expectancy held by an individual or a group that the word, promise, verbal or written statement of another individual or group can be relied upon*’ (Rotter, 1967, p. 651). Rotter (1967) examines and attempts to measure individual differences in interpersonal trust. Trust has been found to be negatively related to dependency, not significantly related to gullibility, and positively related to humour, friendship, popularity, and especially trustworthiness.

As suggested by McAllister (1995), interpersonal trust can be categorized into two different dimensions: cognitive and affective. Cognitive trust reflects issues such as the reliability, integrity, honesty, and fairness of an individual. Affective forms of trust reflect a special relationship with the individual that may cause him / her to demonstrate concern about one’s welfare (Rotter, 1967).

The cognitive and affective forms of trust were studied by Tan and Chee (2005). Tan and Chee (2005) investigate the construct of trust and its factors of trustworthiness in a Confucian-influenced society and find that a number of factors unique to the context, facilitate the development of trust. These factors are diligence, perseverance, filial piety, thriftiness, respect for authority, a shared value of collective effort, harmonious relationship in the office, humbleness and magnanimous behaviour. The emotional ties from personal relationships seem to provide the foundation for the development of interpersonal trust and more reliance on affective factors such as openness and mutual help is observed (Tan & Chee, 2005).

Similarly, in an organisational setting, Dirks (1999) examines the concept of interpersonal trust and how this affects work group performance. It is found that trust seems to influence how motivation is translated into group process and performance (i.e. in high-trust groups motivation created joint efforts and higher performance, in low-trust groups motivation was converted into individual efforts). Hence, trust is seen

as an indirect factor that affects performance by channelling employees energy towards alternative goals, in contrast to other independent variables such as rewards and goals that were found to directly influence performance (Dirks, 1999).

In recent years, great interest has been shown in psychology studies that examine trust in leadership. Dirks and Ferrin (2002) perform a meta-analysis of previous research on trust in leadership, identifying that some researchers have focused on trust in a direct leader (e.g., supervisor), whereas others have focused on trust in organisational leadership (e.g., senior leadership). The relationship with the leader is seen as beyond the standard economic contract; the parties operate on the basis of trust, goodwill, and the perception of mutual obligations (Dirks & Ferrin, 2002).

While acknowledging the importance of interpersonal trust in sustaining effective teams, Gillespie and Mann (2004) extend the analysis of trust in leadership to that of examining different leadership practices and their relationship with trust towards leaders. Three main factors together were found to influence a team's trust toward their leader, i.e. consultation when making decisions, communicating a collective vision and sharing common values with the leader (Gillespie & Mann, 2004).

Within psychology studies, trust and distrust were studied also in an organisational setting. Kramer (1999) reviews different forms of trust found in organisations and the conditions that produce them. Thus, trust is seen as a psychological state that incorporates vulnerability or risks that is derived from individuals' uncertainty regarding the motives, intentions, and prospective actions of others on whom they depend, the risk factor also found in Coleman's (1986) social theory. Second, trust is seen as a choice behaviour with two contrasting views: one that sees choice in relatively rational, calculative terms (again, a view represented in Coleman's social theory) and another that gives more weight to the social and relational underpinnings of choice in trust dilemma situations. Various forms of trust within organisations are discussed (Kramer, 1999):

- dispositional trust – predisposition to trust or distrust others tends to be correlated with other dispositional orientations, including people's beliefs about human nature;

- history-based trust – there is willingness to engage in trusting behaviour when the interactions are largely history-dependent processes (i.e. ‘trust between two or more interdependent actors thickens or thins as a function of their cumulative interaction);
- category-based trust – trust depends on available information regarding a trustee’s membership in a social or organisational category, information which, when salient, often unknowingly influences others’ judgements about their trustworthiness;
- role-based trust – strong expectations regarding technically competent role performance are usually aligned with roles in organisations together with an expectation that role occupants will fulfil their responsibilities and obligations associated with the roles they have; and
- rule-based trust – this form of trust has the foundation of shared understandings about the system of rules regarding appropriate behaviour, such as norms, routines in interactions, and exchange practices.

In psychology, trust in relationships is also examined. Gill et al. (2005) undertook two studies in order to examine the antecedents of intention to trust proposed by Mayer, Davis and Schoorman (1995) who argue that the intention to trust is influenced by the perceived characteristics of the trustee and the predisposition of the trustor. Gill et al. (2005) found that perceived ability, benevolence, and integrity of the trustee determines the individual’s intention to trust. In 2007, Schoorman, Mayer and Davies revisited their study and reviewed some of the interesting new directions in the research on trust. The authors state that the interplay of trust, risk, and control systems continues to be a much debated topic.

2.8.3. TRUST IN ETHICS

Another stream of research that investigates trust is found in social and business ethics. Moral philosophers have been interested in cooperation between people, and trust and distrust or ‘antitrust’ has also been examined in ethics (Baier, 1986). Baier provides a philosophical work on trust and antitrust, examining forms of trust in a social context. Trust is associated here with goodwill and again, as in Kramer’s study (1999), with

reference to the risk and vulnerability a person takes on when trusting someone. *'When I trust another, I depend on her good will toward me. Where one depends on another's good will, one is necessarily vulnerable to the limits of that good will'* (Baier, 1986, p. 235).

Baier considers trust as the 'accepted vulnerability' to a person's possible but not expected ill will (or lack of good will) toward another person. Within a business context, Baier describes trust as intentionally and usually formally entrusting other persons / businesses to take care of something that the truster cares about, arguing that *'trusting is rarely begun by making up one's mind to trust, and often it has no definite initiation of any sort but grows up slowly and imperceptibly'* (p. 240).

Baier's ideas on trust in ethics within a business context were picked up by Brenkert (1998) who recognises the importance of trust. Brenkert claims that ethics and trust are bound up together and that it should be largely promoted as they provide many benefits to businesses. They reduce transaction costs, make possible the sharing of sensitive information, permit various joint projects, and also provide a basis for expanded moral relations in business. Brenkert also talks about various mechanisms for creating trust, and the more general conditions for trust development – existence of common motives, consistency of behaviour, competency to accomplish various activities and tasks, and openness to the trust partner, i.e. a willingness to provide special access regarding physical facilities and information.

Similarly, examining the relationship between "ethics" and "trust", Bews and Rossouw (2002) analysed the role of business ethics in the development of trust and trustworthiness, stating that the relationship between "ethics" and "trust" is an ambiguous one, as ethics can promote trust, while trust can simultaneously be abused resulting in unethical behaviour. They argue that is therefore useful to start with a closer look at the concept of trustworthiness and to analyse the trustworthiness' facilitators. Trustworthiness is here defined as *'the trustor's evaluation, based on certain facilitators, of the likelihood of the trustee (focus of trust) acting in her or his interests in a situation entailing risk'* (Bews & Rossouw, 2002, p. 378). They found a significant and positive relationship between interpersonal trust and the following

facilitators of trustworthiness: openness, integrity, benevolence, competency, history of interactions, and perceptions of personality characteristics.

Other research concentrated on the role of trust and ethics in nurturing good relationships between organisations and their customers (Bachmann & Zaheer, 2006; Bejou, Ennew & Palmer, 1998). In an attempt to identify the factors that generate satisfaction in business relationships between organisations and customers, Bejou, Ennew and Palmer (1998) examined the role of trust and ethics in building relationship satisfaction. From a customer's perspective, they found that the determinants of relationship satisfaction include factors such as customer orientation, trust, length of relationship, expertise and ethics, as presented in Figure 8 below.

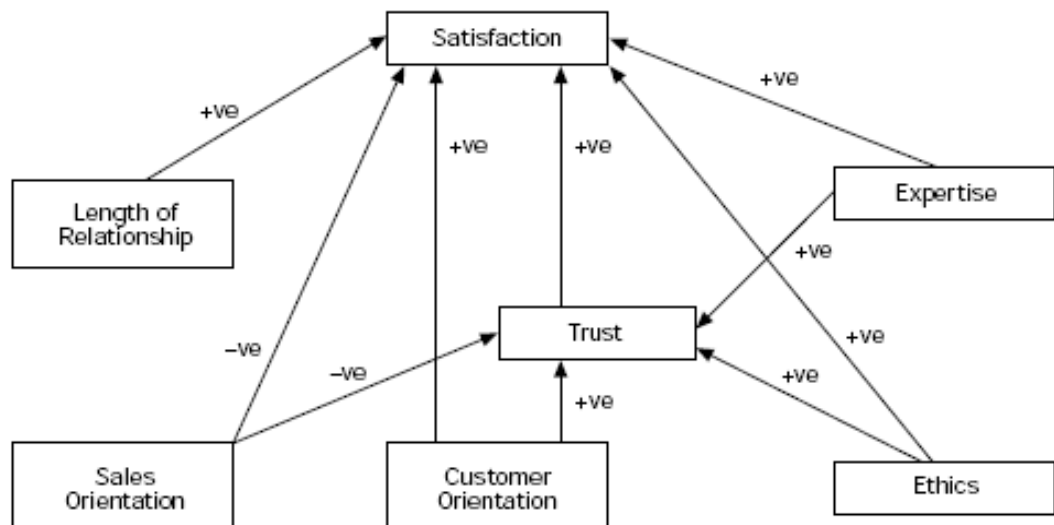


Figure 8: Determinants of relationship satisfaction

Using a case-study approach, Bell, Oppenheimer and Bastien (2002) examined the process of trust deterioration as an inter-organisational phenomenon. A quote presented in their study synthesises very well the general findings: *'I do business with people I trust, not companies per se. I no longer trust the people at [this important customer]'* (Bell, Oppenheimer, & Bastien, 2002, p.65). It appears that trust in people plays a crucial role in organisations and, in this case, violations of ability, integrity, and benevolence all contributed to trust reduction, and that early violations of trustee benevolence contributed significantly to trust deterioration.

2.8.4. TRUST IN ORGANISATIONAL STUDIES

As found in sociology, psychology and ethics, studies on trust within these disciplines often overlap with those that study trust within organisations, as trust within and between organisations becomes a popular topic in business and social research.

In 1975, Porter, Lawler and Hackman stated that trust '*... tends to be somewhat like a combination of the weather and motherhood; it is widely talked about, and it is widely assumed to be good for organisations. When it comes to specifying just what it means in an organisational context, however, vagueness creeps in*' (p. 497).

Since then, scholars have explicitly studied facets of organisational trust. Several studies previously mentioned, such as those of Pavlou (2003), Kodyakov (2007), Dirks (1999), Kramer (1999), Bejou et al. (1998) and Bell et al. (2002) although undertaken within diverse disciplines (i.e. sociology, psychology, ethics), have all approached and discussed the concept of trust within an organisational setting and context.

Dirks (1999) revisited his previous work on trust in organisations and examined how trust might have positive effects on attitudes, perceptions, behaviours, and performance outcomes within organisational settings. Reviewing the published empirical literature that examined the effects of interpersonal trust, he presents a theoretical framework. The framework provides insight into the processes through which trust affects organisational outcomes and evaluates the impact of trust. A moderation model is proposed in which '*higher levels of trust increase the likelihood that determinants of cooperation will actually result in favourable outcomes [and] lower levels of trust decrease the likelihood* (Dirks & Ferrin, 2001, p. 21). The model is based on two propositions. First, trust moderates the relationship between motivational constructs and workplace behaviours and outcomes. And second, trust moderates the relationship between a partner's action and the truster's response (Dirks & Ferrin, 2001).

Möllering, Bachmann and Lee (2004) discuss various studies on trust and acknowledge the interdisciplinary exchange between psychology, sociology and other social sciences as well as the still nascent research in management and organisation studies. An

overview of major issues in trust research and organisational trust is provided, discussing the differences in the specific meaning of “trust” within an organisational context – when trust exists between co-workers, leaders and followers, employers and employees, between different organisations or towards an institution (Möllering, Bachmann & Lee, 2004). Trust is seen as a gradual and self-reinforcing phenomenon.

Trust is a key enabler of cooperative human actions (McKnight, Cummings & Chervany, 1995). These authors recognise the importance and role of emotion in trust formation. They refer to ‘trusting beliefs’ – beliefs about the other person's trustworthiness – and argue that, based on previous literature, these include beliefs that the other person possesses attributes such as benevolence, honesty, competence, and predictability. These beliefs also include the level of security one possesses in one's beliefs about the other person, i.e. belief-related emotional security. The term of "emotion" is used here in the sense of feelings, based on cognitive evaluation and assignment of positive or negative values attributed to these feelings (McKnight et al., 1995).

Similarly, Jones and George (1998) studied the way that trust develops and how it influences cooperation in organisations. They argue that trust is determined by the interplay of people's values, attitudes, and moods and emotions (Jones & George, 1998).

2.8.5. TRUST IN BUSINESS MODELS – CONCEPTUAL DIMENSIONS AND MODELS OF TRUST

Conceptual dimensions

There is a rich research vein on the role of trust in business relationships, and a good overall introduction can be found in Lane and Bachmann (1998). They present a collection of research articles of scholars that have examined trust within and between organisations, including their own work on this topic. The articles cover various issues from a general introduction to theories and issues in studies of trust (Lane, in Lane & Bachmann, 1998), to discussions of trust in inter-organisational relations (Sydow; Hardy, Phillips & Lawrence, in Lane & Bachmann, 1998), conceptual aspects of trust

(Bachmann, in Lane & Bachmann, 1998), and how this affects the organisation's performance (Sako, in Lane & Bachmann, 1998).

Beside the conceptual dimensions (i.e. interdependence between trustee and trustor and the trustworthiness established between the two, risk, uncertainty, opportunism and vulnerability in social exchanges), Lane (Lane & Bachmann, 1998) mentions other dimensions of trust that arise from expectations – the qualities that one expects the other person to have. These are trust, in not only the integrity of the trustee, but also competence, openness and reliability – i.e. the expectation of technically competent role performance (Mishra, 1996, cited in Lane & Bachmann, 1998).

Interpersonal trust in business relationships is seen as something that develops over time, time during which knowledge about one's organisations' trustworthiness is accumulated. Moreover, indirect information such as reputation, brands and adoption of quality standards are used as signals of trustworthiness (Lane, in Lane & Bachmann, 1998).

With regard to the desired reliability in an exchange relation, Luhmann and Poggi (1979) were among the first researchers to make a distinction between personal trust and 'system trust' (also defined by other scholars as impersonal trust) – confidence in the authority, in the reliable functioning of certain systems – within an organisational context, system trust is built up by continuous positive experiences and requires expert knowledge (a reliance on the experts). As such, impersonal trust underwrites interpersonal trust; a system is the object of trust and also its source (Luhmann & Poggi, 1979, cited in Lane & Bachmann, 1998). Similarly, Giddens (1990) describes trust as the confidence in the reliability of a person or system. Consequently, Lane (Lane & Bachmann, 1998) defines inter-organisational trust as *'the confidence of an organisation in the reliability of other organisations, regarding a given set of outcomes or events'* (p.35). As an example, the author talks about the case of insurance intermediaries who, right from the outset of a business relationship, signal credibility and reliability vis-à-vis clients as well as the insurance companies' ability to technically deliver the expected service (i.e. deadlines, formal contracts, informal agreements).

Confidentiality is another element often discussed in trust-based business relationships. In a business relationship of trust, confidential information is made available to the exchange partner. Such exchange of sensitive and confidential information determines openness in the relationship (Sako, in Lane & Bachmann, 1998). Also, disclosure of confidential information enhances inter-organisational trust and reduces the costs of inter-organisational transactions. Trust is considered to be a constitutive feature in inter-organisational networks (Ebers, 1999, Powell, 1996). Within these networks, confidentiality is a requisite in establishing inter-organisational trust – most organisations have to share and exchange confidential information about their products / services with their business partners.

Discussing the requirement of a business relationship for trust to exist, Mouzas, Henneberg and Naudé (2007) state that trust is perceived in the marketing literature as a pivotal aspect of business relationships, referring to Morgan and Hunt's (1994) commitment and trust theory. Commitment and trust theory re-enforces the use of inter-personal conceptualisation of trust. Commitment and trust are found to be the key mediating constructs in business relationships (Morgan & Hunt, 1994).

Once again, as found in the previously discussed literature, the concept of trust is explained by Mouzas et al. (2007) within two different type of relationships – inter-personal and inter-organisational relationships, suggesting that to understand business relationships both inter-personal and inter-organisational relationships have to be conceptualised. Mouzas et al. (2007) also suggest that the origin of trust lies in individuals and that it is individuals, rather than the organisations themselves, that trust each other. They argue that an emotive aspect of trust can be attached to inter-personal relationships, whereas “reliance” is the facet of a non-person based relationship such as the inter-organisational relationship. A reference is made to Hardin's work (1991) which describes trust as an inherently moral quality; hence “trustworthiness” is attributed to reciprocity that is motivated by character or morality rather than by interest (Mouzas, Henneberg & Naude, 2007).

Mouzas et al. (2007) propose four conceptual dimensions of trust, identifying the differences between trust (within an inter-personal relationship) and reliance (within an inter-organisational relationship). See Table 6 below.

Table 6: Conceptual dimensions of trust

Conceptual dimension	Trust	Reliance
Structural mode	Beliefs	Agreement
	Sentiments	Institutions
	Attitude	Conduct
Basis of reciprocity	Morality	Interest
Construct source	Emotions	Rationality
Relationship level	Inter-personal	Inter-organisational

Cole and Cole (1999) examine the definition and analyse the elements of trust - i.e. to be dependable - doing what you have agreed to do within the defined time frame, keeping people informed, keeping confidential information confidential and competently displaying the knowledge and behaviours required to complete job responsibilities. Similarly, Gillis (2003), attempts to describe and measure trust through:

- Competence: how competent the organisation is;
- Openness / Honesty: the perception of how information is delivered;
- Concern: self-interest on the part of the organisation balanced with others' interest;
- Identification: shared goals, values, norms and beliefs; and
- Reliability: having consistent and reliable actions (Gillis, 2003).

Trust in marketing research relationships

As Arnott (2007b) argues, although there is a considerable growth in the disciplines of general management, organisational behaviour and business ethics, there is still a dearth of published work on trust in the marketing field.

Studies of trust in marketing research are even scarcer. Very few studies have focused on the relationships level in marketing research. These include that by Moorman et al. (1993) who studied the factors affecting trust in marketing research relationships. A

comprehensive theory of trust in marketing research relationships is provided in the study. The theory focuses on factors that generate users' trust in marketing research practitioners. The authors used a questionnaire distributed to marketing researchers. The results showed that the interpersonal factors are the most predictive of trust. These factors include the perceived researcher integrity, willingness to reduce research uncertainty, confidentiality, expertise, tactfulness, sincerity, congeniality, and timeliness – they are most associated with trust (Moorman, Deshpande, & Zaltman, 1993).

An earlier study undertaken by Moorman, Zaltman and Deshpande (1992) explored the relationships between providers and users of marketing research. In this context, the authors analyse the role of trust in relationships and the effects of trust on relationship processes and research utilisation, and how the relationships vary when examined across dyads. The results suggest that trust does not have the strongest direct effect on research utilisation. Trust's effects were achieved primarily through critical indirect effects on quality of interaction and researcher involvement levels, suggesting that trust facilitates these relationship processes, which in return encourage research utilisation. Trust is described here as an expectation about the partner's trustworthiness which is determined by the partner's expertise, reliability, or intentionality (Moorman, Zaltman, & Deshpande, 1992).

Models of trust

Different views and models on business to business relationships can be found in the literature. One is Ford's (1980) model, which proposes five different stages in the development of a business relationships model, with the transition from a *pre-relationship stage* when there is an evaluation of a potential supplier to a *final stage* that leads to the institutionalisation of the partnership and where the conduct of business is based on industries' codes of practice. Another model mentioned is that of Dwyer et al. (1987) who also suggests five stages from *full mutual awareness* to commitment, characterised by high mutual satisfaction, trust and commitment to maintain the relationship and then *dissolution of the relationship* often caused by unilateral behaviours.

A 'stages' model of trust is described also by Child (in Lane & Bachmann, 1998) – in an exchange business relationship the parties gradually explore the trustworthiness of the other party. Thus, trust and the risk they are taking are also gradually increasing. It is also proposed that calculus-based trust – i.e. competence trust – can be transformed into affect-based trust – i.e. goodwill trust.

A model of trust that looks at marketing relationships based on the relationship between 'commitment' and 'trust' was developed by Morgan and Hunt (1994). Within this model, commitment and trust are key in business relations and collaborations that lead to competitive advantage. Commitment and trust can be nurtured by offering superior resources, opportunities and benefits, maintaining high standards of organisational values, effectively communicating valuable information, and avoiding taking advantage of their exchange partner(s).

Similarly, a previously discussed model of trust was designed by Dirks and Ferrin (2001). In this model the existence of high trust between two exchange partners is a determinant role in cooperation and favourable outcomes for both participants in the exchange. This high level of trust is seen as made possible through the relationship between motivational constructs and workplace behaviours and outcomes, and the relationship between truster and trustee – both relationships are moderated by trust.

Mayer, Davis and Schoorman (1995) developed a model which suggests that trust and the level of perceived risk in the situation will lead to risk taking in the relationship. They have pointed out that earliest research shows that the trustee's credibility was affected by two factors – expertise and trustworthiness. Trustworthiness was defined as the motivation (or lack thereof) to lie and has been found to be characterised by three main interdependent factors that generate trust: ability (i.e. trustee's skills and competencies), benevolence (i.e. goodwill – the extent to which the trustee is believed to want to do good to the trustor) and integrity (i.e. the trustor's perception that the trustee adheres to a set of principles that the trustor finds acceptable). The model is presented below in Figure 9.

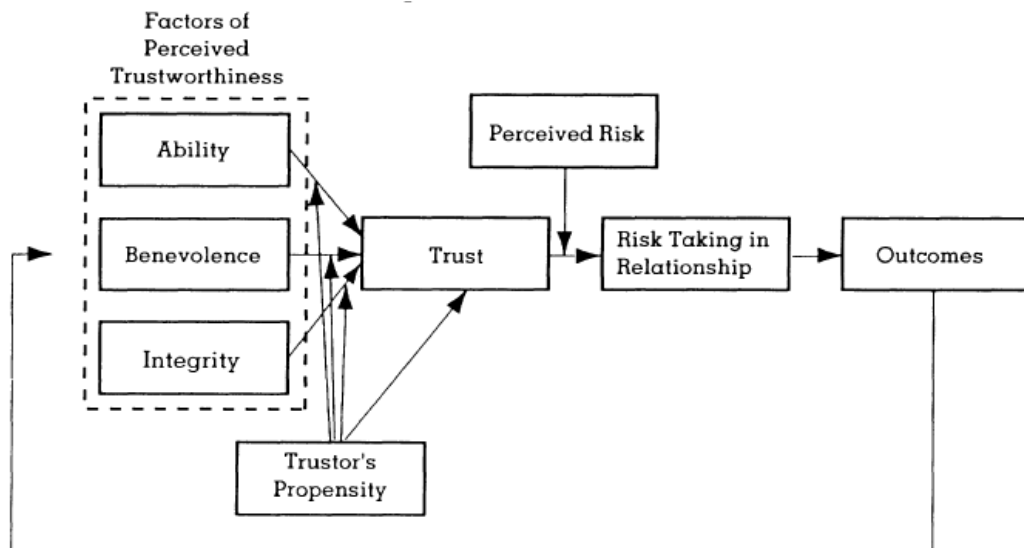


Figure 9: Model of trust

However, Wekselberg (1996) provides a critique of this model and argues that the ‘social’ phenomenon of trust was left out as the model was limited to a dyad of trustor and trustee. Thus the broader social context of groups and organisations is ignored. A cooperative approach to interaction is proposed through which interactions are analysed within their social context. The purpose of the interaction is also considered (not only individuals’ purposes). There is a crucial shared meaning and the main focus is on outcomes related to the interaction itself and the purpose of interaction (Wekselberg, 1996). As a response to Wekselberg’s critique, Schoorman, Mayer and Davies (2007) have identified the need to rethink and revisit their study and they have acknowledged that the interplay of trust, risk, and control systems continues to be a much debated topic in more recent research. They see *‘trust and control systems as alternate and sometimes compatible means for managing risk’* (p. 352). They also distinguish new directions in research, such as the role of affect and emotion, trust violations and repair, and the role that international and cross-cultural dimensions play in the model of trust. As stated, all these areas provide great opportunities for the development of the concept of propensity, as well as the relative importance of ability, benevolence and integrity across cultures (Schoorman et al., 2007).

By way of summary, Figure 10 presents the various studies on trust found in the literature.

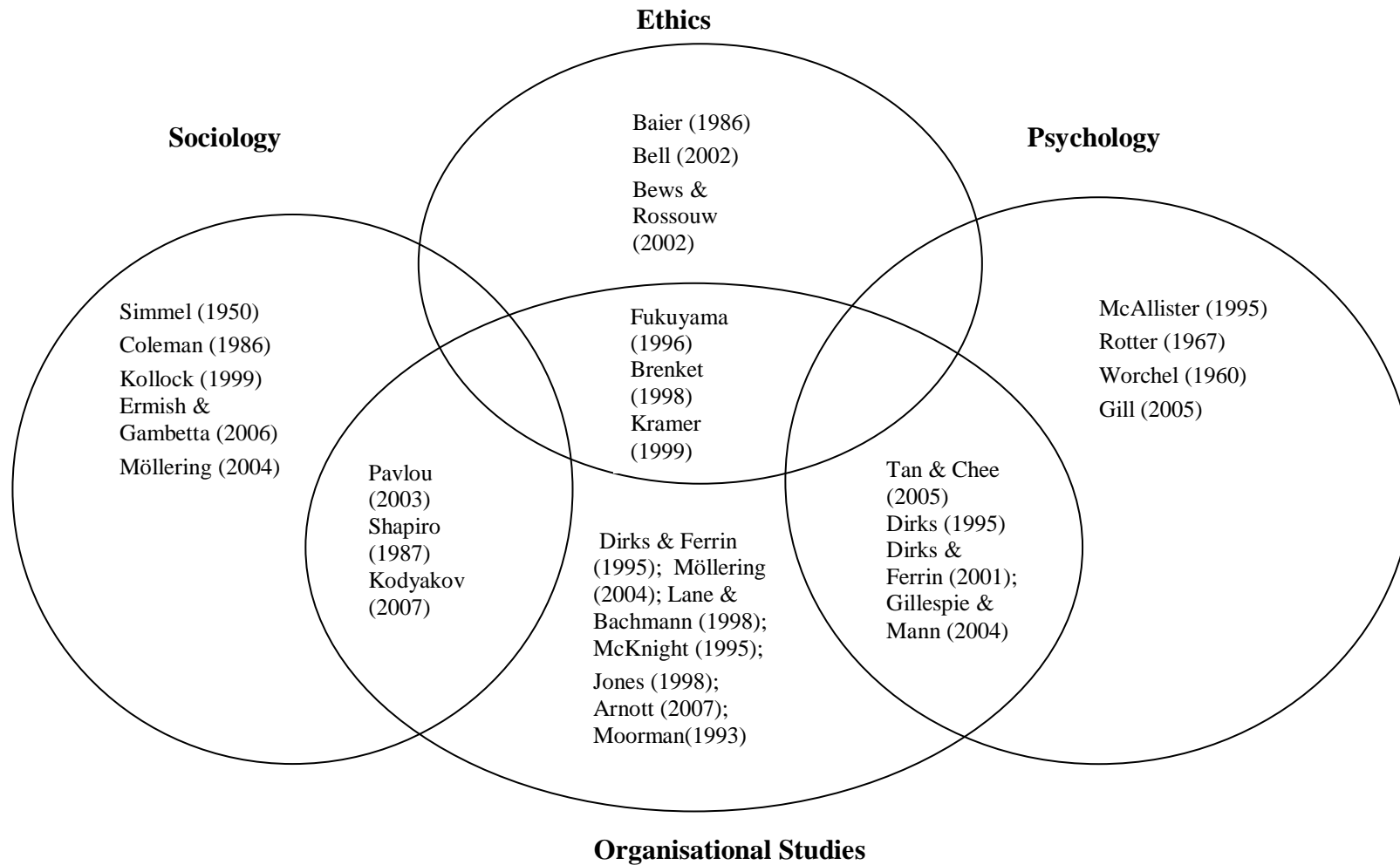


Figure 10: Studies on trust

2.9. INDIVIDUAL VALUES AND ETHICS

This sub-section examines the individual ethical values or personal values and their role played in professional work and business relationships. For a better understanding of the role of personal values and ethics in relationships and ethical decision-making, theoretical variables that appear to be related in literature to personal values – i.e. ethical perceptions and judgements, personal intentions and moral intensity – are also discussed.

Individual / Personal values

Personal values and their role in business decision-making and ethics have been studied by various researchers (Barnett & Karson, 1987; Fisher & Lovell, 2003; Fritzsche, 1995; Harris, 1990; Hemingway & Maclagan, 2004; Quinn, 1997; Vinson, Scott, & Lamont, 1977). An increased interest has been showed in examining how personal values impact on business decisions (Barnett & Karson, 1987; Fritzsche, 1991, 1995).

As presented in Section One of this chapter, ethics is the study of what contributes good and bad conduct, including related actions and values (Barry, 1979; Shaw, 2007; Shaw & Barry, 2006). Similarly, Thompson (2005) defines ethics as the study of right and wrong; of the moral choices people make and the way in which they seek to justify them. Ethics is concerned with the nature of specific decisions made and the “goodness or badness” of those decisions in terms of the consequences of those decisions (Chonko, 1995).

Fisher and Lovell (2003), however, discuss the differences between ethics and values. They define ethics as a branch of philosophy concerned with formal academic reasoning about right and wrong and is drawn from books and debates, hence they claim ethics has to be studied. Values, on the other hand, are defined as the commonsense, often taken-for-granted, beliefs about right and wrong that guide us in our daily lives and are acquired informally through processes of socialisation (interactions with friends, family and colleagues, organisations we work for or belong to). These authors argue that values are learned, not studied. However, there are overlaps between ethics and values – the processes through which values are formed, adopted and modified within groups

and societies may be influenced by debates between philosophers. Values are also social – they exist and are communicated through social connections (Fisher & Lovell, 2003; Shaw, 2007).

Values are also defined “*as normative beliefs about proper standards of conduct and preferred or desired results*” (Nystrom, 1990, p. 971); and “*an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or endstate of existence*” (Rokeach, 1973, cited in Fritzsche, 1995, p. 909). As Fritzsche (1995) finds, values are associated with the outcome / end of an action and are considered to influence the individual’s behaviour.

Furthermore, personal values seem to be creating and influencing one’s personal ethics (Brenkert, 2008; Fritzsche, 1995; Quinn, 1997; Trevino, 1986). The role of personal ethics in ethical decision-making was examined by Trevino (1986) and a model was proposed placing personal ethics at the center of the model in influencing behaviour. See Figure 11 below.

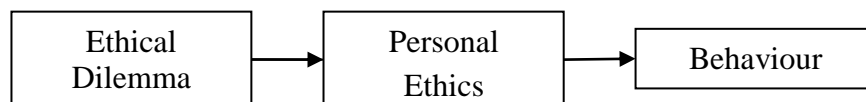


Figure 11: Model of ethical decision-making in organisations

Following on Trevino’s model, Quinn (1997) states that personal values play a key role in understanding individuals’ behaviour in organisations. However, he seems to align his way of thinking to Carr’s model (1968) who challenged Trevino’s model. Quinn (1997) identifies business ethics as another element that affects business behaviour, and, following from Carr’s (1968) views, challenges the identity between the individual’s ethics of everyday life, outside of a business context, and their business ethics. In his model, Carr (1968) proposes that people have two sets of ethical standards – standards for private life and standards for work life. He argues that ethical standards in private life are higher than those in work life, as work life standards are predicated on the 'rules of the game' in business (see Figure 12 below).



Figure 12: Determinants of business behaviour

This model suggests that individuals who are part of institutions with a clear ethical dimension would be expected to have different attitudes toward business related ethical issues than those who are not involved in such institutions. Similarly, Barnett and Karson (1987) argue that differences in behaviour could be predicted by individuals' different personal values. Fraedrich and Ferrell (1992) also suggest that someone's behaviour can be explained on the basis of their personal moral philosophies which shape the individual's personal ethics. In a later study, similar to Carr's (1968) ideas, Ferrell (1999) argues that personal ethics and business ethics are different and that although personal morals can guide professionals in ethical decision-making, it can take years of experience and training to become familiar with business ethics, i.e. with what is acceptable in an organisational environment.

Ethical perceptions and judgements

When confronted with ethical issues, people involuntarily refer to their personal set of values and beliefs. However, as Jones (1991) argued, the ethical decision-making process depends on characteristics of the situation being considered. He states that '*the relative importance of personal factors and situational factors might vary considerably, from issue to issue*' (p.391).

Similarly, Quinn (1997) explains that the most influential factor determining an individual's behaviour when faced with an ethically sensitive business issue will be their personal ethics; however, the judgement based on personal ethics will be moderated by psychological and situational variables. Quinn (1997) suggests that this process has two stages:

- A judgemental stage – the individual reflects upon the situation he / she encountered, asking themselves '*what shall I do in this business situation?*' so that they can make a decision and follow the best course of action;

- The action stage – moving from judgement to behaviour.

It is therefore recognised that the set of deep-rooted personal values that individuals possess affects their behaviour in the workplace. Dawson (1992) also explains that values that individuals bring to the workplace should cause differences in ethical perceptions and that values should be stable over time.

As discussed in past literature, it is apparent that values have an important role in one's behaviour; however, it is also suggested that the propensity toward ethical action seems specific to the situation at hand, as per ethical relativism. The inclination to pursue an ethical course of action could decrease considerably in the situation where one's actions would not be discovered by others. Among those individuals concerned with business and economic issues, it is argued that increasing levels of responsibility are linked with increasingly ethical action (Barnett & Karson, 1987).

In the business ethics literature, two different approaches are discussed, in which the individual perceives and judges the given situation from an ethical point of view and following on from this point of view decides to take a certain course of action. They are the deontological and teleological approaches, as described next.

Deontological approach

The deontological approach to moral behaviour is one that believes that moral reasoning and action should be guided by universal principles that society in general and individuals in particular hold, irrespective of the context in which an ethical dilemma might exist (Etzioni, 1990). Etzioni (1990) employed a moral justification for an explicit recognition of broader perspectives beyond short-term profit motives. The deontological ethics approach determines what is right and wrong from predetermined principles and standards.

Kant's ethical philosophy is that actions must be guided by universal principles that apply irrespective of the consequences of the actions. In addition, an action can only be morally right if it is carried out as a duty, not in expectation of a reward. Principles

exist a priori – knowing what to do in a situation will be determined by a set of principles that have been established by deductive reasoning, independent of, or before, the specifics of the decision in hand have been considered. In Kantian ethics, the context and consequences of a decision are irrelevant (Fisher & Lovell, 2003). For instance lying, irrespective of the context, is wrong. So, for Kant, truth-telling has to be strictly adhered to with no exceptions, even if the telling of a lie would save a human life.

In the deontological evaluation, the individual's personal norms concerning, for example, lying, cheating, honesty, and justice are used to assess deontological evaluations. Deontological moral philosophers believe that individuals have moral obligations such as fidelity, gratitude, and self-improvement that influence behaviour (DeConinck & Lewis, 1997). Individuals who are highly driven by deontological norms in their perceptions and judgement take no regard of the consequences of an action. The ethical judgement is performed in relation to deep-rooted principles and norms they strongly believe in. The world of Kantian ethics is more black and white and less grey.

Teleological approach

The teleological approach is a normative approach that deals with the proper processes of rational debate that are necessary to arrive at a resolution of ethical questions (Fisher & Lovell, 2003). Teleological theories focus on the consequences of those actions or behaviours. Compared to deontological theories which are concerned with the inherent righteousness of a behaviour or action, teleological theories are concerned with the amount of good or bad embodied in the consequences of the behaviour or action (Vitell, Nwachukwu & Barnes, 1993).

Individuals who use the teleological approach in their ethical judgement analyse and evaluate the consequences of their own actions and act taking into consideration the consequences. The teleological evaluation is believed to involve the following constructs: (1) the effect of the individual's behaviour for various stakeholder groups (e.g., customers and employers); (2) estimating the probability that the consequences will occur for the stakeholders; (3) evaluating the desirability or undesirability of each

consequence; and (4) analysing the importance of the stakeholder groups (DeConinck & Lewis, 1997).

Both deontological evaluations (the inherent rightness or wrongness of the behaviours) and teleological evaluations (the consequences of the behaviours) influence ethical judgements (Rallapalli, Vitell & Barnes, 1998). Rallapalli, Vitell and Barnes (1998) examine the influence of norms on ethical judgements and intentions; in particular, they investigate deontological norms and their influence on marketer's ethical judgements and intentions. The study reveals that ethical judgements and intentions are influenced by both marketers' deontological norms (e.g. honesty and integrity, moral obligations) and teleological evaluations (i.e. personal evaluations on potential consequences of the behaviours).

DeConnick and Lewis (1997) refer to Hunt and Vitell's (1986) 'general theory of marketing ethics' to explain how an individual makes a decision when confronted with an ethical problem, involving both deontological and teleological evaluations of the situation at hand. See Figure 13 below.

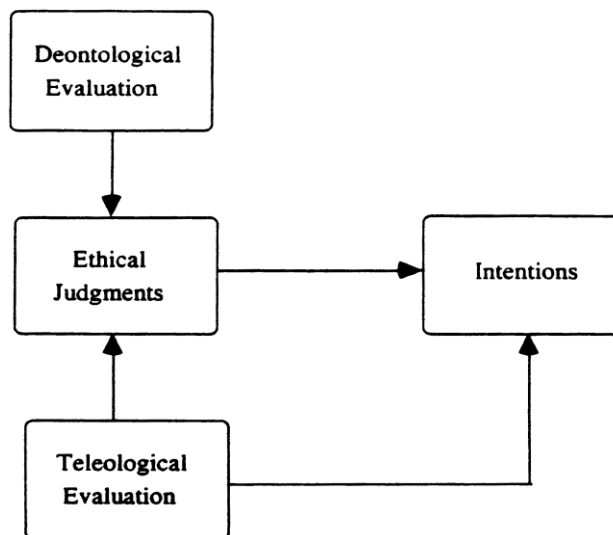


Figure 13: Theory of ethics: Core relationships

According to this theory, a person must first perceive that an ethical situation exists before examining possible solutions to resolve the ethical dilemma. If an ethical problem is perceived to exist, the individual then evaluates various alternatives to resolving the ethical problem (Hunt & Vitell, 1986).

Moral intensity

Previous research suggests that managers do not view moral issues generically but respond to moral issues by type of issue (Fritzsche & Becker, 1983; Singer, Mitchell & Turner, 1998; Weber, 1990). Jones (1991) recognises this situation in his discussion of moral intensity.

Jones's (1991) model includes six factors that collectively determine the moral intensity of moral issues: (a) proximity, involving the feeling of nearness (social, cultural, psychological, or physical) that individuals have for those involved in or affected by an action; (b) the magnitude of the consequences; (c) social consensus regarding the morality of the behaviour; (d) the probability that the act will cause harm; (e) the temporal immediacy of likely consequences; and (f) the concentration of effect (great harm to few people is more concentrated than slight harm to many people) (Franke, Crown & Spake, 1997). Franke et al. (1997) also suggest that moral intensity is likely to vary across behaviours.

Ziegenfuss and Martinson (2002) studied the ethical perception and judgement of members of the USA Institute of Management Accountants (IMA). The paper also examined the relationship between IMA members' personal ethical philosophy, corporate ethical values, age, and certification, and IMA members' ethical perception and judgement. The study found only weak associations among IMA members' ethical perception and judgement and personal ethical philosophy, corporate ethical values, age and certification. Interestingly, a significant statistical relationship was found to exist between IMA members' rating of IMA code of ethics and their perception and judgement.

McDonald and Nijhof (1999) develop a framework for implementing an ethics programme as this may stimulate morally responsible behaviour in organisations and can be combined with a code of ethics to try to increase the ethics in the employees' actions and behaviour. They propose that for an organisational programme to be effective, five dominant conditions are necessary: awareness of formal organisational goals and corresponding informal norms, suitable procedures for decision-making,

correct distribution of resources, presence of necessary skills, and personal intentions for ethical behaviour. Thus, organisational elements within codes of ethics have a great importance if brought together with other individual, personal values and intentions to generate ethical behaviour in the organisation (McDonald & Nijhof, 1999).

In a study conducted by Harris (1990) within a business context, the respondents were rather unsure in their perception of the organisation's and professional associations' influence on their values. Sales/service persons frequently felt pressured to modify their values in order to achieve company goals (Harris, 1990).

The conflict between personal values and organisational values has been studied in the literature. The following sub-section provides an overview of some of these studies.

Individual versus organisational values

As discussed before, individual values are a set of normative beliefs about what constitutes right and wrong and proper standards of conduct (Nystrom, 1990) and they are considered to influence the individual's behaviour (Fritzsche, 1995; Gao, 2007). Research into values differentiates between studies on personal and organisational values (Agle & Caldwell, 1999; Akaah & Lund, 1994; Gao, 2007; Parkes, Bochner & Schneider, 2001; Posner & Schmidt, 1992, 1993; Sinclair, 1993; Sullivan, Sullivan & Buffton, 2001; Wallace, Hunt & Richards, 1999).

Organisational values can be defined as *'the principles by which organisations live'* (Sullivan et al., 2001, p. 248). They are *'the organisation's essential and enduring tenets'*, a set of general guiding principles (Collins & Porras, 1998, p. 73).

Both personal and organisational values have been found to have a significant influence on organisational decision-making (Fritzsche, 1991; Schmidt & Posner, 1982). Organisational members are known to share the values of their organisations, and as such, the organisational values are seen as important in providing a sense of direction for members in making choices among conflicting options and viewpoints (Trevino, 1986).

Research on organisational values has a long-established literature, but received increased attention in the literature with the introduction of the term 'organisational culture' by Pettigrew in 1979 (Agle & Caldwell, 1999). Organisational culture is recognised as being highly related to values (Pettigrew, 1979). Broms and Gahmberg (1983) define organisational culture as '*the collection of central values hidden in the shared myths and symbols of that domain [organisation]*' (p. 482). Deal and Kennedy (2000) and Schein (1992) discuss culture as the existence of shared meanings, beliefs, and values, with values at the core, and Liedtka (1989a, 1989b) and Tichy (1983) defined organisational culture as shared values (Deal & Kennedy, 2000; Liedtka, 1989a; Liedtka, 1989b; Schein, 1992; Tichy, 1983).

Schein (1992) defines organisational culture as:

'A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way you perceive, think, and feel in relation to those problems' (p. 12).

He is not only defining the organisational culture as shared values and beliefs but is also acknowledging the importance of using these set of values in a common way throughout the organisation, and talks about the need for a universal and valid set of assumptions / values that can successfully be used in solving organisational problems.

In the literature, situations are discussed in which personal and organisational values differ and can come in conflict. Liedtka (1989b) focuses on individual managers making decisions in an organisational context and the value conflicts they are faced with, examining the interplay between individual and organisational values. A model of 'value congruence' is proposed (Liedtka, 1989b). It is recognised that organisational values dictate the selection of organisational goals which, in turn, shape the criteria through which all decisions are being evaluated. At the same time, they provide a platform in determining how individuals / employees define organisational problems when they arise. When conflict does not exist between personal and organisational

values, individuals accept the latter, perhaps even unconsciously, as Liedtka (1989b) states.

Frequently, individuals rely upon pre-determined 'scripts' (Weick, 1979; cited in Liedtka, 1989b). Weick (1979) argues that 'scripts', rather than independent thought, are used to guide behaviour and define the problem and select the appropriate 'script', relying on cues received from the organisation. However, when a conflict arises between value systems, the use of these scripts is disrupted, the issue of values then becomes more evident and individuals return to their personal value systems (Weick, 1979).

Weick's (1979) idea of 'scripts' has since evolved into a vein of research that discusses the need for such 'scripts', codes of ethics – a prescribed set of guidelines and principles that assist ethical behaviour – to provide a common ground in terms of organisational values. Robertson and Schlegelmilch (1993) argue that the idea of writing down corporate values and norms as an ethical code has become increasingly popular in different organisations, but particularly in larger organisations (cited in Marnburg, 2000). However, it is believed that the simple existence of a code is not sufficient (Valentine & Barnett, 2002, 2003; Webley & Werner, 2008). Valentine and Barnett (2002, 2003) suggest that codes of ethics are unlikely to influence the employees' behaviour unless they have a certain influence on the employees' perceptions about the ethical values of the organisation. Codes of ethics have been discussed in more detail in Section Two.

Similarly, when examining and discussing the 'image theory', Beach (1998) argues, that when there is a lack of congruence between personal and organisational values, the strongest self-image prevails – where self-image consists of principles that dictate which goals the decision-maker pursues, who one is as an individual and what he/she will regard as appropriate and comfortable for themselves' (Beach, 1998). The more universal the understandings (of shared values and beliefs) are among individuals / employees, the stronger the organisational culture. Contrastingly, a weak culture lacks this and the individuals' values and beliefs are more spread.

The value congruence model proposed by Liedtka (1989b) analyses the contention and congruence within and between personal values and the values held by the organisational culture. See Figure 14 below.

	Organizational Values	
	Consonant	Contending
Contending Individual Values	I	II
Consonant	III	IV

Figure 14: Model for value congruence

Situations of conflict between individual and organisational values appear within quadrants I and II. As explained by Liedtka (1989b), in quadrants I and II, the individual is in internal disequilibrium, experiencing ‘mixed emotions’ about the decision under consideration. Contending values create internal conflict and cause people to use non-scripted thought, and often struggle, to determine the right course of action. They sometimes refer to others for guidance.

In quadrant I, when there is a strong corporate culture that provides a ready reference group, compliance with organisational values is expected. In quadrant II, the organisation itself is also experiencing value conflict, generating confusion and sending mixed messages to its employees. Without a unified corporate value system that can serve as guidance, individuals would more likely be open to group influence.

Quadrant III is characterised by absence of conflicts, while in quadrant IV strongly held individual values assist decision-making when mixed corporate messages exist. The individual returns to a state of internal equilibrium but must deal with contending organisational values. For this reason, it is suggested that *‘the behaviour fostered by this muddled organisational message might be reflected in the opportunism of those who indulge, with little apparent sense of wrong-doing, in insider trading, abetted in their pursuits by organisations whose espoused codes of conduct differ from those actually in use’* (Liedtka, 1989b, p. 808).

Similarly, the study conducted by Harris (1990) showed that in an organisational context, conflicts between individuals / employees values and company goals can occur. The results showed that employees were relatively hesitant in their perception of the organisation's and professional associations' influence on their values. Not surprisingly, sales / service people frequently felt pressured to modify their values in order to achieve company goals.

Further, the term 'person-organisation fit' has been used to describe the congruence between individual and organisational goals, along with individual preferences or needs and organisational systems or structures, and individual personality and organisational climate (Kristof, 1996; cited in Parkes et al., 2001). However, most research on person-organisation fit has been concerned with the similarity between individual and organisational values, or person-culture fit (Cable & Judge, 1996, 1997; Chatman & Jehn, 1994; Meglino & Ravlin, 1998; O'Reilly, Chatman & Caldwell, 1991; Parkes et al., 2001).

Sullivan (2001) also discusses the role of values in driving behaviour and explains how values can contribute to organisational change – by aligning the values of the people in the organisation and those of the organisation itself, it is argued that rapid change can occur.

Wallace, Hunt and Richards (1999) studied the relationship between the organisational culture, climate, and managerial values and makes reference to a study by Posner and Schmidt (1992) who also differentiate between personal and organisational values. Following on the findings of an empirical study, Wallace et al. (1999) develop a predictive model of linkages between organisational and managerial values and behaviour. See Figure 15 below.

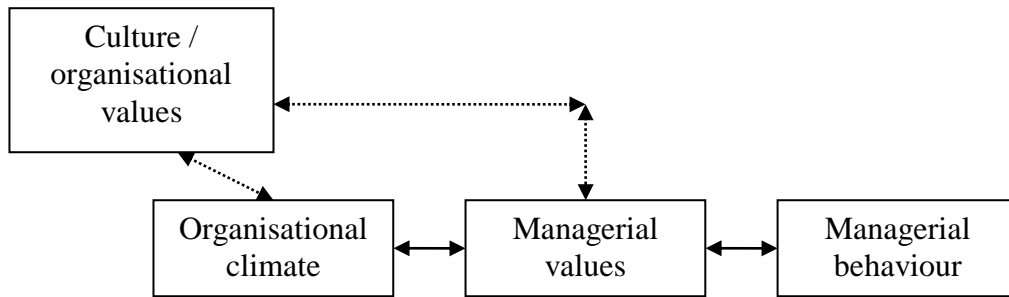


Figure 15: Relationship between culture, organisational climate, managerial values and behaviour

Hofstede (1989) differentiates between the value components of culture at the occupational, organisational and national levels. He argues that these different value sub-sets provide areas of value congruence, in which individual values coincide with values held by others at either the organisational or national level.

In the literature, a stream of research has been devoted to not only defining, but also measuring organisational values in an attempt to identify the key values that have an impact in an organisational context. A number of initial studies have developed several value dimensions, and have demonstrated their relationship to aspects of managerial behaviour (Davis & Rasool, 1988; Hughes & Flowers, 1978; Huo & Randall, 1991; Woodcock & Francis, 1989). Hughes and Flowers (1978) identified a comprehensive set of 12 discrete organisational values (power; elitism; reward; effectiveness; efficiency; economy; fairness; teamwork; law and order; defence; competitiveness; and opportunity). Interestingly, ethics and moral values were not part of this list at the time.

More recently, with the increased awareness of ethical and moral issues in the context of organisations, research has been undertaken in an attempt to identify and define the organisation culture's role in creating and maintaining an ethical environment. As Sinclair (1993) states, organisational culture is recognised as one determinant of how people behave, more or less ethically, in organisations. Organisational culture is examined here as a mean for improving ethics in organisations; two models are discussed and evaluated. Similar to Beach (1998), first Sinclair (1993) looks at the approach of a strong culture, a culture in which the organisation is seen as a whole with goals and interests independent of its members, a unitary cohesive culture that

encourages adherence to acknowledged and enforced standards. The risk here is that values and norms become so entrenched that self inspection is not necessary and therefore it does not necessarily generate morality. The second is the sub-cultural approach (Sinclair, 1993), a shifting coalition of people who agree to participate in a relationship to progress their individual interest. The organisation's management has the task of supporting the existence of various subcultures and to encourage individual processes of self-inspection, critique and debate of different values. Although this debate takes place in an organisational context, it ultimately relies on individual, rather than institutional processes, to produce better ethics.

The literature highlights the importance of shared individual and organisational values and beliefs (Brown & Duguid, 1991; Davenport & Prusak, 1998). Meglino and Ravlin (1998) examine the similarities between individual and organisational values and argue that there is no necessary reason that shared values should result in enhanced organisational performance unless the values also encourage behaviours that are appropriate for the performance of the particular task to be achieved.

Concurrent with research on trust and values, a new vein of research places a significant role on reputation. More scholars are now interested in corporate reputation as a variable that has an important role in business relationships. The following sub-section discusses the concept of reputation and the way reputation is perceived to generate good business relationships.

2.10. REPUTATION

In recent years, a large interest has been shown to the concept of corporate reputation. However, as stated by Barnett et al. (2006) a precise and commonly accepted definition of reputation is still lacking in the literature. They argue that perhaps this lack of "one vision, one voice" exists because of the apparent confusion that exists in the literature around the concepts of corporate identity, image and reputation. Gotsi and Wilson (2001) identify two schools of thought: the Old School of Thought which regards the two concepts as identical and the Modern School of Thought which regards image and reputation as two distinct concepts, albeit in a dynamic and bilateral relationship.

Barnett et al. (2006) attempt to analyse, evaluate and clarify prior definitions of reputation. They provide an overview of definitions of reputation and a lexicology analysis of the concept. They propose a new definitional statement. Terms used in defining the concept have been examined. These terms are categorised as assets, assessments, and awareness of the concept.

Some of the most relevant terms within the three categories are:

- (a) Asset – an intangible resource; a valuable but fragile intangible asset; quality of products or services; and long-term investment asset.
- (b) Assessment – judgement of firm’s effectiveness; evaluation of a firm; assessment based on perceptions; aggregate assessment of a firm’s performance; beliefs about what distinguishes a firm; and the evaluation of what a company does.
- (c) Awareness – individual perceptions and interpretations; a collective representation of a firm’s past actions and results; the corporate image over time; set of knowledge and emotions; perceptions of an organisation developed over time; reflects the history of past actions; and the corporation’s values.

Using these terms, Barnett et al. (2006) define corporate reputation as ‘*observers’ collective judgments of a corporation based on assessments of the financial, social, and environmental impacts attributed to the corporation over time*’ (p. 34).

The definition is also the result of a closer look at concepts like corporate identity and corporate image. A corporate reputation model is developed in which corporate identity (a collection of symbols) and corporate image (a set of impressions of the firm conduct) lead to corporate reputation (judgements of observers) and further, to generating the corporate reputation capital (an economic asset).

Similarly, a model of corporate identity / reputation was developed by Bendixen and Abratt (2007). Here the interest is particularly in the factors that lead to good supplier – buyer relationships. Reputation is defined as ‘*a value judgement about the company’s attributes and evolves over time as a result of consistent performance. [Reputation]... is*

determined by the signals that interest groups receive concerning its behaviours, whether directly or via other information channels' (Bendixen & Abratt, 2007, p. 70). The authors question the role of ethics and ethical behaviour in creating a good reputation. The results of their study show that the existence and implementation of formal codes of ethics was found to be a necessary, but not sufficient condition for good ethical practice. Candid relationships with suppliers emerged as an important factor. Ethical perceptions of buyers by suppliers are driven by the management of corporate identity, through the elements of ethical standards and candid relationships. Wilson (1995), in a review of research on buyer–seller relationships, states that the domain of buyer-seller relationships appears to share, to a large extent, a common set of constructs – trust, commitment, adaptation, reputation and relationship history (i.e. length of the business relationship).

It is also stated that ethical issues and personal values always influence such transactions and will have an influence on the reputation of the parties involved. In relation to reputation, Bendixen and Abratt (2007) examine other literature that looks at trust as a concept that generates good business relationships. They state that a relationship deemed to be trustworthy is one in which a partner is more likely to make a long-term commitment. Trust in a business partner builds gradually over time – this creates the conditions under which commitment develops (Turnbull, Ford & Cunningham, 1996). Achrol (1997, cited in Bendixen & Abratt, 2007) notes that many business decisions superficially based on “trust” may in fact be judgements related to the reputation or history of an organisation. Reputation is seen here as an overall cognitive impression of an organisation that has been formed over time (Achrol, 1997; Gotsi & Wilson, 2001). This cognitive impression is based on the organisations’ image, which is the immediate impression of an organisation (Bick, Jacobson & Abratt, 2003). Reputation, on the other hand, is *‘a stakeholder’s overall assessment of the ability of the organisation to meet defined criteria (set by the stakeholder), such as integrity’* (Bick et al., 2003, p. 841). The image and reputation of an organisation is therefore seen as the reflection of its corporate identity. The authors contend that the buyer–supplier relationship, together with the ethical values behind that relationship, is key to corporate identity management, and represent an important part in the development of organisation’s reputation.

The model developed by Bendixen and Abratt (2007) in Figure 16 below proposes that the management of corporate identity, through ethical standards and candid business relationships, drives the ethical perceptions of buyers by suppliers. Relationship marketing is seen as an important strategy for improving corporate reputation. As stated, the authors maintain that for good ethical practice to exist, codes are a necessary but not sufficient condition. In addition to such codes, candid business relationships are a prerequisite that enable good practice.

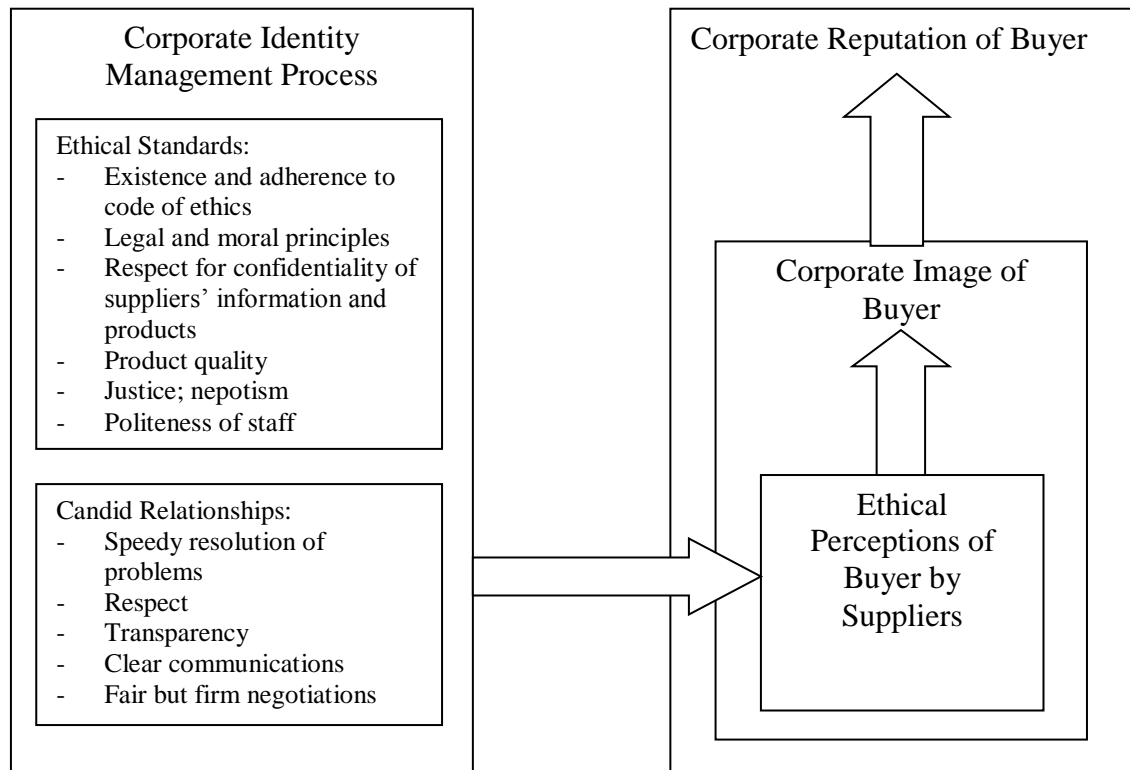


Figure 16: Corporate identity / reputation model in buyer-supplier relationships

Figure 16 reflects the view that high ethical standards, which include the existence and adherence to a code of ethics and define who the organisation is (its identity), and honest / open relationships, which lead to good business relationships influence ethical perceptions of partners in a business relationship. These ethical perceptions further lead to the formation of organisational image and, hence, reputation.

Whitmeyer (2000) studies reputation and maintains that reputation can be defined as *positive* and *negative*. A *positive* reputation exists when specific attributes attached to a person or organisation signal that they are more likely to be desirable in business

interactions than those who do not possess the attributes. These attributes can be credentials, awards, and professional certifications or accreditations (for example in the marketing research industry, the MRSNZ accreditation and membership). A *negative* reputation signals the opposite. Previous research has shown that reputation has an important role in social phenomena involving trust (Whitmeyer, 2000). Reputation is seen here as information about a potential business partner regarding that partner's likelihood of carrying out certain behaviours in the future. Reputation is therefore important because it informs the formation of trust.

Similarly, Fombrun and Van Riel (1997, p. 10) propose that reputation is a '*subjective, collective assessment of an organisation's trustworthiness and reliability*' based on past performance. The historical dimension of reputation through long-term relationships is emphasised (Fombrun & Van Riel, 1997; Herbig & Milewicz, 1996).

Along with other concepts that have been associated with reputation in the literature – such as trust, trustworthiness, commitment, performance, reliability, relationship history – credibility is seen to be critical to the concept of reputation (Herbig & Milewicz, 1996). Credibility is the '*believability of an entity's intentions at a particular moment in time, the trustworthiness or the extent of confidence in the source's actually carrying out its intentions. That is, credibility is whether a company can be relied on to do what it says it will do*' (Herbig & Milewicz, 1996, p. 21).

Reputation and its adjacent constructs are therefore seen to influence business relationships. Professionals and / or organisations with a positive reputation are more likely to be perceived as trustworthy and credible individuals / businesses.

Section Summary

- Trust has been identified as a key factor in good business relationships; a wide interest has been shown in the concept of trust in various disciplines (i.e. sociology, psychology, ethics, organisational and business studies).
- Studies in social sciences, such as sociology and psychology, examine the uncertainty and risk factors involved in an exchange and transaction between the trustor and the trustee. Both sociology and psychology studies address the concept of interpersonal trust developed through its two dimensions: cognitive (i.e. reliability, integrity, honesty) and affective (personal relationships, openness, mutual help).
- An interdisciplinary approach is often used in social sciences, social and business ethics studies where the concepts of trust and distrust are discussed and analysed in organisational settings.
- Organisational and business studies on trust draw from social science theories and the sociological conceptualisation of trust, examining the meaning and significance of personal trust (also known as interpersonal – trust developed between two people) and impersonal trust (also known as organisational trust – trust in organisations). These studies suggest that personal trust is more valued than impersonal trust, albeit they can be interdependent.
- The main dimensions of trust have been identified and examined in the literature. They are credibility and trustworthiness (through accreditation, expertise, competence, and reliability), goodwill, integrity, openness, reliability, and confidentiality.
- Trust between two parties is often reliant on rules and norms (e.g. ethical codes) governing relationships.
- Trustworthiness is determined by the person's or organisation's expertise, competence and reliability. Reputation and quality standards can be used as signals of trustworthiness. The attributes of a positive reputation are credentials, awards, professional certifications and accreditations.
- Ethical standards and candid relationships are seen to generate good business relationships. The constructs of such relationships are: trust, reputation and the relationship history. Ethical issues and personal values influence these transactions and have an influence on the reputation of the parties involved.

- Personal values and beliefs are seen to influence one's perceptions, judgements and therefore personal ethics. People in organisations with a clear ethical dimension (e.g. the presence of a code of ethics) are expected to have a better attitude toward ethical issues. Differences in behaviour could also be explained by individuals' different personal values.
- People respond to ethical issues by type of issue hence they can perceive differently the moral intensity of a specific ethical dilemma. An increased awareness of formal and informal organisational norms (including ethical norms such as codes) can stimulate morally responsible behaviour.
- Organisational values act as a platform for behaviour – i.e. employees rely on organisational rules and norms to guide their behaviour. However, when these are in conflict with individual values, individuals return to their personal value system.

2.11. LITERATURE REVIEW SUMMARY

The literature review reveals the following main points:

- Studies on ethical codes and ethics in marketing research place themselves within normative ethics, a mode of inquiry into business ethics. Fewer descriptive studies have been undertaken around ethical codes, in particular describing how they are used and what their effects on professionals' ethical behaviour are.
- In marketing research ethics, a wide literature has focused mainly on the dyadic relationship between respondent - marketing research practitioner. From an ethical perspective, fewer studies have examined the relationship between practitioner and client. To date, no studies have examined the New Zealand marketing research industry and ethical issues faced by New Zealand marketing research practitioners, particularly tools (e.g. ethical codes) they use in ethical decision-making in their relationships with clients.
- Codes of ethics – organisational or professional codes – can be defined as a written, formal document which consists of ethical guidelines and principles used to guide individual and organisational behaviour.

- Codes of ethics are prevalent around the world particularly in large organisations; in New Zealand, a small number of studies have examined the use of codes by New Zealand organisations – it has been found that New Zealand organisations give low priority to ethics; studies investigating the use of codes of ethics in marketing research organisations are scarce.
- Codes of ethics have been identified as an organisational factor which influences ethical decision-making behaviour. However, although the use of codes of ethics is perceived to lead to ethical behaviour, there is no agreement in the literature as to how useful and effective codes of ethics are.
- Individual factors (such as personal values, ethical perceptions and judgements, moral intensity, and inter-personal trust) appear to have a key role in ethical decision-making. Other organisational factors (such as organisational values, ethical standards, inter-organisational trust, and reputation) are seen to enable good business relationships.
- Nevertheless, the effectiveness of codes of ethics in inter-personal relationships between marketing research practitioners and their clients has yet to be established through descriptive ethics.

The above literature review forms the basis upon which the conceptual framework and research questions to be discussed in Chapter Three are designed.

CHAPTER THREE – CONCEPTUAL FRAMEWORK AND RESEARCH QUESTIONS

This chapter presents the conceptual framework development of this thesis. Specifically, it discusses the different levels of analysis depicted in the literature survey presented in detail in Chapter Two, and the linkage between the various variables and constructs. Finally, on the basis of the proposed conceptual framework, the research questions for this study are designed and presented.

3.1. DIFFERENT LEVELS OF ANALYSIS WITHIN THE LITERATURE

As discussed in the previous chapter, much of the literature on codes of ethics has focused on the normative aspects of business ethics with fewer descriptive studies on how ethical codes are actually used and what effects they have on behaviour, particularly in business relationships such as those between marketing researchers and their clients.

As seen in the literature review, the use and utility of codes of ethics have been studied from several approaches and at times present contradictory or incomplete findings. In the previous chapter, three different levels of analysis were identified within the existing literature on codes of ethics that may shed some light on the reasons for this current lack of agreement. First, some research examines the use of codes of ethics mainly at the industry / organisational level; second, a body of research examines the inter-relationship between codes of ethics and individual / practitioner ethical orientations; third, a smaller amount of literature has focused on how codes of ethics affect interpersonal relationships (or what may be termed ‘the relationship level’). Figure 17 outlines the different streams of literature that were identified. Little research has examined how codes of ethics are practised in the workplace and their effects on the working environment and on relationships between researchers and clients. Studies that do so via empirical rather than conceptual work are very scarce. Instead, the majority focus on the use and implementation of codes of ethics at the industry level and the codes of ethics perceptions and impact on ethical behaviour at the individual level.

Within this three-level framework, the literature survey now reviews the literature, including additional research that this approach highlighted.

At the industry / organisational level, studies suggest that important steps are being taken by some organisations to incorporate business ethics and ethical values in their daily operations (Pajo & McGhee, 2003). Studies investigate ethical codes' existence, enforcement and use, as an organisational factor seen to affect behaviour (Ferrell et al., 1998; Pajo & McGhee, 2003; Schlegelmilch & Houston, 1989; Ziegenfuss & Martinson, 2002). In particular, Ferrell et al. (1998) analyse the existence, enforcement and awareness of codes of ethics within marketing research organisations. Familiarity and awareness of ethical codes has also been studied (Chonko et al., 2003; Ferrell et al., 1998; Valentine & Barnett, 2003). Another strand of research on codes examines the content and functions of codes of ethics (Brinkmann & Ims, 2003; Doig & Wilson, 1998; Oliver, Kearins & McGhee, 2005; Schwartz, 2001). Other researchers have examined perceptions and attitudes towards codes of ethics (Fisher, 2001; Schlegelmilch & Houston, 1989; Singhapakdi, 1999; Valentine & Barnett, 2002). There have been several attempts to examine and describe the efficiency and effectiveness of ethical codes at the organisational level (Doig & Wilson, 1998; Glenn & Van Loo, 1993; Kaptein & Schwartz, 2008; Lee & Yoshihara, 1997; Marnburg, 2000; Webley & Werner, 2008; Weller, 1988; Wotruba, Chonko, & Loe, 2001). Views on codes' effectiveness differ among scholars, however, there is no agreement in the literature as to how useful and effective codes of ethics are (Grundstein-Amado, 2001).

Schwartz (2001) examines the relationship between corporate codes of ethics and behaviour, suggesting ways in which codes of ethics are perceived by employees and managers in organisations, but accepts that codes of ethics and their influence on behaviour have to be studied more fully. Somers (2001) also analyses the relationship between codes of ethics, employee behaviour, and organisational values, with particular emphasis on attitudes. Somers notes that future research focused on clarifying the dimensions of the context in which ethical codes operate and on understanding the processes embedded in this context seems highly desirable. As argued by Alam (1999), organisational values, codes of ethics and individual ethics could conflict – see also Lietdka (1989a; 1989b), Beach and Mitchell (1998) and Harris (1990).

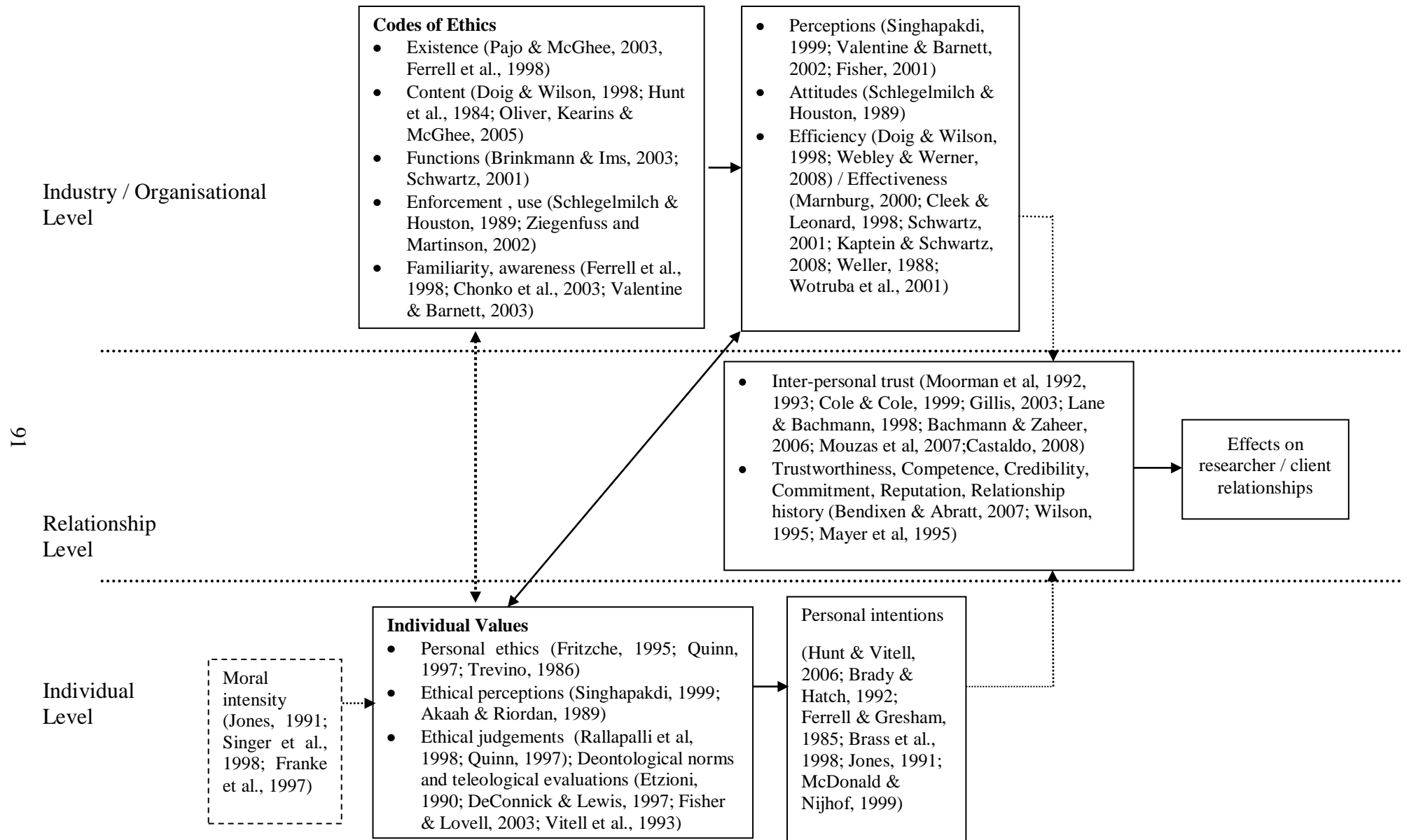


Figure 17: Dimensions for analysing and evaluating the effectiveness of codes of ethics and ethical behaviour in researcher/client relationships

At the individual level, different scholars analyse marketing researchers' perceptions and judgements, as individual factors seen to affect behaviour (Rest & Barnett, 1986; Trevino, 1986; Trevino & Nelson, 2006). Akaah and Riordan (1989) analyse ethical issues in marketing research with the aim of describing and analysing marketing practitioners' judgements about ethical issues.

The inter-relationship between the level of perception of the ethical codes within firms and individual behaviours is highlighted under this approach. There are few studies that reflect the opinion that a marketing professional's perception regarding the importance of ethics and social responsibility seems to influence his or her ethical intention in a positive way (Singhapakdi, 1999). Moreover, it seems that the intensity of a moral issue has a certain impact on perceptions and intentions. The different aspects of moral intensity, such as the magnitude of consequences, proximity, and the concentration of effect, would influence positively the marketer's ethical perceptions and intentions (Singhapakdi, 1996).

On the other hand, at the individual level, Rallapalli, Vitell and Barnes (1998) examine the influence of norms on ethical judgements and intentions, specifically the influence of marketer's deontological norms on their ethical judgements and intentions. The results show that marketers' ethical judgements and intentions are influenced jointly by their deontological norms (e.g. honesty and integrity, moral obligations) and teleological evaluations (i.e. personal evaluations of potential consequences of the behaviours). Both deontological and teleological evaluations are seen to influence ethical judgements and, hence, personal intentions (DeConinck & Lewis, 1997; Hunt & Vitell, 1986).

Cleek and Leonard (1998) suggest that codes of ethics are not influential in determining the individual's ethical behaviour. Their research leads to a closer examination of general individual ethical orientation, and the factors that influence it. Studies reflect the idea that moral intensity has a significant influence on perceptions and intentions. It is suggested that a person has to first perceive that an ethical conflict exists before considering possible solutions (Hunt & Vitell, 1986). Jones's (1991) construct of moral intensity was created as a basis to explain whether a situation poses an ethical problem

– the study presents an exploratory analysis of the complexity of the determinants of ethical behaviour such as: social consensus; the concentration of effect; the degree of temporal immediacy; and the proximity and magnitude of the consequences. Following Jones, studies have considered moral intensity as crucial in ethical judgements (Singer, Mitchell, & Turner, 1998; Singhapakdi, Vitell, & Kraft, 1996).

Studies that focus on the relationships level include that by Moorman, Zaltman and Deshpandé (1992), who explore the relationships between providers and users of marketing research. Here, the role of trust in relationships and the effects of trust on relationship processes and research utilisation are examined. The results suggest that trust does not have the strongest direct effect on research utilisation. However, trust's effects are achieved primarily through critical indirect effects on quality of interaction and researcher involvement levels, suggesting that trust facilitates these relationship processes, which in return encourage research utilisation. In a subsequent study, Moorman, Deshpandé and Zalman (1993) propose a comprehensive theory of trust in marketing research relationships – it is suggested that inter-personal factors (as opposed to organisational and/or inter-organisational factors) are the most predictive of trust. Factors such as perceived researcher integrity, confidentiality, expertise, congeniality and timeliness have been found to be strongly associated with trust. Similarly, Gillis (2003) also attempts to describe and measure trust through competence, openness / honesty, concern, identification and reliability.

Trust is a complex concept that has been analysed from various angles in the literature which has led to a lack of clarity and confusion around the concept (Castaldo, 2007). However, there is a rich research vein on the role of trust in business relationships and the adjacent constructs; a detailed discussion of this has been presented in Chapter Two of this thesis (see Section Three). In a business context, trust has been discussed through two different types of relationships – inter-personal and inter-organisational relationships (Mouzas et al., 2007); these types have been identified by others as personal versus impersonal trust (Luhmann, 1979, cited in Lane & Bachmann, 1998; Giddens, 1990). It is argued that an emotive aspect of trust can be attached to inter-personal relationships, whereas 'reliance' is characteristic of non-person based relationships such as an inter-organisational relationship. Mouzas et al. (2007) suggest that the origin of trust lies in individuals, and that individuals, not organisations, trust

each other. Interestingly, in contradiction, Luhmann states that impersonal trust guarantees inter-personal trust. In either case, trust is perceived as a pivotal aspect of business relationships (Castaldo, 2007; Morgan & Hunt, 1994).

There are several adjacent constructs of trust discussed in the literature. Inter-personal trust in business relationships builds over time, along with trustworthiness (Lane, in Lane & Bachmann, 1998). Trustworthiness is defined by a person's skills and competencies, goodwill and integrity (Mayer et al., 1995). Both trustworthiness and expertise are seen to be significant factors leading to credibility (Mayer et al., 1995). Another adjacent construct is reputation – reputation coupled with quality standards are perceived to signal the organisation's trustworthiness (Lane & Bachmann, 1998). At the relationships level, studies on reputation have focused on the set of constructs that define and lead to good business relationships. These are: trust, commitment, reputation, performance, and relationship history (Bendixen & Abratt, 2007; Wilson, 1995). In particular, Bendixen and Abratt (2007) question the role of ethics and ethical behaviour in creating good reputation – the existence and implementation of formal codes of ethics was found to be necessary but not sufficient for good ethical practice; rather, candid business relationships are found to play a significant part. They argue that ethical issues and personal values have always an influence on business transactions and relationships and therefore affect the reputation of the parties involved.

Trust and its adjacent constructs (i.e. trustworthiness, credibility, and reputation) are therefore seen to influence business relationships. However studies like the ones discussed above are rare and further clarification is needed as to what kinds of instruments enhance the quality of business interactions from an ethical perspective.

The question arises as to whether codes of ethics make a difference for the relationship between marketing researchers and users of marketing research. A number of studies focus on the use of codes of ethics as an instrument for establishing legal norms and procedures designed to improve the ethical conduct within the organisations (Ferrell & Skinner, 1988; Hunt et al., 1984; Oliver, Kearins & McGhee, 2005; Segal & Giacobbe, 2007; Webley & Le Jeune, 2005). But more clarification is required around what kind of instruments are promoting and having a significant effect on the quality of interaction between the two parties: client and researcher. Also it is useful to understand what sets

of elements generate trust between parties and an ethical climate to work within. The answer might lie in the definition and analysis of elements of trust (i.e. to be dependable – doing what you have agreed to do within the defined time frame, keeping people informed, keeping confidential information confidential and competently displaying the knowledge and behaviours required to complete job responsibilities (Cole & Cole, 1999). All of these elements of trust (competence / expertise, openness / honesty / integrity, identification and reliability) can be affected by the perception of the norms and standards that exist in an organisation and possibly by the individual ethics of marketing research practitioners.

Summary and placement of this study

As discussed, research on ethical issues in relation to marketing research and the use of codes of ethics and their effects on behaviour have generally been conducted at the industry or organisational levels. Very few studies concentrate on how these codes of ethics are implemented and on their effects on the working environment and relationships between practitioners and clients. For this reason, the few existing studies on the effects of ethical codes do not report consistent findings. The present study builds at the level of analysis of relationships between practitioners and clients as shown in Figure 18 below.



Figure 18: Levels of interests within ethical theory in relation to codes of ethics and their effectiveness

3.2. CONCEPTUAL FRAMEWORK AND RESEARCH QUESTIONS DEVELOPMENT

Following the three-level approach, the literature used to build a conceptual framework has been synthesised in Figure 19. The figure presents the main dimensions and

constructs relating to the role of codes of ethics within practitioner-client relationships. These are important in the development of the research questions of this study and have a foundation in extant literature in business ethics, marketing research ethics, social sciences and organisational behaviour discussed in previous chapters. The resultant framework forms a basis on which to explore the means by which marketing research practitioners solve ethical issues in client relations, with an in-depth analysis of codes of ethics' role highlighted as part of this analysis.

The literature review presented in Chapter Two of this thesis offered the theoretical and empirical justification for the research questions to follow. The fundamental tenets from which the guiding key points and propositions are derived are delineated in the following section. As previously stated, there are three main levels for this study to explore in order to provide a holistic analysis of ethical issues and concerns in the New Zealand marketing research context. Accordingly, the research question development follows the levels of analysis.

At the industry / organisational level, three main dimensions are identified: the code of ethics, organisation's affiliation and organisation's size. Their relevance in the conceptual framework is discussed next. Ethical codes are designed by organisations with the intent to guide behaviour. They are known by different names (e.g. code of conduct, code of practice, operating principles) (Fisher, 2001; Marnburg, 2000; Schlegelmilch and Houston, 1989) and in order to reflect the different variations in names given to codes, a code of ethics is defined here as a written and formal document that includes ethical guidelines to be followed by employees / practitioners and is designed to guide their behaviour and conduct. Although attention in the literature has been given to organisational/corporate codes (Pajo & McGhee, 2003), a distinction is made between an organisational code and a professional code (Kaptein & Schwartz, 2008; Stevens, 1994). A professional code is one developed by professional associations in order to guide respective industry practitioners' behaviour (Stevens, 1994). Codes of ethics are used around the world with a wider prevalence in the United States and Canada (Lindsay, Lindsay & Irvine 1996).

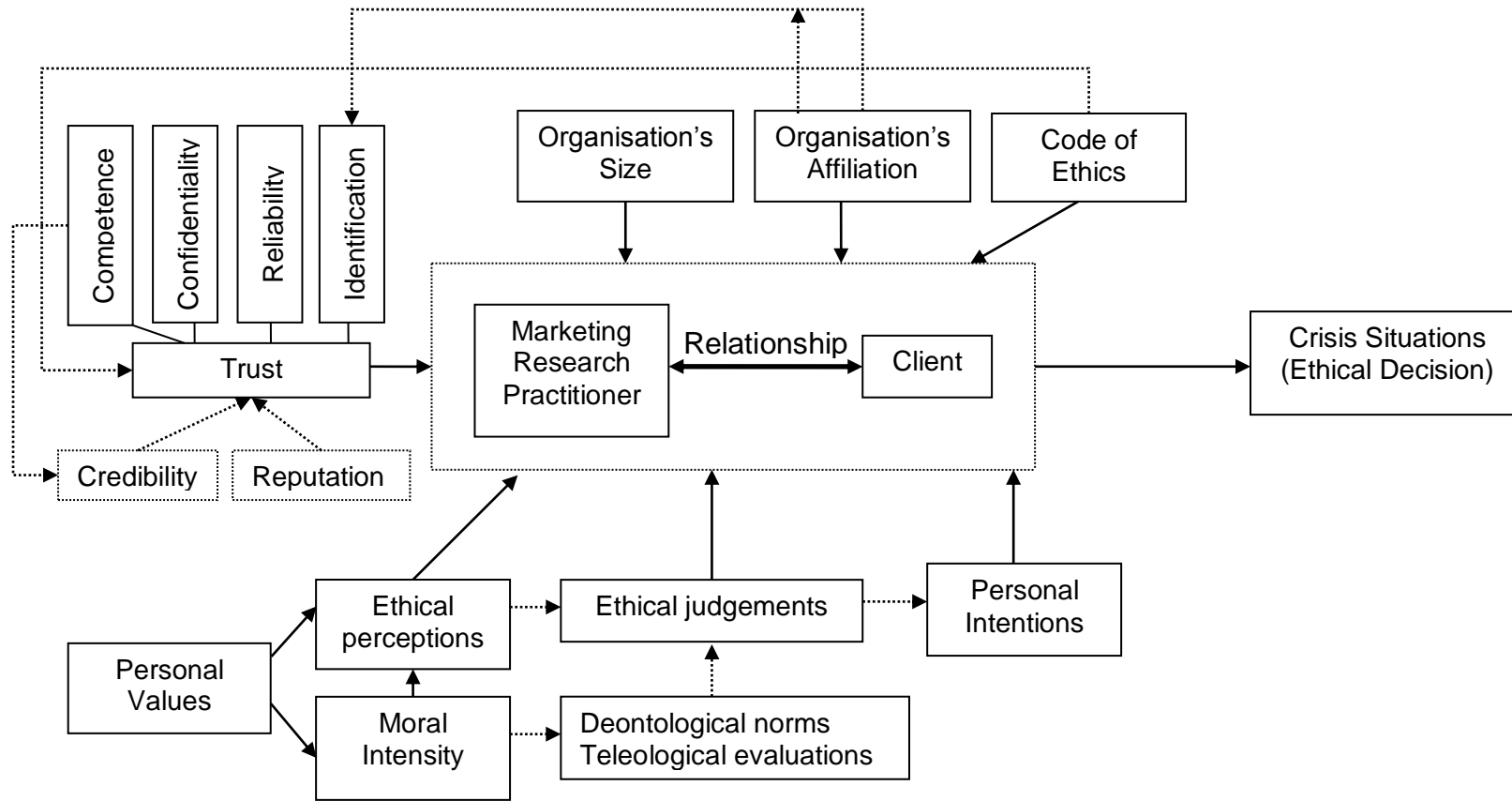


Figure 19: A Conceptual framework on making ethical decisions and solving crisis situations between researcher / client

In New Zealand, organisations are starting to acknowledge the importance of ethical values; despite this, it is suggested that they give low priority to ethics and that ethical standards have declined in New Zealand in the years prior to the relevant studies (Pajo & McGhee, 2003; Alam, 1999). In addition, the literature suggests that it is more common for larger organisations to have a code of ethics (White & Montgomery, 1980; Robertson & Schlegelmilch, 1993); therefore, the size of an organisation is believed to be a relevant aspect in the option to utilise such ethical codes.

New Zealand studies that examined the use of codes of ethics in organisations are rare and those examining the use of codes in the New Zealand marketing research industry are non-existent. For this reason, more research is needed to understand the efforts New Zealand marketing research organisations are making to establish an ethical environment (such as the development and use of codes of ethics) and how are they dealing with ethical issues when they arise. Therefore, at the industry level two main questions need to be addressed. First, what codes of ethics exist in the New Zealand marketing research industry and how are they implemented by organisations? This research question is addressed through a sub-set of research questions that will provide a more complete understanding of use of codes in the New Zealand marketing research industry, as follows:

Research Question One - What codes of ethics exist in New Zealand marketing research organisations and how are they implemented?

- What are the sources and inspiration for New Zealand marketing research organisations' development (or non development) of codes of ethics?
 - What kinds of codes of ethics are New Zealand marketing research organisations developing and adopting?
 - Are the codes clearly stating norms and standards to follow in a written form?
 - How are New Zealand marketing research organisations implementing and enforcing their codes of ethics?
-

Second, the reasons why ethical codes are needed have to be explored. The existence and implementation of a code of ethics is believed to generate an ethical environment in

organisations and use of ethical practices (Ferrell & Skinner, 1988; Oliver, Kearins & McGhee, 2005; Ziegenfuss & Martinson, 2002).

However, studies in marketing research ethics have shown a certain degree of unethical practice taking place in marketing research. These studies are divided into two main areas, depending on the type of dyadic relationship under examination – that is between respondent and marketing researcher, and between client and marketing researcher (Giacobbe & Segal, 2000). Fewer studies have been undertaken in order to examine the ethical issues in marketing researcher-client relationships. Again, in New Zealand there are no studies examining the ethical issues faced by marketing researchers in client relationships. More research can provide an understanding of these issues and also the mechanisms used to come to a resolution when conflicts arise.

The second dimension identified at the industry level is affiliation. The accreditation, hence the affiliation to professional bodies and associations, are attributes attached to a person or organisation. In academic literature it is suggested that these attributes encourage business transactions and interactions with the respective practitioner / organisation and lead to a positive reputation (Whitmeyer, 2000). It is also suggested that accreditation generates impersonal trust, which is trust in the organisation (Pavlou, 2003) and, therefore, credibility within the industry. Credibility, along with trustworthiness is a dimension of trust (Lane & Bachmann, 1998; Pavlou, 2003) and leads to good reputation (Fombrun & Van Riel, 1997).

In the New Zealand marketing research industry, MRSNZ provides the professional endorsement for both marketing research organisations and practitioners. From previous research findings, one would expect that affiliation to MRSNZ enhances marketing research organisations' trust, credibility and reputation in the industry. However previous research fails to identify whether affiliation to a professional body and /or association provides any advantages to its members in terms of better interactions and relationships with clients from an ethical perspective.

Thus, the second research question of this study proposes to provide an understanding of ethical problems faced by New Zealand marketing research practitioners and any difference between members and non-members of MRSNZ.

Research Question Two - What kinds of ethical problems are New Zealand marketing research practitioners facing?

- What are the ethical issues that marketing research practitioners are confronted with in relation to their customers?
 - Is there any difference between the MRSNZ (Market Research Society New Zealand) members and non-members in terms of ethical issues, relations with customers, credibility and trust?
-

At the individual level, dimensions seen to influence the process of making an ethical decision are the researcher's ethical perceptions that generate different ethical judgements; these judgements will then lead to personal – ethical or less than ethical – intentions. Ethical judgements are defined and influenced by the moral intensity perceived – this is expressed by the person's deontological norms, and teleological evaluations made by them (Rest & Barnett, 1986; Hunt & Vitell, 2006; Jones, 1991).

Codes of ethics are seen as an important tool in shaping ethical perceptions and judgements. Academic literature suggests that in order to increase individual moral awareness and ethical behaviour, the use and enforcement of a code of ethics is necessary (Brinkmann & Ims, 2003). Similarly, McDonald and Nijhof (1999) suggest that for an effective ethical organisational programme an awareness of organisational norms is needed. However some research findings suggest that people are aware of the codes of ethics' existence but are not very familiar with their content (Fisher, 2001). Nevertheless, people's understandings and responses to codes are mediating factors between codes and their implementation.

As described in the literature, an ethical code (organisational and / or professional) represents a situational / organisational factor that can influence behaviour (Trevino, 1986; Jones, 1991; Brass et al., 1998). Codes of ethics are perceived as a tool used to create and maintain good and ethical behaviour. Business ethics literature in general and literature in marketing research ethics in particular reflect the interest showed by scholars in specific standards and guidelines designed to lead to individual ethical behaviour, examining the use and role of such norms (Ferrell & Skinner, 1988; Hunt, Chonko & Wilcox, 1984). The ethical decision-making models proposed in the

literature place codes of ethics as a central tool in the ethical decision-making process (Hunt & Vitell, 2006, 1993; Brass et al., 1998; Jones, 1991; Bommer et al., 1987).

However, when confronted with an ethical dilemma people can perceive the ethical issue and respond differently – personal values and beliefs influence people’s perceptions, judgement and therefore behaviour. Those who are part of an organisation with clear ethical guidelines (such as a code of ethics) are believed to behave more ethically (Quinn, 1997), albeit it is also admitted that this difference in behaviour can be attributed to one’s personal values and not necessarily to the use and enforcement of a code of ethics (Barnett & Karson, 1987; Glenn & Van Loo, 1993; Lee & Yoshihara, 1997).

Although several studies propose that an ethical code is an effective tool in generating ethical behaviour, there is still little agreement in the literature about a code’s effect on ethical perceptions, judgements and behaviour; and this is because others believe that the person’s value system represents the foundation for their personal ethics and behaviour (Weick, 1979). This gap identified in the literature requires further exploration and it is addressed in the present study.

Consequently, at the individual level, it is important to know how familiar are New Zealand marketing research practitioners with codes of ethics, what are the practitioners’ perception about the usefulness of codes in ethical decision-making, and more importantly, how practitioners perceive ethical codes as affecting their behaviour at work when confronted with ethical situations:

Research Question Three - How are codes of ethics perceived by marketing research practitioners?

- Are New Zealand marketing research practitioners aware of the existence of codes of ethics within their profession and organisation?
 - Do practitioners perceive that codes affect their behaviour at work?
 - What role do codes of ethics play in client relationships?
 - How useful do practitioners find the code of ethics in dealing with ethical issues?
-

Finally, at the relationship level, it is suggested that inter-personal trust generates good business relationships (Castaldo, 2008; Mouzas, Henneberg & Naude, 2007; Morgan & Hunt, 1994). A distinction exists in the literature between personal trust (developed in inter-personal relationships) and impersonal trust (developed in inter-organisational relationships). There are diverse opinions expressed in relation to the association between personal and impersonal trust. Some argue that personal trust is more valued by people than impersonal trust (Khodyakov, 2007) and that people trust individuals rather than organisations (Mouzas et al., 2007); others suggest that personal and impersonal trust are interdependent (Lane & Bachmann, 1998), and that impersonal trust (a 'system trust' represented by authority and reliability) underwrites inter-personal trust (Luhmann, 1979).

Trust is defined by the organisation's level of competence, confidentiality, reliability and identification within industry which is also provided by the organisations' affiliation and the existence of a code of ethics (Giddens, 1990; Pavlou, 2003; Lane & Bachmann, 1998). Both credibility and reputation (as adjacent constructs of trust) generate personal and / or organisational trust (Bendixen & Abratt, 2007; Wilson, 1995).

There are studies wherein researchers claim that trust between two parties is reliant on norms such as codes of ethics to facilitate good and trusting relationships (Khodyakov, 2007; Hardin, 1996). However, Bendixen and Abratt (2007) question the role of codes and ethical behaviour in generating good reputation and hence good business relationships. It is argued that other factors such as personal values and openness have a more significant effect on business relationships and therefore reputation.

At an inter-personal level, there are also studies proposing that trustworthiness is defined by character and morality (i.e. personal values and ethical beliefs and attitudes), and a person's skills and competencies (Mishra, 1996, cited in Lane & Bachmann, 1998; Mouzas, Henneberg & Naude, 2007). It is also proposed that inter-personal factors rather than organisational factors are most predictive of trust (Mouzas, Henneberg & Naude, 2007).

It is apparent that the academic literature is divided between scholars who promote codes of ethics (i.e. organisational factors) as having an effect on business relationships and those who are suggesting that other individual factors play a more significant part in generating candid business relationships. Previous research findings about codes of ethics' effects on business relationships are not conclusive and the subject requires further examination.

As a result, at the relationships level, it is useful to know what kind of ethical problems marketing research practitioners experience when interacting with clients and how the code of ethics affects these relationships, if at all, in terms of the perceived problems. It is proposed to explain the role codes of ethics play in ethical decision-making in marketing researcher-client relationships.

Research Question Four - How does use of a code of ethics affect relationships between marketing research practitioners and their clients, especially in relation to perceived problems?

- What kind of problems are researchers facing in the relations with their clients?
 - Do codes of ethics play a part in solving these problems?
-

The following chapter reviews the research methodology and research design employed in this study in order to find answers to the above research questions.

CHAPTER FOUR – METHODOLOGY AND RESEARCH DESIGN

This chapter is a discussion of the research methodology used and the research design including data collection methods, the sampling procedure, and rationale for choosing each. First, the chapter describes the epistemological stance and research approach of the thesis. It then explains the methods used in data collection, the census and sample selection. Next, the survey and interviews procedure and design are described and the tools and procedures used in data analysis and generation of results are explained. Finally, the chapter discusses ethical considerations, issues of data trustworthiness, and limitations of the study.

4.1. RESEARCH APPROACH

Business ethics research can be divided into two main categories: descriptive (empirical) research and normative (prescriptive) research (Vitell, 1986; Weaver & Trevino, 1994). A third category – meta-ethics – is also proposed in the literature (Barkhuysen & Rossouw, 2000; De George, 2006); however this has been regarded as a part or an extension of normative business ethics research, as it concerns and studies the meanings of terms and formal language used in normative ethics (Weaver & Trevino, 1994).

Descriptive (empirical) research is referred to as research that ‘*describes and explains what exists*’ (Robertson, 1993, p. 586). It describes how things are generally done and addresses questions like ‘What’ and ‘How’, in an attempt to describe and explain a phenomenon. On the other hand, normative (prescriptive) research is ‘*involved in determining standards of right and wrong*’ (Robertson, 1993, p. 586). Normative (prescriptive) studies, with the purpose of investigating attitudes that help to establish what is right and wrong, proliferate in business ethics research; however, they are ‘*not a substitute for research that investigates ethical behaviour*’ (Robertson, 1993, p. 587).

As previously mentioned in the literature review, just a few studies address codes of ethics' use and to date, these studies do not present conclusive findings about the effects of codes of ethics on the marketing research practitioners' behaviour.

For this reason, the present study addresses codes of ethics' effects using a descriptive approach. The study attempts to describe the perceptions of marketing research practitioners about codes of ethics used in marketing research and to explain the effect that such codes have on their behaviour in client relationships. The conceptual framework developed in Chapter Three of this thesis led to the development of the research questions designed for this particular purpose and can be best addressed through qualitative research.

Qualitative research is grounded in an essentially constructivist philosophical position – it is concerned with how the complexities of the socio-cultural world are experienced, interpreted and understood in a particular context and at a particular point in time. The purpose of qualitative research is to examine a social situation; this allows the researcher to enter the world of others and attempt to achieve a holistic rather than a reductionist understanding (Denzin & Lincoln, 2005; Locke, Silverman, & Spirduso, 2007; Marshall & Rossman, 2006; Maxwell, 2004; Schram, 2003).

Consequently, the study mainly uses a qualitative research methodology – an inductive qualitative study based on semi-structured interviews of twenty-nine marketing research practitioners was undertaken. However, mixed research methods are used in this study. Because it was identified that studies in New Zealand marketing research are very few, and those examining the use of codes by New Zealand marketing research practitioners are non-existent, in its first stage the study is designed to describe and understand the New Zealand marketing research industry. Therefore a survey with a more quantitative approach was also undertaken. The purpose of the survey is to provide a general overview of the New Zealand marketing research industry and organisations operating in this industry, and to generate a preliminary understanding about the use of codes in New Zealand marketing research organisations. In this preliminary stage, no attempt to generalise the findings is made, but to inform and create a platform for the additional qualitative investigations. A detailed explanation of the research design is offered in a

subsequent section of this chapter. Nevertheless, the main stance of the present study is a qualitative one and the following section explains the rationale for the selected epistemological stance.

There are two main types of inquiries / approaches used in business ethics research and these are positivism and interpretivism (Crane, 1999). A positivist approach contends that *'there is reality out there to be studied, captured and understood'* (Denzin & Lincoln, 2003, p. 14) and the only authentic knowledge is scientific knowledge; such knowledge can only come from positive affirmation of theories through strict scientific methods. *'The use of quantitative, positivist methods and assumptions has been rejected by a new generation of researchers'* (Denzin & Lincoln, 2003, p. 14) who assert that positivism is inadequate for the understanding of human action and behaviour. In comparison, postpositivism recognises that reality can never be fully apprehended but only approximated, and relies on multiple methods as a way of capturing as much of a reality as possible (Bryman & Bell, 2007; Denzin & Lincoln, 2005).

Crane (1999, p. 237) argues that *'it is business ethics tradition of positivist, and highly quantitative approaches that may be at the root of problems'*. He continues suggesting that *'more interpretive approaches may offer substantial liberating potential in the development of a stronger and more theory-rich empirical base'*.

Within the framework of a qualitative approach, the present study is most suited for an interpretive design. An interpretive approach offers an interpretation of human behaviour, favours close involvement of the researcher, use of interviews, and thus emphasises participants' perceptions and explanations (Denzin & Lincoln, 2003, 2005).

Therefore, the study uses an interpretive approach so that an account or interpretation of human conduct and beliefs can be offered by the researcher. This particular methodology permits the researcher to provide a detailed description of events and to interpret these events based on the participants' explanations and perceptions which are then incorporated into the description. The interpretive research favours close involvement of the researcher and observation of the activities for gathering rich data.

In addition, the rationale for choosing an interpretive approach is explained by the trends in latest empirical research in the area. Studies in marketing research ethics have used various descriptive empirical data, but mostly quantitative research methods were employed (i.e. surveys based on questionnaires, scenarios) hence quantitative data was gathered by researchers (Akaah, 1990; Giacobbe & Segal, 2000; Hunt et al., 1984; Kelley, Ferrell, & Skinner, 1990; Lund, 2001; Segal & Giacobbe, 2007). Those examining the use and effects of ethical codes have also been conducted mainly using a quantitative design (Chonko et al., 2003; Cleek & Leonard, 1998; Ferrell et al., 1998; Glenn & Van Loo, 1993; Rallapalli, Vitell & Barnes, 1998). Few qualitative research methods (i.e. interviews) were used by researchers but on a much smaller scale (Badaracco & Webb, 1995; Fisher, 2001; Schwartz, 2004).

In recent years it has been pointed that greater plurality and diversity is needed in empirical research methodologies in businesses ethics research (Crane, 1999; Kaptein & Schwartz, 2008). The research seeks to address and overcome the shortage of qualitative studies on ethical codes' effectiveness.

Consequently, it was determined that for this particular study the research questions would be best addressed with the use of qualitative semi-structured in-depth interviews. There are several reasons supporting this decision:

a) Nature of study and its topic sensitivity:

This research aims to understand the processes which lie behind patterns of behaviour, people's emotions or their opinions and beliefs regarding certain ethical situations. It uses different ways of collecting data (e.g. the words and phrases people use in interviews) and employs themes and content analysis procedures. The research topic has a sensitive aspect attached to it, as it attempts to understand people's beliefs and feelings about situations charged with ethically sensitive issues; in-depth interviews are therefore considered the most appropriate tool for collection of such data.

b) Purpose of study:

The main objective of this study is to examine the use of codes of ethics and their effects on marketing research practitioners' behaviour; for this objective to be achieved it is necessary to allow participants to express their own opinions and feelings regarding the usefulness of ethical codes, providing a setting in which they can openly relate to client relations experiences and discuss what role such codes played in these relationships. The purpose of interviews, as opposed to other research methods of data collection, is to establish the perspective of the person being interviewed (Patton, 2002). As such, interviews provide the researcher the opportunity to explore and stimulate the discussion in a direction that will provide sufficient in-depth data for later analysis; they also provide the opportunity to investigate new ideas and concepts brought up in the discussion by the participant.

c) Nature of data to be collected:

Research questions and/or propositions as opposed to objectives and/or hypotheses are typically found in qualitative studies (Creswell, 2008). In this study, several research questions have been developed based on a conceptual framework. In order to answer the research questions, rich qualitative data is necessary to be collected. Again, this is made possible with use of in-depth interviews.

d) Triangulation of data:

As previously identified, research into codes of ethics' use and effectiveness has produced conflicting results and it is suggested that the tradition of positivist and highly quantitative approaches may be causing such epistemological problems (positivist methodologies favour the testing of theory and therefore may be inappropriate for studies in business ethics; in addition, in a positivist approach a strong emphasis is placed on measurable data but in research related to morality and ethics in business the development of such assessment instruments proves difficult) (Crane, 1999). Furthermore, deficiencies in the empirical data and methodologies used may also be at fault. A recent study by Kaptein and Schwartz (2008) identified that empirical studies into codes' effectiveness usually only used one method. These studies predominantly use questionnaires; only four studies that used multiple research methods have been identified. These studies have used a combination of interviews, document reviews, questionnaires and participant observation. It is believed that more research using multiple methods that will provide triangulation

of data is needed for better and more rigorous findings (Kaptein & Schwartz, 2008). For this reason, this research employs a multiple method approach in which in-depth interviews provide the possibility of collecting rich data.

- e) Generation of robust qualitative data to support the design of a conceptual framework for future research in marketing research ethics:

As mentioned above, research in business ethics around codes of ethics' use and effects calls for more robust qualitative data in order to generate credible findings as a basis for generation of frameworks and theory.

Therefore, to obtain the participants' explanation and insight about codes' of ethics use and effects semi-structured in-depth interviews are used so that participants can express their thoughts while relating their experiences. The in-depth interviews allow a theme(s) to then be identified and analysed by the researcher. In-depth interviews also provide the advantage and the opportunity to identify and develop new and emerging themes and constructs that can later be analysed by the researcher. Moreover, when the participants indicate important issues in the interview during the exploration of themes, their emotions can also be noted and explored directly. Thus, the research is qualitative and allows the researcher to form an inductive argument.

The use of this methodology gives depth and colour to what is reported by the researcher, rather than just the essence of what occurs. In addition, identification of a theme(s) can provide the basis of a framework that can be used in future research. The limitations of the research method employed in this study are addressed in Section 4.10.

4.2. RESEARCH DESIGN

The figure below describes the stages involved in the research design process:

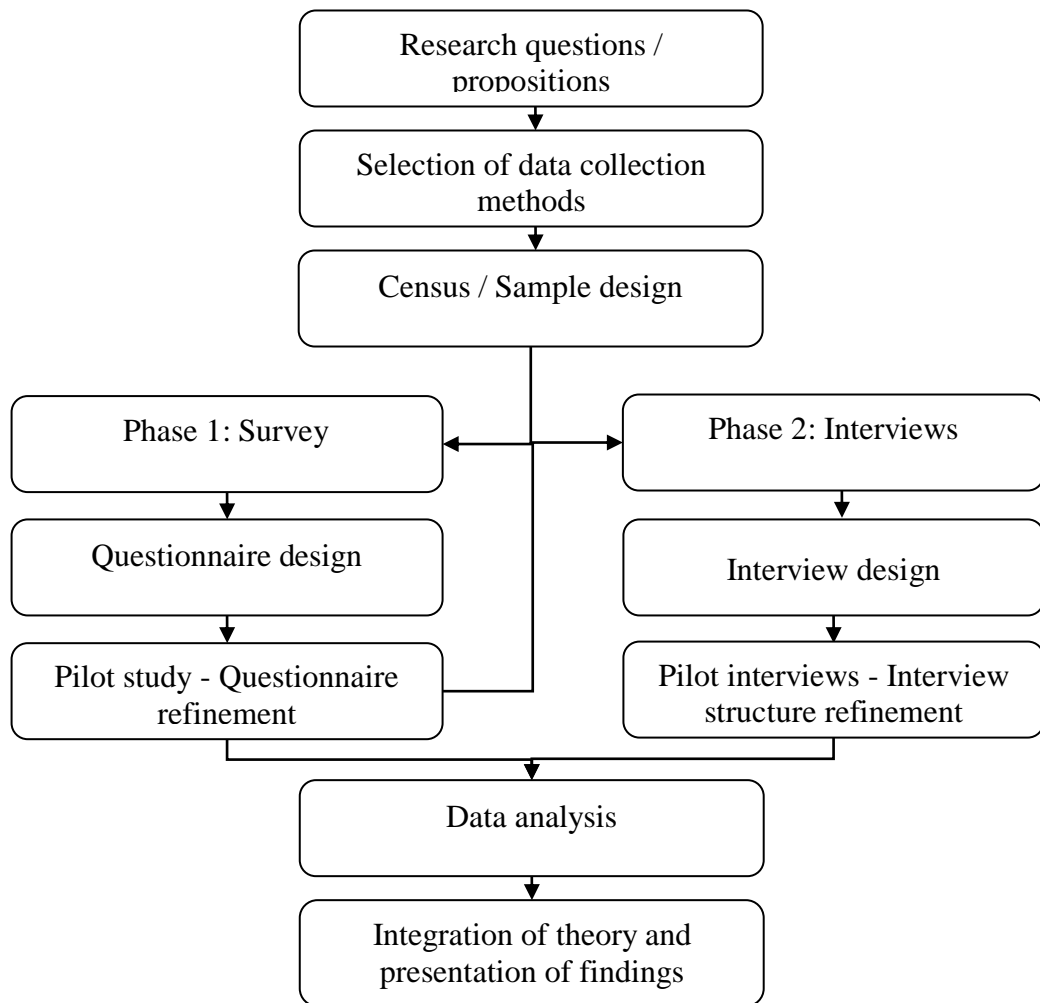


Figure 20: Design of the research

The research stages of this study are:

1. Ongoing and selective review of the literature has been conducted to inform this research. Contributions of other scholars, researchers and academics in the main areas of business ethics, codes of ethics and constructs of good business relationships were examined. The focus of the review was to gain a better understanding of codes of ethics' use and effectiveness, along with an understanding of factors and constructs perceived to lead to good business relationships.

Based on the literature review and the resulting conceptual framework research questions and propositions were developed.

2. Following the design of the conceptual framework, the methods of data collection were selected according to the information needed to answer the research questions. It has been determined that two main methods of data collection were to be employed in the study: a preliminary survey would provide a general understanding of the actors involved in the New Zealand marketing research industry and their perceptions about codes of ethics, while further interviews with market researchers would give an in-depth understanding of their views, opinions and behaviour pertaining to ethical codes.
3. The census and sample of research were considered for both data collection tools. For the purpose of the survey, a list of active New Zealand marketing research organisations was generated. For in-depth interviews, a stratified purposeful sampling procedure was used.
4. The next stage consisted in the design of the data collection methods considering the type of information needed to conduct the study. Accordingly, the survey was designed to collect demographic as well as perceptual data, while the semi-structured interview was designed to collect in-depth perceptual and contextual data.
5. Pilot studies were conducted for both questionnaires and interviews in order to assess the suitability and thoroughness of these.
6. In the first phase of the study, potential research participants (managers from marketing research organisations) were contacted by phone and those who agreed to participate were sent questionnaires by mail.
7. A second phase involved in-depth interviews with twenty nine market research practitioners from small, medium and large New Zealand marketing research organisations.
8. Data analysis has been performed for both questionnaires and interviews. From the interview material, themes and emerging themes were identified and coded. The processes of coding and data analysis are examined in Section 4.7. The identified themes were then compared to the proposition(s) to see if there is agreement or to expand on the original. This process allows the researcher to examine the research findings and re-assess the earlier findings from the literature. The latter can be seen as a form of theoretical integration.

The following sections discuss in more detail the above steps and research decisions made around selection and design of data collection methods, sampling procedure, survey and interview procedures, and the data analysis process.

4.3. METHODS OF DATA COLLECTION

Mixed research methods have been employed in this study. The use of multiple methods and triangulation of data is critical in attempting to attain an in-depth understanding of the phenomenon under study. A mixed method provides more rigor, breadth and depth to the study and offers corroborative evidence of data obtained (Creswell, 2008; Denzin & Lincoln, 2005). Therefore this research involved the collection of both quantitative and qualitative data with the use of two main data collection methods, including a survey and in-depth interviews.

In the first phase of the study, a survey was conducted in order to collect information about the marketing research industry in New Zealand and members involved in this industry. This information provided the researcher with a general overview of the industry and a better understanding of the organisations operating within the industry, the respondents' attitudes towards codes of ethics and the actions taken to generate and create an ethical climate within the organisations. Descriptive information about the industry was collected, such as population, population division in the territory, demographic characteristics of marketing research practitioners, information about marketing research organisations and the availability of organisational codes of ethics. Preliminary perceptual data was also collected: marketing research practitioners' perceptions about codes, use, awareness and familiarity with codes, and tools used in ethical decision-making.

Second, in-depth semi-structured interviews were conducted to gather further perceptual data. Information on the perceptions and understanding of codes of ethics by marketing research practitioners and on the degree of influence codes of ethics have on their behaviour and work standards has been collected. This data enabled an in-depth examination of practices used by marketing research organisations in their relations with their customers. As discussed in the previous section addressing the research

methodology to be used, the main focus of this study is on qualitative data, with a view to identifying themes and practices within the relationships between marketing research organisations, marketing research practitioners and their customers, and refining the conceptual framework developed through the literature review.

The procedures and design used for both survey and in-depth interview are discussed in more detail in Sections 4.5 and 4.6 of this chapter.

Additional sources of data: Contextual data was also collected throughout the study in order to appropriately describe and understand the research context and background of this research. The code of ethics used in the New Zealand marketing research industry – the MRSNZ code of ethics – was analysed through means of a content analysis, a form of textual analysis that involves the systematic analysis and interpretation of written documents (Gephart & Pitter, 1995). The content analysis was used to provide a greater insight into the industry’s code of ethics and to gain an in-depth understanding of its content and issues addressed (please refer to Chapter Five Section 5.4).

Furthermore, participation in MRSNZ events, seminars and meetings provided the researcher with a good opportunity to network and establish relationships with marketing research practitioners, particularly for research sampling benefits. On these occasions, a limited form of participant observation helped inform the study, especially at the design stage (the researcher became a member of MRSNZ in 2005), and allowed for the assessment of the priority given to ethical issues at an industry level and the collection of information about possible ethical dilemmas and concerns. Informal conversations with other members about the ethical issues they are confronted with in their relationships with the clients were held. Several formal MRSNZ meetings were attended by the research such as the introductory session for new members and MRSNZ annual general meetings. The researcher was fortunate to benefit from the support of the MRSNZ itself through its president and vice-president at the time of commencement of data collection – following meeting MRSNZ’s representatives, the study was fully endorsed by MRSNZ and email letters of encouragement to participate in research were sent out by MRSNZ to all members.

4.4. CENSUS AND SAMPLE SELECTION

To determine the sample for the study, two stages were employed. First, the census and sampling procedure has been determined for the survey as the preliminary method of data collection. Second, the interviews sampling procedure has been determined and used to collect qualitative data.

a) Survey – Census and sample

This research was undertaken within the New Zealand marketing research industry; therefore the elements of interest in defining the sample of the survey are marketing research organisations – these are organisations which have the primary activity of marketing research. For the purpose of this study companies in this sample are referred to as marketing research organisations.

The sample provides the main attributes for defining marketing research organisations. An initial population frame was designed using listings of the census elements (New Zealand marketing research organisations) obtained through the Kompass database (business to business search engine) and the New Zealand businesses database.

In 2005, Kompass database generated a listing of 72 companies, while the Yellow Pages Directory provided a listing of 128 companies. The two listings were compared and duplication of marketing research organisations listed on both databases was eliminated.

The following attributes were used to categorise the organisations in a meaningful way and to further refine the sample.

1) **Organisation size** – the organisations were categorised depending on their size. In order to provide an appropriate classification, a preliminary categorisation was undertaken with respect to size criteria applied to New Zealand business. Statistics New Zealand defines businesses within two main categories, “all businesses” and “micro businesses”. As of February 2002, a large proportion (86%) of New Zealand businesses

are micro businesses – these are businesses that employ five or fewer full-time equivalent employees (Pettigrew, 2003). The Ministry of Economic Development provides a classification, together with a clear definition of small and medium sized enterprises (SMEs). SMEs are defined as enterprises employing 19 or fewer full-time equivalent employees (FTEs) unless otherwise stated. In this study, small enterprises will be hence defined as those employing 1-5 FTEs, and medium enterprises as those employing 6-19 FTEs.

As a result, New Zealand marketing research organisations are classified in three main categories: large (with at least 20 employees), medium companies (with 6-19 employees) and small companies (with 5 or less employees).

2) **Main business activity** – for this study’s sample businesses whose main activity is marketing research needed to be selected. Therefore, for a better clarification of the identified New Zealand businesses’ main activity, the Kompass database was consulted in relation to activities that organisations are involved in. Organisations that do not provide marketing research services to a third party or those for whom a marketing research activity represents a low percentage of their overall activity were eliminated from the sample.

3) **Affiliation to MRSNZ** – within marketing research organisations operating in New Zealand, members of MRSNZ were identified. The MRSNZ also provides a list of members on their website (<http://www.mrsnz.org.nz>); however further clarification of current MRSNZ members was sought from MRSNZ itself. Affiliations of companies with other organisations or associations such as AMRO (Association of Market Research Organisations), NZ Direct Marketing Association, were also identified.

4) **Other characteristics** were used for generating an appropriate classification of businesses within the sample. Where possible, information about the organisations’ turnover was collected; also information on all business units involved in marketing research was noted – where appropriate, if the company had more than one business unit that delivers services in marketing research, all the different business units were considered.

After a cross-evaluation of all these criteria to determine an appropriate research sample, the sample was designed from the initial population frame. Thus, a total of 119 companies were retained from the initial listings.

The Companies Office Registry and the Insolvency and Trustee Service of the Ministry of Economic Development were consulted in order to verify that the selected organisations are still registered and operating in the marketing research industry. Eight companies were eliminated from the sample as they appeared to be in liquidation or struck off. Struck off refers to a company that is no longer registered. This situation may result from a failure to file annual returns, from the completion of liquidation proceedings, from an amalgamation with another company or from their own request to be removed from the register (New Zealand Companies Office, n.d.).

Finally, a total number of 97 organisations (18 large, 8 medium, and 71 small marketing research organisations) were identified as active in the industry and were retained for the final sample for this research.

b) In-depth structured interviews – Sampling procedure

In order to select information-rich cases for this study, with the objective of yielding insight and understanding of the phenomenon under investigation, a purposeful sampling technique has been used for this research (Gay, Mills & Airasian 2006; Merriam, 2002; Patton, 2002). This technique enables the researcher to describe in-depth a particular context and setting, without the intent to generalize to another context or population (Bloomberg & Volpe, 2008).

From the organisations that responded to the initial survey, twenty-nine participants were contacted and selected to participate in further interviews. The majority of these participants held managerial positions in marketing research organisations. As there are no set rules for determining the appropriate number of interviews for qualitative research, the number of interviews was ultimately decided on the basis of generating a

sufficient selection from which to conduct an in-depth qualitative analysis and draw conclusions for this study (Patton, 2002; Whyte & Whyte, 1984).

However, in order to generate a representative interview sample, other attributes were considered such as a good representation in the sample of small and medium organisations, and also the inclusion of both members and non-members of MRSNZ in order to examine potential differences in behaviour between these two subgroups (the majority of large and medium organisations are members of MRSNZ, with a small proportion of small organisations members of MRSNZ). For this reason, for the in-depth interviews a stratified purposive sampling technique has been employed. In this technique, the group of interest (that is marketing research organisations) was divided into strata (e.g. small, medium and large organisations; members and non-members of MRSNZ) and then a small number of cases were selected to be studied in-depth within each strata based on purposive sampling techniques (Teddlie & Yu, 2007). This sampling technique allows the researcher to identify and describe in detail characteristics that are similar or different across the strata or subgroups (Patton, 2002; Teddlie & Yu, 2007).

Stratified purposive sampling techniques have been used effectively in previous research where, within multiphase studies, respondent sub-samples have been selected to participate in in-depth interviews from a larger quantitative sample used for a preliminary survey. There are examples in social and behavioural studies of quantitative-qualitative mixed methods sampling procedures where, typically, the methodology and results from the first strand inform the methodology employed in the second strand (Teddlie & Yu, 2007); (See Aaron, 2005; Hancock, Calnan & Manley, 1999; Kalafat, Illback & Sanders, 2007; Kemper & Teddlie, 2000; Nieto, Méndez & Carrasquilla, 1999).

In this research, the strata were determined using two criteria: MRSNZ membership and organisation size. This choice was made because it was intended to retain in the sample organisations of different sizes and with different exposure to MRSNZ regulations and policies. The stratified purposive sampling has been performed on the total population frame of 97 New Zealand marketing research organisations. A 30% quota has been

applied to the sample, hence generating a sub-sample of 29 organisations in total. Purposive sampling techniques have been further applied to the 29 organisations, making sure a sufficient number of both members and non-members were selected, as well as a sufficient quota for the three main categories: small, medium and large organisations.

Following the stratified purposive sampling procedure, in-depth structured interviews were undertaken with marketing research practitioners from:

- nine large marketing research organisations – all members of MRSNZ;
- five medium marketing research organisations – three members and two non-member of MRSNZ;
- fifteen small marketing research organisations – five members and ten non-members of MRSNZ.

As this is a New Zealand study, care has been taken to select organisations from both islands, the North Island and the South Island. At the time when the interviews were conducted, an estimated 3,219,000 people lived in the North Island and 1,008,400 in the South Island at 30 June 2007 (Statistics New Zealand, 2010). Thus, out of the total 29 interviews, 22 interviews were conducted in the North Island and 7 in the South Island as follows: Auckland – twelve; Hamilton / Rotorua – four; Wellington – six; and Christchurch – seven interviews. The higher number of North Island interviews is explained by the fact that majority of the New Zealand marketing research organisations are located in the North Island, with the majority of South Island organisations located in Christchurch.

A description of the 29 interviews in terms of the criteria used is presented in Table 7 below.

Table 7: Sample of in-depth structured interviews

Location					
	North Island		South Island		
	MRSNZ member	MRSNZ non-member	MRSNZ member	MRSNZ non-member	TOTAL
Large	9	-	-	-	9
Medium	2	2	1	-	5
Small	5	4	-	6	15
TOTAL	16	6	1	6	29

The following sections explain the procedure used in the two phases of data collection (i.e. survey through questionnaires, and in-depth structured interviews) and the design of each of the data collection tools.

4.5. SURVEY PROCEDURE AND DESIGN

This section discusses the design of the questionnaire used in the preliminary survey and explains the process and steps used to conduct the survey.

4.5.1. QUESTIONNAIRE DESIGN

Miller and Salkind (2002) state that for a questionnaire to generate a high number of returns some factors need to be considered. The questionnaire should not make unreasonable demands or request information that the respondent is unlikely to have. It should contain straightforward questions, questions that can be answered by participants. Its format should be attractive, and professional with clearly numbered questions and pages. The questions should be objective and ordered in such a way that there is a transition from one topic to another. In addition to these basic attributes it needs to provide clear, explicit directions for its completion and its return to the researcher. As well as ‘*concern for the respondent*’ ...there should first be a ‘*clear concept of the needed information*’ with a ‘*thorough pre-testing*’ (Tull & Hawkins, 1990, p. 287).

Over a period of several months, the researcher compiled a list of information that was needed, according to some of the research questions previously defined and other information that would generate an understanding of the industry and practitioners' perceptions about codes of ethics.

The questionnaire appears in Appendix 3. It was structured in three parts. The three parts were designed to aid in the collection of descriptive information describing the demographic characteristics of marketing research practitioners, marketing research organisations and the availability of their codes of ethics. In particular, information on how familiar the practitioners are with codes of ethics, codes' presence in the organisation, codes' enforcement and codes' use was sought. A funnel approach was used in the design of the questionnaire, the sequence of questions being in such a manner that leads the respondent from questions of a general nature to questions that are more specific and/or from relatively easier to progressively more difficult questions (Festinger & Katz, 1966, cited in Sekaran, 2003).

Section one of the questionnaire addresses the demographics of the respondents. Questions relating to age, gender, position, size of organisation they work for, number and type of clients, organisation's main activity and length of service in the industry, and whether the organisation they work for is a member of MRSNZ or not. These questions have been designed to provide the researcher with background information on the respondents and the organisations they work for, as well as to act as general and easy to answer questions.

Section two addresses the respondents' general awareness of internal (organisational) and external (professional) codes of ethics. The section starts by asking the respondents if the organisation they work for has a written code that includes ethical conduct principles and asks them to recall the name by which the code is referred to in the organisation. They are also asked whether the code has been designed by their organisation (internal code) or the organisation adheres to and uses an external code (designed by a professional or industry body such as MRSNZ, AMRO, ESOMAR), and the level of awareness and enforcement of these codes.

Section three continues with the investigation of respondents' opinions about the code's presence in a written form within the organisation and the code's use. The questions do not refer directly to the respondents' compliance with the code, hence creating an opportunity to openly express their opinions about the extent of codes' use in client relationships. Questions have been designed to ask about codes' placement and their location in the organisation, as well as ways of dealing with ethical issues in client relations. The answers to these questions enable the researcher to form an initial view of the codes' presence in New Zealand marketing research organisations and the extent of codes' use by practitioners when confronted with ethical dilemmas.

Section three also includes questions designed to enquire about the respondents' understanding of their organisations' position on ethical issues, and to create a general understanding about the extent of effort put in by their organisations to promote, support and use a code of ethics during recruitment and training processes (i.e. in both initial and on-going training).

Section three concludes by asking the respondents to record their views about a series of four statements designed to provide a general overview of their personal ethics and their organisation's ethical climate. This last section of the questionnaire is a free field designed to capture new information from respondents who took the opportunity to make any additional comments.

4.5.2. SURVEY PROCEDURE

The first phase of this research was intended to provide a general overview about the marketing research industry in New Zealand, actors / organisations involved in this industry, and availability of codes of ethics and general information about the use / implementation of codes. In order to gather relevant primary data on these issues a mail survey, using anonymous questionnaires, was carried out. The advantages of a mail survey are that it can reach '*a geographically dispersed sample simultaneously and at a relatively low cost*' (Zikmund, 1997, p. 244). However, the main disadvantage of mail questionnaires is the usually low rate of response; nevertheless, some effective techniques can be used in order to improve the response rate, such as sending follow-up

letters and/or making follow-up calls, providing the respondent with a self-addressed, stamped return envelope, keeping the questionnaire as brief as possible, and notifying respondents in advance about the forthcoming survey using an introductory letter (Sekaran, 2003).

A *Letter of Invitation* to participate in the research was sent to companies within the sample consisting of 97 marketing research organisations – 18 large, 8 medium and 71 small organisations. The invitation letters were addressed to the directors / general managers of these companies. A copy of the letter is attached as Appendix 1. Only two companies replied in writing, expressing their willingness and enthusiasm in participating in the research. As this low response had been expected, the researcher has stated in the letter of invitation that the selected organisations would be contacted by phone to ask for permission to distribute the questionnaires to staff. This process enabled the researcher to also briefly discuss with managers the research process and purpose of investigation.

The responses to the invitation letter and phone calls were varied, with the majority of companies willing to participate and showing interest in the topic of research. However, there were a number of organisations not willing to participate; in most of these cases, the managers explained over the phone to the researcher that their main activity is not marketing research and, therefore, they believed they would not fit within the research sample; hence, these organisations were removed from the sample. There were other reasons invoked by a few managers that suggested that they were not interested or not wanting to participate in the research (e.g. one manager considered the project “too general” to get involved; another manager asked for more details about the sample, showing concern about the selection of participants and anonymity). Such responses created the impression that there may have been other reasons for non-participation.

In one case, the explanation received from the manager of a small organisation for refusal to participate in the survey was: *“There are no ethical guidelines provided to the employees, we assume that the persons are honest when employed by us”*. When asked why the organisation is then a member of the MRSNZ the answer was: *“At that time,*

when starting to operate in the business, it was an unformed [marketing research] industry, a MRSNZ membership provided reputation and an image of professionalism”.

A few managers asked for details about the research project, as they had to receive approval for participating in the research from their superiors. In one case, approval from head office management was not granted but the branch manager showed interest in participating in the interviews later in the research.

In order to make sure that the design of the questionnaire is appropriate (i.e. enables the researcher to collect all the necessary information) and lacks ambiguity (i.e. the questions are clear and easy to answer) pre-testing of the questionnaire was conducted. Four pre-tests were carried out. Three pre-tests were carried out with marketing research practitioners known by the researcher. These practitioners offered their help in testing the questionnaire design; they all had several years' experience in marketing research and held managerial positions such as senior account managers and directors. They were asked to time how long it took them to complete the questionnaire and to note which questions were unclear and ambiguous. They were also asked to provide feedback about the questionnaire's format and layout. Another pre-test was carried out with an acquaintance of the researcher, non-expert in the field of marketing research, in order to test the language and clarity of the questionnaire. Following the testing procedure, several changes were made based on the feedback received. Questions that were found slightly ambiguous were reworded and a few changes were also made in the questions' sequence. The questionnaire's design process is discussed in Section 4.5.1.

Finally, 207 questionnaires were distributed by mail between August and November 2006 to a wide range of organisations based on the criteria used for sampling and the number of questionnaires asked for by managers. This number varied from one questionnaire (for a small organisation run solely by one person) to ten questionnaires (for larger organisations). A *Participant Information Sheet* was also sent out together with the questionnaires (see Appendix 2) to explain and inform about the research purpose and process, the stages involved in the study, benefits for participants, cost of participating in the study and ethical considerations.

Both the Letter of Invitation and the Participant Information Sheet were printed on Auckland University of Technology letterhead. A reply paid, addressed envelope was also attached to the questionnaire in order to encourage the respondents to return the completed questionnaires.

The specified number of questionnaires was sent together with a covering letter to the person responsible for their distribution within the marketing research organisation. The letter thanked them for their effort and for distributing the questionnaires. It also specified a time deadline for returning the questionnaires.

Out of the 207 mail questionnaires, a total of 50 usable questionnaires were returned, a response rate of 24.2%. Given the purpose of this first stage of the study – to generate a preliminary understanding of codes’ use by New Zealand marketing researchers – and given the generally low response rate of mail questionnaires (Sekaran, 2003), this response rate was considered adequate. As noted earlier, the intention of the first phase of this study was not to attempt to generalize the survey findings but to inform and create a platform for further qualitative research, which represents the second and the main phase of this research.

The demographics of the response profile are presented in Table 8 below.

Table 8: Demographic Data - Survey

Demographics		(%)	Demographics		(%)	
Gender	Male	52	Organisation size	Small (1-5 employees)	22	
	Female	48		Medium (6-20 employees)	10	
Age	20 - 29	20		Large (over 20 employees)	68	
	30 - 39	46	MRSNZ affiliation	Yes	80	
	40 - 49	22		No	14	
	50 - 59	12		Don't know	6	
Position	Manager / Executive	40	Code	Yes	70	
	CEO / owner / principal	22		Prevalence	No	18
	Research analyst	18			Don't know	12
	Account executive / sales	12				
	Other	8				

Eighty-eight percent of the surveyed marketing research organisations were present in the industry for more than ten years. Sixty-eight percent of the responses came from large organisations. This is not surprising as codes of ethics are more likely to be developed and used in larger organisations than smaller organisations (White & Montgomery, 1980). Out of the 50 respondents who returned the questionnaires, 35 (70%) answered that their organisation has a written code that includes ethical guidelines and principles; nine (18%) said that there is no such code in their organisation and six of them (12%) of them did not know if their organisation has a written code.

A detailed discussion of the survey findings is provided in Chapter Five of this thesis.

4.6. INTERVIEWS PROCEDURE AND DESIGN

In the second phase of the study, 29 in-depth interviews were undertaken in order to collect rich qualitative information. As discussed in the interview sampling procedure care was taken to select participants from diverse organisations in terms of their size, professional membership and location. A semi-structured interview schedule with open-ended questions was developed to elicit opinions and narratives. Prior to contacting potential participants, the semi-structured interview schedule was tested on two practitioners from two different organisations who offered their help in the pre-trial process. They were both highly experienced in marketing research and held the positions of research manager and director. Their feedback and advice helped the researcher to adjust and revise some of the questions in terms of content, layout, and clarity.

Potential interview participants were contacted by phone. Representative participants who are regularly involved with and develop a constant personal customer relationship with their clients were considered and approached. Rather than looking for a specific job title, the selection process was based on the nature of the activity they undertook. As such, interview participants had job titles such as Research Director, Senior Account Director, Account Director, General Manager, Senior Project Manager, Manager, and Owner.

During the initial phone conversation, the purpose of the research was explained, along with the amount of time required to undertake the interviews. All those who agreed to participate in the interviews were asked to sign a *Consent Form* which was designed for this purpose (see Appendix 4). Follow-up emails were sent including the *Participant Information Sheet* and the *Consent Form*. These documents were also made available in hard copy at the time of the interview and a signed consent form was collected from each participant.

The interviews were originally planned to have a duration of approximately 1 ½ hours. The average length of the interviews turned out to be approximately one hour. The interview length varied from the shortest being 35 minutes to the longest being 1 hour and 15 minutes. It was common at the commencement of an interview session for the participant to apologise that as due to being busy they were not prepared to be interviewed for more than half an hour, but once committed, they were willing to extend the interview time. In the case of the shorter interviews (three in number) not all questions which were intended to be addressed were covered – e.g. questions related to codes of ethics' use (this is because the participants had no awareness of any codes of ethics; in these cases, the researcher focused on understanding how the participants were dealing with ethical issues when they occur).

All participants were individually interviewed by the researcher. Only in one case two individuals were interviewed at the same time – these were two practitioners from the same organisation who expressed their willingness to both assist with the interview at the same time).

All 29 participants agreed to be digitally recorded. At times, notes were also taken by the researcher; however, these were limited in order to allow her to focus on the answers given and to ask pertinent additional questions without slowing down the interviews. This approach also enabled the participants to speak with more confidence and freedom. All of the digitally recorded interviews were transcribed by a professional transcriber who signed a confidentiality agreement.

The 29 interviews were conducted over a sixteen month period, lasting between March 2007 and June 2008. A period of break was taken around December 2007 – February 2008 due to end of year and season holidays when most marketing research practitioners were not available for interviews.

For the 29 participants, the demographics of the interview sample are as follows:

- Gender: A total of 66% of the participants were male (19/29), while 34% were female (10/29);
- MRSNZ membership (organisational and/or individual membership): 59% of the organisations the participants worked for were members of MRSNZ (17/29), while 41% were not (12/29); Interestingly, however, 67% of them had an individual membership (19/29) while 33% were not individual members (10/29); Two participants were employed by an organisations member of MRSNZ but they were not individual members, while three of them had an individual membership but the organisation they worked for was not a MRSNZ member;
- Position: All participants held a managerial position within the organisation, a position that enabled and required them to work closely and maintain good relationships with their clients.

A detailed casebook of participants and their attributes is illustrated in Section 4.7 of this chapter.

4.6.1. INTERVIEW STRUCTURE DESIGN

The semi-structured interview schedule was designed based on the previously developed research questions, with the intent of generating rich qualitative data that would provide the researcher with an in-depth understanding of the relationships established by marketing researchers with their clients, in relation to perceived ethical issues and individual ethical values and norms. The semi-structured interview schedule appears in Appendix 5. Open-ended questions were used to entice the participants to share opinions and narrate experiences they had in client relationships, and ethically loaded situations that appeared in these relationships (see Appendix 5). A semi-

structured form of the interview schedule was determined to be the most appropriate one in order to maintain a certain degree of consistency among each of the interviews and, at the same time, to retain some degree of flexibility in interviews.

The interview was structured in four main parts. At the beginning of the interview, prior to stepping into the four main parts of the interview, participants were asked to describe the organisation they work for (e.g. research activities, type of clients and projects they are involved in) and their position and responsibilities. This enabled the researcher to obtain a general understanding of the participants' role in the organisation by asking non-threatening ice-breaker questions, as well as to assist the researcher in developing a trusting relationship with the interviewee.

The themes and questions used in the interview were developed from the research questions and the literature review which led to the development of a conceptual framework for this study. Within each part of the interview the researcher sought to understand the participants' views and opinions around concepts that were proposed and examined in the conceptual framework (i.e. code of ethics, trust, credibility, affiliation/accreditation, personal values and beliefs, organisational values, and so on). Within the qualitative research approach new avenues of information could be explored if the participants highlighted themes not previously covered in the conceptual framework, or that appeared to offer fresh perspectives that could add value to the understanding of the topics under investigation.

Consequently, the four parts of the interview have been designed to cover the following main topics of discussion:

Knowledge and use of codes of ethics: Part one of the interview addresses the participants' general awareness and use of codes of ethics. Participants are asked if they are familiar with the organisational and/or industry code of ethics (MRSNZ's code) and if they make use of the code in solving ethical issues with their clients. They are also asked to describe what kinds of practices they use to enforce the codes and to implement them in the organisation. These questions attempt to provide answers about how aware and familiar marketing research practitioners are with codes of ethics, if they

use them in their dealings with clients and what measures are put in place by the organisation to make sure codes are used and enforced. The 'use of codes' issue is revisited and re-examined in the last part of the interview.

General client relations: Part two addresses ethical issues encountered by practitioners when dealing with clients. It asks participants to describe the type and nature of ethical issues encountered, their relationship with clients, the level of trust between them and their clients, and asks for participants' opinions about factors that generate trust between the two parties. The role of MRSNZ and affiliation to MRSNZ is raised here as a factor which may generate good and trusting business relations.

Personal ethical values: In part three of the interviews, several questions were designed to examine participants' personal values, investigating the extent to which they use personal values in conflict resolution with clients as opposed to written norms available to them in the form of codes. Participants were asked to explain the extent to which they trust their personal values in their relationships with clients and the extent to which they use common sense when they face ethical situations. They were also asked to recall and describe situations in which their personal values were in conflict with those of the organisation they worked for, and to explain if the organisational values stated within the codes are similar with their own ethical views and positions.

Incidents and resolutions: The last part of the interview addresses incidents between practitioners and clients and ways they came to a resolution in these circumstances. The questions were designed to re-examine in more depth participants' behaviour when confronted with ethical issues. They were first asked to describe an incident between them and the client in which they faced ethical dilemmas and then they were asked to explain how they dealt with the particular situation (i.e. what was their reaction and what measures they took to solve the issue; in particular, they were asked to recall if they referred to the code and what tools they used in crisis situations in order to maintain good relationships with the client).

All questions were naturally tailored to suit the interview participants. When the semi-structured interview questions were adequately covered, the interview concluded with

giving the participants an invitation to offer any thoughts or comments of their own. This provided the opportunity to explore any emerging themes. When these themes were examined then the structure of the interview could ensure that all areas were covered.

4.7. METHODS OF DATA ANALYSIS AND SYNTHESIS

Two main types of research data was collected in this study: quantitative data and qualitative data. As discussed in Section 4.1 of this chapter the emphasis in this study is on qualitative research.

Quantitative data was collected with the purpose of providing a general overview of the industry and to act as an informative phase for further qualitative research. For this reason, it was not the researcher's intention to focus too much on the quantitative data through complex and sophisticated quantitative data analysis procedures, but to offer an account of clear, to-the-point descriptive results which provide a general insight into the New Zealand marketing research industry. For this purpose, a quantitative approach was used to gather information that provides answers to those research questions that are suited for a quantitative approach. At the industry level, research questions designed to provide an understanding of what kinds of codes of ethics exist in the New Zealand marketing research industry and to what extent are they implemented and enforced (i.e. Research Question One), as well as the practitioners' level of awareness and familiarity with the codes (i.e. Research Question Three) are suitable for a quantitative approach.

Descriptive statistics were used to analyse the values of the variables involved in the research study and data collected through the questionnaire and to describe their frequencies. The statistical computer software SPSS (Statistical Package for the Social Sciences) has been used to input the quantitative data into a working spread sheet and to generate frequencies for each variable and question.

As previously explained, qualitative research is the primary approach used in this study; therefore, the majority of the designed research questions are suited to a qualitative

approach. Qualitative data was analysed to identify different themes in the relationships between practitioners and their clients as regards the ethical problems they encounter (i.e. Research Question Two) and their ways of dealing with them either through the use of a code of ethics, or with reference to individual ethical values of the researchers (i.e. Research Question Three and Four).

For the qualitative data collected through interviews, transcripts were produced. The transcription of the interviews resulted in over 370 single-spaced pages of transcripts to analyse (29 transcribed interviews, each on an average of 13 pages in length).

To analyse the responses and respondents' narratives, specific qualitative data analysis methods, including manual and computer-assisted analysis methods (the nVIVO qualitative analysis software) were used. The researcher used a newer version of nVIVO, version 8.0.

The interview data was descriptively coded to create cases and attributes. A case represents the unit of analysis, in this project, the interviewee – marketing research practitioner. The attributes used to demographically describe the interviewees are:

- Gender;
- Position in the organisation;
- Organisation – member / non-member of MRSNZ;
- Employee – member / non-member of MRSNZ; and
- Organisation size.

Cases and attributes were generated by:

1) Importing the casebook – a table (casebook) was generated in Excel using the attributes used to describe different participants in the interviews and the table was then imported in NVIVO 8. The resulting casebook is presented below:

Table 9: Cases and attributes – Interview participants

Respondents	Gender	Organisation member MRSNZ	Organisation size	Person member MRSNZ	Position
Respondent 1	Male	Yes	Small	Yes	Owner / Director
Respondent 2	Female	Yes	Small	No	Research Director
Respondent 3	Female	No	Small	Yes	Owner / Director
Respondent 4	Male	Yes	Medium	Yes	Owner / Director
Respondent 5	Female	No	Medium	No	Senior Research Officer
Respondent 6	Male	No	Small	Yes	Owner / Director
Respondent 7	Male	Yes	Large	Yes	Senior Account Director
Respondent 8	Male	Yes	Medium	Yes	Owner / Director
Respondent 9	Female	Yes	Large	Yes	Company Founder / Research Consultant
Respondent 10	Male	No	Small	No	Owner / Director
Respondent 11	Male	Yes	Large	Yes	Senior Researcher
Respondent 12	Female	Yes	Large	Yes	Senior Account Director
Respondent 13	Female	No	Small	No	Owner / Director
Respondent 14	Male	No	Small	Yes	Owner / Director
Respondent 15	Female	Yes	Small	Yes	Owner / Director
Respondent 16	Female	No	Small	No	Owner / Director
Respondent 17	Female	No	Small	No	Owner / Director
Respondent 18	Male	Yes	Large	Yes	Account Director
Respondent 19	Male	Yes	Medium	No	General Manager
Respondent 20	Male	Yes	Small	Yes	Owner / Director
Respondent 21	Male	Yes	Large	Yes	Account Director
Respondent 22	Male	No	Large	No	Strategic Planning Manager / IT and Data Manager
Respondent 23	Male	Yes	Small	Yes	Owner / Director
Respondent 24	Male	Yes	Large	Yes	Senior Project Manager
Respondent 25	Male	No	Small	No	Owner / Director
Respondent 26	Male	No	Small	No	General Manager
Respondent 27	Female	Yes	Large	Yes	Owner / Director
Respondent 28	Male	Yes	Medium	Yes	Owner / Director
Respondent 29	Male	No	Small	Yes	Owner / Director

2) Importing the transcripts – the interviews were transcribed and formatted following the structure of the interviews for easy access and analysis of information; the formatted transcripts were then imported into NVIVO 8.

3) Auto coding the transcripts (to cases and to discussion topics) – each transcript was auto coded to cases (i.e. each transcript represents a respondent from the casebook) and to discussion topics that followed the semi-structure of the interviews.

The main discussion topics that were identified from the literature review derived model were auto coded and are the following:

- Introductory information – general information about the organisation, type of marketing research projects that the respondent is involved in, and type of clients the respondent is dealing with;
- Code of ethics presence and awareness;
- Use of codes of ethics;
- Practices and tools used in the relationships with clients;
- The nature of the relationship with clients;
- Ethical problems / issues;
- Discussion of rights/obligations during marketing researcher - client interaction;
- Level of trust between marketing research organisations and clients;
- Affiliation to MRSNZ and its perceived effect on trust and credibility;
- Use of MRSNZ as accreditation in the industry;
- Personal values and beliefs;
- Use of common-sense in client interaction concerning the perceived ethical issues;
- Conflicts between personal and organisational values;
- Organisational vs. personal ethical views;
- Incidents involving ethical issues;
- Reactions to ethical problems; and
- Measures used in solving ethical problems.

Thematic analysis was performed. Quotations from interviews transcriptions were selected to illustrate key themes, with some additional paraphrasing of documentation and interviews occurring to support these examples. Care was taken to identify first-order interpretations (including participants' narratives about ethical problems faced in the relationships with the clients, their understanding of the ethical problems and ways of dealing with them) and second-order interpretations (the researcher's contextualised understanding used to organise and explain the patterning of the first-order data).

Field notes of observations at MRSNZ events and seminars further informed these interpretations, and informal conversations enabled some checking of interpretations at a very general level. The overall and the detailed results of the analysis were compared with results found in prior literature and with the conceptual framework developed in this thesis, with discussion focusing on elements of similarity and difference. The aim was to refine the conceptual framework through either confirmation of aspects of it, or rejection and amendment of it, or some combination, depending on the results of the study, and hence further contribute to developing theory in (applied) business and marketing research ethics.

4.8. ETHICAL CONSIDERATIONS

Ethical considerations relating to protection and integrity of the participants are critical in any research (Berg, 2004; Marshall & Rossman, 2006). Particularly in business ethics research, where issues addressed in questionnaires and interviews can at times be very sensitive, it is important to carefully consider the ethical implications of the research conducted. For this reason, the researcher consulted the ethical principles for research involving human participants retrieved from the research guidelines of the Auckland University of Technology and other ethics guidelines suggested in the literature (Mauthner, Birch, Jessop & Miller, 2002; Mertens & Ginsberg, 2008; Sales & Folkman, 2000; Schram, 2003). The researcher has been involved in a vigilant process of ethical approval by the Auckland University of Technology Ethics Committee (AUTEK). Ethics approval for the research design and both methods of data collection (questionnaire and semi-structured interview) was granted for this study on 19th September 2005 (AUTEK Reference number 05/175).

In order to overcome any possible ethical issues, this study employed various safeguards (i.e. ethics documents) to ensure the protection and rights of participants. These ethics documents are as follows:

- A letter of invitation to participate in research – this document was developed with the role of attracting participants in the study however encouraging voluntary cooperation of potential research subjects (see Appendix 1) and was mailed to New Zealand marketing research organisations;

- A participant information sheet – each mail questionnaire was accompanied by the participant information sheet, informing respondents about the purpose and scope of the research and their right to anonymity and confidentiality; the participant information sheet was also provided to each one of the interview participants prior to commencing the interview (see Appendix 2);
- A consent for participation in research – each interview participant was provided with and was asked to sign an informed consent agreement prior to the interview taking place (see Appendix 4); in the case of questionnaires, a returned questionnaire was considered as formal approval to participate in research;
- Two professional transcribers were involved in the transcription of interviews; both of them were asked to sign a confidentiality agreement (see Appendix 6).

Although it was anticipated that no serious ethical threats were posed to any of the research participants, extra care has been taken to mitigate these incidents if they occur – participants were informed that they can ask for counselling services provided by the university’s department specialised in health, counselling and wellbeing if and when they experience any discomfort, either social or psychological, during the research project. No research participant however felt the need to approach and use such services during the research process.

4.9. ISSUES OF TRUSTWORTHINESS

In recent years, qualitative naturalistic inquiry in social sciences has become a well known and established tradition. In qualitative research, issues of trustworthiness of data and findings need to be addressed, as in any other form of inquiry. However, criteria for evaluating trustworthiness in qualitative research differ from those used in a more traditional and scientific quantitative research approach. Terminology around trustworthiness issues may vary, with some researchers borrowing terminology from quantitative research (Morse, Barrett, Mayan, Olson, & Spiers, 2002) (i.e. validity and reliability), while others focus on developing alternative terminology for qualitative research (Denzin & Lincoln, 2005; 2003). The latter argue that qualitative naturalistic inquiry has to be judged differently from scientific, quantitative or objectivistic inquiry; qualitative research is carried out by the ‘human (data gathering) instrument’ in a ‘naturalistic’ setting, performing interpretive therefore ‘inductive’ data analysis

(Lincoln & Guba, 1985; 2000). For these reasons, qualitative researchers need to consider and address the potential biases that might arise throughout the design, implementation and analysis of the study.

In discussing and evaluating trustworthiness in qualitative research, four main criteria are proposed by Lincoln and Guba (1985; 2000). These are: credibility, dependability, confirmability, and transferability. These criteria are discussed with respect to this research as follows.

Credibility

Credibility (known as validity in quantitative research) suggests whether the research findings are accurate and credible. Credibility thus becomes a key component of the research design (Creswell, 2008; Marshall & Rossman, 2006; Mason, 2002; Maxwell, 2004). Two main concerns are posed with regard to credibility in qualitative research: the methodological and interpretive validity of the study (Bloomberg & Volpe, 2008). The methodological validity refers to how well-matched the logic of the research method is to the developed research questions and the way in which the researcher decides to develop his/her argument in explaining the findings. This entails careful decisions about each element of the research design: purpose of study, conceptual framework, research questions, and methods (Bloomberg & Volpe, 2008).

To enhance the methodological validity of this study, the researcher triangulated data collection methods as well as data sources. Qualitatively driven mixed methods were used in this study. Mixing methods in a qualitatively driven way prompts creative and ‘outside the box’ thinking, enhancing the logic of qualitative explanation. Mason (2006, p. 9) argues that ‘*we should think more in terms of ‘meshing’ or ‘linking’ than ‘integrating’ data and method*’. It is suggested that a qualitatively driven approach to mixing methods provides a great potential for generating new ways of understanding the complexities and contexts of social experience, and for enhancing the researcher’s ability for social explanation and interpretation (Mason, 2006).

Interpretive validity refers to how valid data analysis and the interpretation based on this are (Mason, 2002). It shows how '*vivid and faithful the description of the phenomenon is*' (Beck, 1993, p. 264). Beck (1993) argues that for a qualitative study to be credible, the research participants and also the readers who can relate to the human experience described by the researcher, should recognise the researcher's experiences described in the thesis as their own.

To enhance the interpretive validity, the researcher used various strategies for ensuring the 'truth value' and applicability of this study (Bloomberg & Volpe, 2008; Lincoln & Guba, 1985, 2000; Sandelowski, 1986). First, the researcher checked that data was representative as a whole – digital recordings of interviews and the resulting interview transcriptions were checked several times to make sure that representative and sufficient data has been collected for analysis. Second, coding categories and examples used to present the data were also checked for consistency and representativeness. Third, data was examined in such way that resulting descriptions, explanations, or theories about the data contained both typical and atypical elements of the data and/or supporting theories. Fourth, the researcher looked for possible variations in the understanding of the phenomenon under study and sought instances that might challenge the researcher's expectations or emergent findings. And fifth, the researcher reviewed and discussed findings with other academic and industry colleagues, and doctoral supervisors.

Confirmability

Close to the concept of credibility is the criterion of confirmability. Confirmability means objectivity in quantitative research. In quantitative research, the findings are the result of the research. In qualitative research however, there is a different view on confirmability from positivist quantitative research. In order to minimise the degree of subjectivity and the possibility of biased views of the researcher, qualitative researchers must ensure that data can be traced back to its origins (Bloomberg & Volpe, 2008; Sandelowski, 1986). Other scholars talk about auditability, the ability of another data examiner to follow the decision or audit trail (Beck, 1993; Guba & Lincoln, 1994). In this study, several measures have been put in place so that such an audit trail can be performed, offering readers the opportunity to assess the findings of this study. First, the researcher was engaged in on-going reflection by way of project logs and memos

both on paper and electronically within the nVIVO data analysis software. Second, records of field notes and interview transcripts have been kept in the researcher's hard and soft files. Third, data display indicating coding instructions, the placement of data into codes and categories, and the links and relationships generated within the data are all available in the nVIVO data analysis file used to generate the findings of this study. These measures also have an implication on the dependability of the study as per the discussion below.

Dependability

In qualitative research, the criterion of dependability (known as reliability in quantitative research) refers to whether the research findings are consistent and dependable with the data collected. For this to be achieved, the research procedures employed in the study need to be carefully documented – the coding procedure and the resulting categories have to be clearly signalled and used consistently.

As mentioned above, the researcher maintained an audit trail (Lincoln & Guba, 1985) that recorded the steps involved in data input and analysis. 'Transparency of method' as described by Merriam (2002, cited in Bloomberg & Volpe, 2008) was provided by documenting the development of ideas and findings and the rationale for choices and decisions made in the research process. As noted above, a detailed account of these steps has been recorded in nVIVO with the use of a project log, and manual records in the form of notes and memos.

Transferability

While in quantitative research generalisability (or external validity) is the criterion that allows a study's result to be generalised to a larger population, in qualitative research this criterion is known as transferability (Guba & Lincoln, 1994; Lincoln & Guba, 1985, 2000). Generalisability is not intended to be achieved in qualitative research, but rather whether and to what extent the phenomenon under study within a particular context can be generalised to another context(s). This criterion has been also defined as fittingness (Beck, 1993; Guba & Lincoln, 1994), and measures the extent to which the research propositions fit into a context other than that in which they were generated.

In this qualitatively driven study, the researcher did not attempt to generalise findings; however, ‘context-bound extrapolations’ may be considered. Context-bound extrapolations are defined by Patton (2002) as speculations about the likely applicability of findings to other situations under similar, but not identical, conditions. The issue of transferability has been addressed through a rich description of the research context and participants (Schram, 2003). This description can provide the basis for a potential application of the research framework and findings to similar contexts and industry environments.

4.10 LIMITATIONS OF THE STUDY

Three main areas of limiting conditions can be considered as relevant to this study. The first limitation is related to the common critiques and drawbacks of qualitative research methodology. The second relates to inherent issues that concern the design and conduct of this research, and the third has to do with issues related to the evaluative style used in data analysis. For each of these however, careful thought has been given to ways of overcoming them.

Methodology

Primarily, a qualitative methodology based on interviews has been used in this research. Liedtka (1992) argues that qualitative methodology is particularly appropriate in ethical decision-making research, and that interviews are the most suitable research method in ethics studies. However, it is acknowledged that such methodology has its impediments. Some of these impediments are related to the interviewing process (e.g. participants cannot accurately recall events and are not capable of introspection and the interviewer’s ability to conduct the interview may affect the quality of data collected), some relating to issues associated with data analysis (the extensive volume of data to be managed and analysed), and others relating to reporting problems due to space and confidentiality issues (Liedtka, 1992).

Mixed research methods have been employed in this study as a way to offer triangulation of data and to overcome certain disadvantages of a single-method

research. As such, the use of a preliminary quantitative pilot study helped in guiding the selection of cases in the main qualitative study employed in this research, and as basis for further development of the research for the qualitative part.

Conduct of research

Several issues related to the way this research has been conducted presented a few limiting conditions. Some of these refer to the data gathering stage – at the outset, gaining access to organisations and individual managers was a difficult task. This was partly because of the sensitivity of the ethical issues raised in the research and partly because of the lack of clear organisational and/or individual benefits for participating in the research (Liedtka, 1992). For these reasons many organisations and organisational managers were not willing to dedicate time to participate in the research and discuss ethical issues. However, measures were taken to attract organisations and for managers to be part of the study: the researcher became a member of MRSNZ – full endorsement for this research was sought and received from the MRSNZ; also every effort has been taken to contact potential participants personally and present the study so that they are well-informed about what would happen in the course of the research and what would be asked of them.

Second, concerns were raised about the effects of social desirability on the research findings. Social desirability refers to the possible response bias in which respondents attempt to present themselves in a positive light. Particularly in business ethics research, when the topic of interest is ethical decision-making, additional concerns are raised (Fernandes & Randall, 1992; Liedtka, 1992). The researcher took measures to overcome this concern by asking open-ended, ‘value-rich’ questions, allowing participants to reflect and narrate experiences they had. Loaded questions were avoided. The questions were worded in such way as to not elicit socially desirable responses. Nevertheless, it has to be acknowledged that social desirability is more difficult to control in qualitative in-depth interviews where complete trust between interviewee and interviewer is difficult to establish, than in quantitative research. Written and verbal guarantees of anonymity and confidentiality (such as a participant information form and a consent form, as well as constant verbal reassurance) which are

believed to help reduce potential social desirability bias (Randall & Gibson, 1990) were made available to participants.

Maxwell (2004) talks about ‘participant reactivity’ in interviews – the extent to which the participant adjusts to the researcher and his/her role of interviewer, and suggests that sometimes participants try overly hard to cooperate, offering responses they perceive as ‘wanted’ or sought by the researcher or, conversely, they can be less candid. In order to avoid this situation, control questions were asked during the interview in an attempt to make sure that the answers provided reflect the reality as closely as possible.

Another perceived limitation of the research design is that the interview research sample was restricted and was not conducted on the basis of a random selection. However, the sample included marketing research practitioners from a variety of organisations in different New Zealand locations: members and non-members of MRSNZ, small, medium and large organisations. Generalisability to other groups and population was not intended in this study; however, it is anticipated that resulting knowledge and theories may be transferable and applicable to other business environment contexts (Lincoln & Guba, 1985).

Researcher’s evaluative style

Given the evaluative and interpretive style employed in qualitative research, a key limitation of qualitative studies is the issue of subjectivity. Qualitative studies are subject to the researcher’s perceptions – they are generally limited by researcher subjectivity. In qualitative, interpretive research, the researcher outlines and discusses assumptions, perceptions and personal views. The researchers convey into writing their own contextualised understanding of the data obtained in the interviews; these are second-order interpretations and the researchers’ ‘voices’ come through their own views and convictions on the matters analysed. For this reason the main concern in interpretive studies is that of researcher bias which is inevitable in qualitative research.

However, a few measures were taken in the attempt to provide a ‘truth value’ in this research. First, a clear research agenda was acknowledged – a conceptual framework

based on previous academic knowledge was developed to guide the entire research process and data analysis. Accordingly, data collected through interviews was carefully coded and categorised. Coding schemes and categories were closely inspected along with the coded transcripts. First-order interpretations of participants' narratives were carefully organised and explained so as to reflect, as closely as possible, the true meaning of their views. These actions helped the researcher to maintain a less biased view when making second-order interpretations.

4.11. CHAPTER SUMMARY

This chapter has provided a detailed discussion of the research methodology and methods employed in this study. A qualitative research methodology within a descriptive research approach was chosen to examine codes' of ethics use by New Zealand marketing research practitioners and their effects on behaviour. Mixed research methods were employed in this study – two main data collection methods were used, including a survey based on mail questionnaires and in-depth semi-structured interviews.

The sampling procedures used for each method have been thoroughly discussed. Two hundred and seven mail questionnaires were distributed in the preliminary survey which generated a response rate of 24.2%. The participant sample for the qualitative part of the study consisted of 29 purposefully selected participants. The obtained data was reviewed against the literature as well as emergent themes, as presented in the next chapter. Credibility and dependability were accounted for through various strategies, including source and method triangulation. Key themes as well as emergent themes were identified in the process of data analysis. These were compared and evaluated against the conceptual framework and literature in Chapter Five, enabling first-order and second-order interpretations of data. Through reassessment of the framework and theory, conclusions can be drawn in Chapter Six. These have offered an added dimension to academic knowledge and recommendations to marketing research practice and industry.

CHAPTER FIVE – FINDINGS AND DISCUSSION

This chapter discusses the findings of the study. The questionnaire survey findings are presented first followed by an in-depth analysis of qualitative data collected from interviews undertaken with New Zealand marketing research practitioners. The main themes and constructs identified in the literature as having a significant role in marketing researcher - client relationships are analysed – emerging themes are identified and discussed, allowing the researcher to integrate the findings with theory and reassess the conceptual framework proposed in Chapter Three.

5.1. USE OF CODES IN THE NEW ZEALAND MARKETING RESEARCH INDUSTRY – AN OVERVIEW

Research in the area of ethics in New Zealand marketing research is relatively rare and studies that investigate the use of codes by New Zealand marketing research organisations are non-existent. For this reason, the researcher started with a survey in order to get a preliminary understanding about organisations involved in the New Zealand marketing research and codes of ethics used.

Data collected by means of questionnaires provided a general overview of the industry and a better understanding of the organisations operating within industry, their attitudes towards codes of ethics and the actions they take to create an ethical climate within their organisations. Descriptive information was collected describing the demographic characteristics of marketing research practitioners, marketing research organisations and the availability of their codes of ethics. In particular, information was sought on how familiar the practitioners are with codes of ethics, codes' presence in the organisation, codes' enforcement and codes' use.

A complete account of the demographics and characteristics of the survey's respondents is presented in Table 10.

Table 10: Attributes of survey respondents

		Frequency	Percentage
Gender	Males	26	52
	Females	24	48
Age	20-29	10	20
	30-39	23	46
	40-49	11	22
	50-59	6	12
Position	Manager/executive	20	40
	CEO/owner/principal	11	22
	Research analyst	9	18
	Account executive/sales	6	12
	Other	4	8
Organisation size	Small	11	22
	Medium	5	10
	Large	34	68
Number of clients	< 20	9	18
	20-50	18	36
	51-100	7	14
	> 100	9	18
	Missing	7	14
Type of clients	Large, multinational co.	45	90
	Medium national co.	45	90
	Small companies	36	72
	Local individuals	15	30
History	< 5 years	1	2
	5-10 years	5	10
	> 10 years	44	88
Research - main activity	Yes	48	96
	No	2	4

Both males (52%) and females (48%) participated in the survey, almost half of respondents (46%) being between 30 and 39 years old. Most of the respondents held managerial positions such as manager/executive (40%), CEO/owner/principal (22%) and account executive (12%).

Eighty-eight percent of respondents are employed by marketing research organisations have been present in the industry for more than 10 years, hence with an established

position in marketing research. Sixty-eight percent of responses came from respondents working in large organisations which is not surprising as codes of ethics are more likely to be developed and used in larger organisations than smaller organisations (White & Montgomery, 1980). Only two respondents stated that marketing research is not the organisation's main activity.

The number and type of clients that marketing research practitioners work with were diverse, but in general a common number of clients was between 20 to 50 (36%), some collaborating with more than 100 clients (18%) and others with less than 20 (18%). Most of them service large and/or multinational organisations as well as medium-sized national companies (90%). However a large number also serve small organisations (72%), with a smaller percentage (30%) working with local individuals.

As expected, the majority of marketing research organisations (80%) the respondents work for are members of MRSNZ. This would mean that their organisations officially subscribe to MRSNZ's code of ethics and its ethical guidelines and principles. It was considered important here to examine the practitioners' awareness about MRSNZ code of ethics and/or other ethical codes they may adhere to.

Respondents were therefore asked whether the organisation they work for has a written code that includes ethical guidelines and principles. Out of 50 respondents, 35 (70%) answered that their organisation has a written code that includes ethical guidelines and principles, nine (18%) said that there is no such code in their organisation and six (12%) did not know if their organisation has a written code.

It is interesting to note that of those who work for large organisations only 74% of them know about the existence of an ethical code in their organisations, with another 18% not knowing if such a code exists. Similarly, from those who stated that their organisation is a member of MRSNZ, 83% knew of the existence of an ethical code while 13% did not.

Table 11: Awareness of existence of ethical codes depending on organisation size and MRSNZ membership

		Existence of an Ethical Code (%)			
		No	Yes	Don't know	Total
Organisation size	Small	10	12	0	22
	Medium	2	8	0	10
	Large	6	50	12	68
	Total	18	70	12	100
MRSNZ membership	No	13	0	2	15
	Yes	4	70	11	85
	Total	17	70	13	100

These results raise questions about the extent of awareness of ethical codes (organisational and/or professional/industry codes) among New Zealand marketing research practitioners. This has been further examined in the survey and preliminary findings are presented in the following sub-section.

Code awareness and familiarity

In order to assess the level of awareness and respondents' familiarity with ethical codes, further questions were asked about the name by which the code is referred to in the organisation and whether the code has been designed by the organisation itself (an internal/organisational code) or has been adopted and adhered to as an external/professional code (such as the MRSNZ code).

As suggested by Schwartz (1999, 2001), there is a degree of confusion around what constitutes a code of ethics – a code of ethics is known by various names such as code of conduct, ethical code, code of practice, ethical guidelines, business conduct, operating principles and so on. This confusion appears to exist among New Zealand marketing research practitioners too. Respondents were asked to provide the name of the code referred to in the organisation. Thirty-six out of 50 respondents provided names for their ethical codes. Popular names were those of code of conduct (19%), code of practice (17%), code of ethics (17%), and staff handbook (19%).

This confusion was even more apparent when distinguishing between an internal (organisational) code and an external (professional) code. Respondents were asked to distinguish between internal and external codes and were further questioned about their awareness and familiarity with both.

Out of the 36 respondents who named the code, 36% considered that the ethical code used in their organisation is an internal code and it was hence designed by the organisation, 38% said that the code is not internal, while 25% of respondents did not know if the code was internal or not.

In terms of familiarity with the internal code, of 36 respondents who acknowledged that their organisation has an internal code only half of them (18 respondents) addressed the question relating to how familiar are they with the internal code. Of these, 44% considered that they are familiar with its content, 28% have some idea about it, 17% are aware but never read the code and 11% have no awareness of the code.

With regard to an external (professional) code, around 90% of the 38 respondents who addressed this question answered that their organisation has an external code. All of them identified the MRSNZ code as the external code. Other external codes identified were: AMRO's code (23%), ESOMAR's code (14%), one respondent also mentioned the Privacy Act, and another, the QRCA code (the Qualitative Research Consulting Association based in the U.S.).

When asked about how familiar they are with the external code, of 34 respondents who identified an external code, about half of them (56%) affirmed that they are familiar with its content, 41% have some idea about it, and 6% are either aware but never read it or have no awareness of the code.

Based on the above preliminary results, it appears that an external (professional) code is more present in the mind of the New Zealand marketing research practitioner. However, marketing research practitioners encounter difficulties in distinguishing an external code from one internally designed by an organisation. In both cases, only about half of respondents considered that they are familiar with codes' contents, with

the other half having some idea of the code's content and/or they heard about the code but never read it or have no awareness of ethical codes.

Code Enforcement

With regard to both internal and external codes, respondents were asked to consider to what extent they are enforced within the organisation. Among the 15 respondents who gave an answer to this question, about half stated that the internal code is always enforced, with the other half stating that the code is sometimes enforced (27%) or hardly ever enforced (20%).

In relation to an external code, among the 35 respondents who gave an answer, more than 70% said that the external code is always enforced in the organisation, while 24% said that the code is sometimes enforced.

These responses lead to questioning the extent of enforcement of codes in organisations when ethical matters occur; additional qualitative data may provide a clearer view on how practitioners are dealing with ethical issues and what a code's role is in the process of ethical decision-making and in client conflict resolution.

Code Presence, Location and Use

In the second part of the questionnaire respondents were asked to provide their views on codes of ethics' presence and where they can be located in the organisation, codes of ethics' use, and ways of dealing with ethical dilemmas when they arise.

Seventy percent of respondents had previously acknowledged that their organisation has a written code that it officially subscribes to, but in this section they failed to identify that such a code can be retrieved in a written form within the organisation. Only half of the respondents confirmed that the code is present and stored in a written form.

The main ways of storing the code in organisations are: filed with other documents (52%), online on the organisation's website (39%), and in other ways (24%) such as intranet, employee handbooks and online on the MRSNZ website. One person stated that the code is presented verbally as occasions arise.

In addition, more than half of respondents (56%) said that the code is not visible in the organisation, while others suggested that the code is placed in the manager's office (18%), in general offices (15%) or that they did not know where the code is placed within the organisation (12%).

The respondents were also asked if they make use of the code(s) when dealing with clients. Of 36 people who responded to this question, more than 60% did not use the code(s) frequently (39% sometimes, 19% rarely, and 3% never used a code).

In order to gain a further understanding of the extent of use of code(s) by practitioners, and looking at what kind of tools they use when encountering difficult situations with an ethical connotation, the researcher asked respondents to indicate the manner in which they deal with ethical issues encountered in the relationships with their clients. All 50 respondents provided an answer for this question: 82% seek advice from their peers, 56% trust their personal values and judgement, and, surprisingly, 60% stated that they refer to the code – it has to be noted here though that only 39% stated previously that they use the code on a regular basis. It may be that earlier questioning about codes prompted this latter response. The results raise questions about the extent of use of ethical codes in decision-making. These preliminary results seem to reflect the value and use of relationships developed within the work environment such as peer relationships on one hand and trusting personal values on the other hand in ethical-decision-making.

Discussion of qualitative data obtained from interviews with marketing research practitioners will provide an in-depth examination of the extent of codes' use.

Organisational versus personal values

At this preliminary research stage, the researcher was interested to see what the respondents' views were about the values within the organisation they work for and the efforts made by the organisation to introduce the code to its employees and to familiarize them with the code.

Respondents were asked to consider the extent to which they understand the organisation's position on ethical issues. Only 64% of the respondents stated that they clearly understand their organisation's position on ethical matters (i.e. ways of dealing with them), while 32% said that they understand it to some extent. One respondent answered that he does not understand the organisation's position and another was unsure. These results would imply that there are cases in which employees are not very clear about organisational ethical guidelines, guidelines which are normally stipulated in a code of ethics, and that organisations should make additional efforts to promote their ethical principles and guidelines among employees.

The lack of interest in promoting the organisations' ethical guidelines and principles is also reflected in the efforts that organisations make to acknowledge or highlight ethical issues and codes of ethics. The respondents were asked to say if the code is mentioned during recruitment and initial training, as well as during on-going training programmes. More than half of the respondents (56%) stated that the code of ethics is not always mentioned or were not aware if it is mentioned during recruitment and initial training sessions. Similarly, 60% of them said that the code is not mentioned or that they do not know if it is mentioned during on-going training within the organisation.

Finally, the questionnaire ended with four statements – these statements were designed to provide a preliminary assessment of respondents' views on personal values and beliefs. First, they were asked whether they feel obliged to ignore personal values and principles in order to achieve results, and second, if sometimes they feel pressured and constrained by their organisation to sacrifice their personal values for work reasons. Of 50 respondents, 33 said they never feel obliged to ignore personal values, while 13 felt seldom obliged to do so; other three stated that sometimes they had to ignore their personal values. In terms of sacrificing their personal values, most of them did not feel pressured by management to do so, although there were 10 respondents who felt seldom or sometimes pressured to do so.

These responses raise the question of whether employees feel that there might be a conflict between their personal values and those of the organisation they work for. They were asked to state if they come upon conflicts between their values and the organisational values. Here the number of respondents who consider that conflicts exist

between individual and organisational values was higher – although 19 of them stated that there are no conflicts, another 19 considered that the conflicts do not occur often, while another 12 responded that sometimes they were placed in a situation of conflict. This variation would suggest that ethical values can differ and those of individuals are not always those shared by the organisation and vice versa (Beach, 1998; Beach & Mitchell, 1998; Harris, 1990; Liedtka, 1989). Literature suggests that codes of ethics and organisational norms, when they exist and are enforced, can provide the needed guidelines to employees so that they can guide their behaviour when in doubt and when unsure of their ethical judgements (Ferrell & Gresham, 1985; Trevino, 1986b). However, it is also suggested that when a conflict between personal and organisational values arises, individuals return to their personal value systems (Glenn & Van Loo, 1993; Lee & Yoshihara, 1997; Weick, 1979, cited in Liedtka, 1989).

Finally, respondents were asked to give their opinion about whether they think a greater emphasis should be given to values rather than profits. This question has been asked in an attempt to examine their degree of ethicalness and their personal opinions on ethics. Opinions were diverse; while 24% of respondents considered that values should always be given a greater emphasis, 58% of them considered that only sometimes values should be given a greater emphasis, and four percent said that values should never be given a greater emphasis than profits. Five respondents declined to express an opinion; however some of them made comments, such as:

'Values are not sacrificed at the expense of profit in this organisation'.

and

'There are no trade-offs between these two aspects in our business/company. Integrity is not negotiable – without integrity (high ethical standards) there is no profit. ...the balance [between values and profits] will be different for different companies (not all act with high standards of integrity)'.

Concluding Thoughts on Survey Results

From the initial survey it can be seen that there is a degree of confusion among New Zealand marketing research practitioners around organisational and professional codes of ethics. The results show that the majority of practitioners surveyed are members of MRSNZ and have recognised the MRSNZ's code of ethics as the code their organisations subscribe to. However, only about half of them are familiar with the

code's content and less than half of them use the code on a regular basis. The most common ways of dealing with ethical issues are seeking advice from peers and trusting personal values and judgements. In addition, it appears that New Zealand marketing research organisations should put more effort into providing support and training for their staff around organisational and / or professional codes of ethics.

The preliminary results show that ethical codes are commonly to be found in filing cabinets and among other documents. This situation begs the question: are codes of ethics really used in ethical decision-making, or are marketing research organisations merely paying lip service to them? Accordingly, further in-depth qualitative research and data is needed to examine the use, or lack thereof, and the effectiveness of codes of ethics and their role in developing and sustaining ethical relationships between marketing research organisations and their clients. Qualitative information collected through in-depth interviews with marketing research practitioners has been analysed and is discussed next. It is expected that the analysed data will further explain not only if and how codes of ethics are used by New Zealand marketing researchers, but also how effective they are in guiding ethical decision-making by marketing researchers in their client relationships.

5.2. MODEL FOR ANALYSIS – INITIAL THOUGHTS

This section examines variables and concepts that appear to be of a particular significance in business relationships – these variables were addressed in the conceptual framework developed in Chapter Three of this thesis. They are considered to have an impact on the marketing research industry, in particular on the organisational and individual relations within the marketing research profession. An on-going review of the literature has been conducted to inform this research and generate the conceptual framework. A preliminary model was therefore created to illustrate initial thoughts (i.e. before performing the coding of transcribed interviews) about factors influencing, from an ethical perspective, the marketing research practitioner - client relationships. This model is a framework of understanding and is based on the conceptual framework developed in the first stage of the project after a careful survey of the literature and analysis of previous research. The model is presented below as Figure 21.

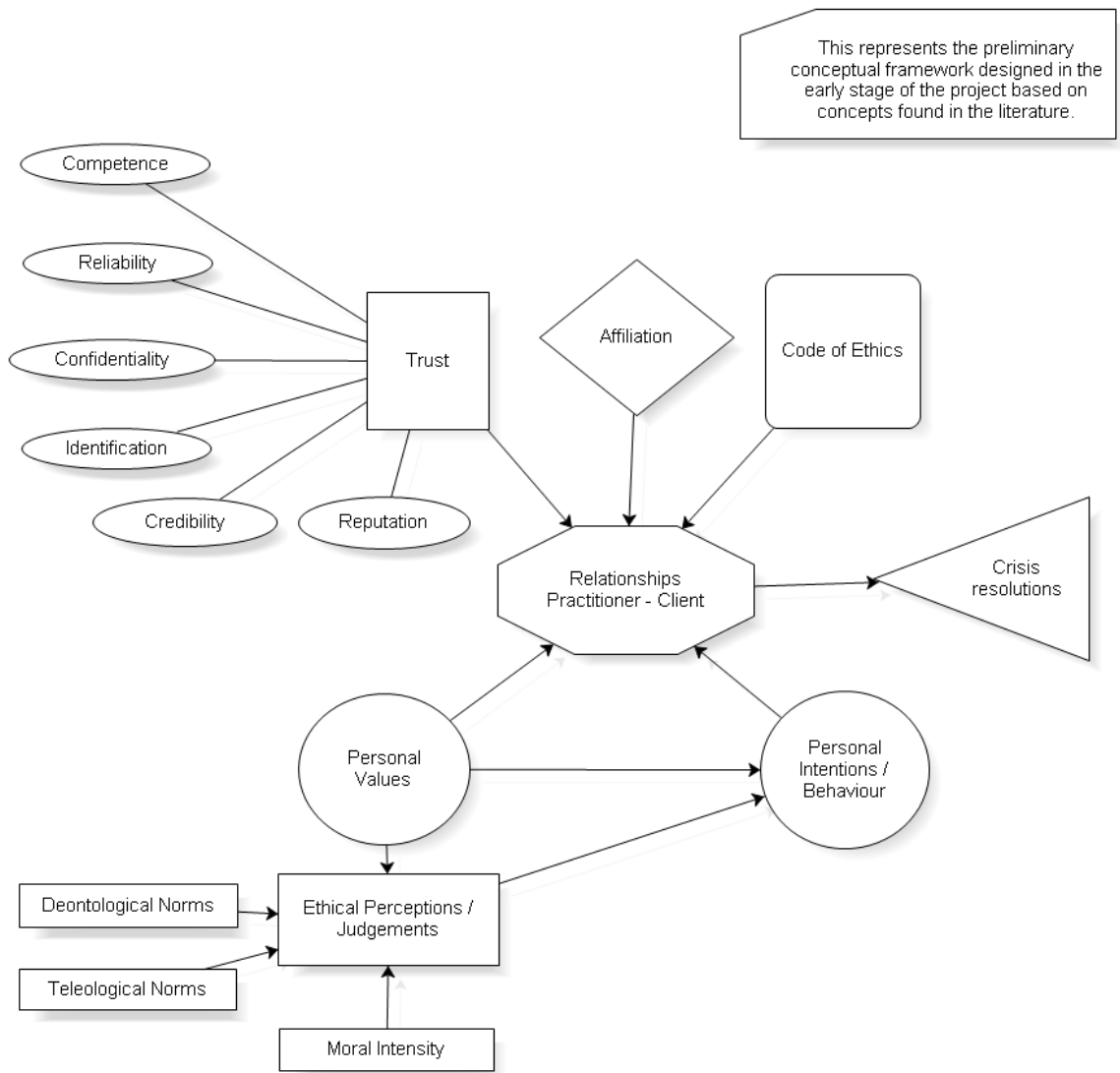


Figure 21: Preliminary model – Initial Thoughts

The first stage of interview analysis entailed identifying and examining main discussion topics. These topics have been determined based on the structure of the interview and were auto-coded (e.g. MRSNZ affiliation, code of ethics existence, code awareness, use of code, ethical issues, practices and tools used in the relationships with clients, trust in client relationships, incidents involving ethical issues, ways of dealing with ethical problems, and so on).

Furthermore, the above topics of discussion followed the structure of the conceptual model (Figure 21) and generated in-depth discussions around ethical issues faced by New Zealand marketing research practitioners and ways of dealing with these issues,

looking at codes of ethics and their use when solving crisis situations between practitioners and clients.

The initial model is divided into sub-sections or sub-models with the intent of analysing in-depth sections of the main conceptual framework. Each concept / theme is analysed, looking for relationships between variables and constructs and also identifying emerging themes that later assist in the revision of the model. Each theme is closely examined and supported (or not) by arguments and quotes identified within the qualitative data. At the end of the process the initial model is revised and amended according to the emerging themes identified in the data.

The main sub-models and concepts that have an impact on business relationships that are analysed are the following:

- Codes of ethics – their presence, use and effectiveness, investigating ethical dilemmas faced by marketing research practitioners and how they then arrive at a resolution of conflicts with their clients for the perceived problems;
- Trust in client relationships and its adjacent variables and constructs; and
- Personal values and ethics and their adjacent concepts.

5.3. INTERVIEW PARTICIPANTS' PROFILE – GENERAL INFORMATION

Twenty-nine participants were interviewed for the purpose of this study. As presented in Chapter Four, careful selection of participants from small, medium and large marketing research organisations was undertaken so that views from a wide range of participants with different experiences could be examined. Another consideration in the selection of participants in the interviews was the organisation's affiliation to MRSNZ – employees from organisations, both members and non-members of MRSNZ, were selected as seen in Table 12 below.

Table 12: Interview participants

	Members	Non-members
Organisation size		
Large	9	-
Medium	3	2
Small	5	10
TOTAL	17	12

Seventeen participants worked for organisations members of MRSNZ and 12 were employed by non-member organisations. Although 12 of 29 participants worked for MRSNZ non-member organisations, four of these confirmed in interviews that they hold an individual MRSNZ membership – all four worked for small marketing research organisations; this is discussed in more detailed in Section 5.4 when examining marketing researchers’ affiliations and memberships.

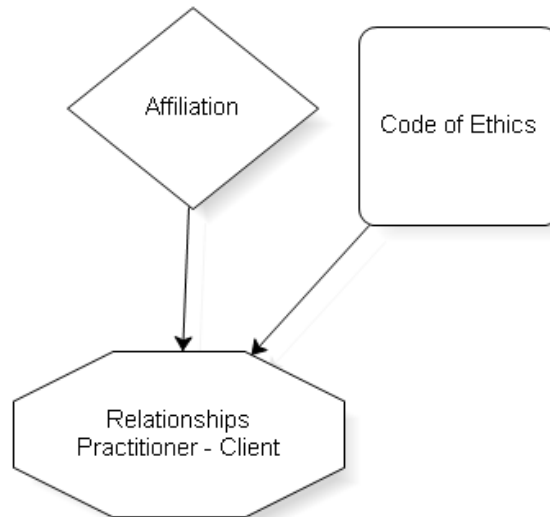
Ten females and 19 males were interviewed, who hold positions that allowed them to regularly interact with clients. Some of the positions held were: Owners/Directors, General Managers, Senior Account Directors, Research Directors, Senior Researchers.

Most of the participants have been involved with various types of clients (i.e. corporate / commercial sector and/or public sector / government) and have been involved in diverse research projects (i.e. qualitative, quantitative, internet based research). The majority of Wellington marketing research organisations are involved in projects for clients within the public / government sector, while organisations from other parts of New Zealand (such as Auckland, Christchurch) tend to have more commercial clients.

5.4. CODES OF ETHICS IN NEW ZEALAND MARKETING RESEARCH

This section discusses the findings from interview data with regard to ethical codes’ presence in marketing research organisations, and the participants’ awareness and familiarity with the codes’ content. It also examines the affiliations and memberships of organisations and marketing research practitioners and the impact these may have on their decision of adhering to a code or not – differences concerning the adoption and implementation of a code of ethics by both members and non-members of marketing research associations are discussed.

Consequently, the area of the model that will be analysed is the one below:



(a) Code’s Presence and Affiliation/Membership

First, to assess ethical codes’ presence in organisations, the respondents were asked whether their organisation has a code of ethics – this question was asked in particular when no information about an ethical code was available from the company’s website. The question was addressed in a general manner, allowing the respondents to think about any ethical code (internal or external) that their organisation might have – i.e. an organisational code and/or a professional code such as the MRSNZ code.

Internal (organisational) codes of ethics

Only two respondents, one from organisation A and another from organisation B, have identified their organisation as having an internal code (i.e. an ethical code designed internally by the organisation itself). It has to be noted that both respondents worked for large organisations.

The interviewee from organisation A referred to the internal code as the organisation’s code of conduct. The participant however found it difficult to remember the name of the code and its location and showed a vague knowledge of the content of the internal code. She said:

‘I can’t actually remember the specific of it but we have the ISO-something-or-other, ... , I’ll get [my colleague] to get the proper names; [she] is my manager who does all of

*these and we've got the...[referring to paper work]...I actually thought it might be in here but it's not...we've got ISO-something-something-something-something...
... [And] this is our internal code of conduct, which all of us have to sign and that's very much...our founder had five core principles and one of those is integrity...'*

It needs to be noted that although at the end of the interview and on several other occasions (i.e. by phone and email) the participant was asked for a copy of the internal code and it was not provided – the reason given was that the code is not a public document and it cannot be made available to third parties.

The respondent from organisation B named the code as:

'...a strong internal...code of conduct we call it, which is distributed to all new employees when they start and kind of regularly reminded of, and that's based on kind of company values and that's how we treat people internally and externally as a company'.

However, upon closer examination, in fact only one of the two organisations has an internal code. A second interviewee, a senior staff member from company B, claimed that the organisation has not developed a code of its own. When asked if the company he works for has its own code that includes ethical guidelines he responded:

'Not ethical guidelines so much as a written code. ... Our ethical standards are more in terms of what we feel is right. ... No, there's no code that has been specifically developed by us.'

It is interesting to see that in the same company two different participants have different opinions about the existence of an internal code. This might be because the participant who stated that the organisation has an internal code was in fact one of the company's founders; the impression this participant gave during the interview was that they were looking for the 'right' answer, suggesting that everything they do there is done 'by the book'.

At the end of the interview a copy of the internal code was asked for but it was not provided – the participant promised that a soft copy would be emailed to the researcher. However, after several emails and follow-up phone calls soliciting the code, no reply has been received.

No other participants identified their organisations as having an internal code.

It appears that New Zealand companies in general and small companies in particular do not see the necessity of developing their own code of ethics. One participant argued that:

'...We have the MRSNZ code and we do not see the need for anything else...if you belong to the Society and there is a Society code, it doesn't really make a lot of sense to then create your own.'

External (professional) code of ethics

The majority of participants (21 of 29 interview participants) identified the MRSNZ code as their external code of ethics. They were all members of the Market Research Society, either as individuals or the company they work for, or both.

MRSNZ provides two types of membership: individual (i.e. for marketing research practitioners) and corporate membership (i.e. for marketing research organisations). This dual membership appears to create confusion in the industry and between marketing research practitioners. When asked if they have an individual or corporate membership one participant said:

'I need to check that, whether we are [members] as a company or as...me as a member.'

Some of the participants questioned the need for having both corporate and individual membership, particularly when the individuals (the marketing researchers) identify themselves with the organisation they operate (i.e. small organisations, where most often one individual represents the organisation).

'No, [I don't have corporate membership] it's a waste of money; the company is me. When you get down to the small size, there's very little difference.'

Location also seems to have an impact on the decision to become a corporate member.

One participant in the South Island, with an individual MRSNZ membership affirmed:

'If you're going to pay membership to any organisation, or any industry body, it needs to be on the basis of mutual benefit to both the organisation and its' membership base. ... I would need to see the benefit to us as an organisation and given the company fees, I'm not so sure that those benefits are as easily apparent for us in the South Island. I think there are major benefits if you're in the North Island.'

...

And I mean, lets' face it...it is the New Zealand Market Research Society, not the North Island Market Research Society and as such, they must accommodate us in some manner. I've never seen any evidence of the Society doing so.

...

Because if they're talking in terms of gaining credits and having an accreditation system based on the number of [development] courses as a professional researcher that you or your staff attend, then I'm afraid that it needs to be an equal status across both islands to give staff the equal opportunity. It should not, under any circumstances, be Island based.'

A number of organisations are also members of the Association of Marketing Research Organisations (AMRO).

'We do adhere to the code of practice as a member of AMRO and of MRS – AMRO is a member of the organisation whereas MRS is more like individuals so we adhere to both of them.'

Several practitioners identified other international professional associations that they are members of and / or associated with, such as: the British Market Research Society (MRSUK); the Qualitative Research Consultants Association (QRCA), European Society for Opinion and Marketing Research (ESOMAR); the Australasian Evaluation Society (AES), the American Marketing Research Association (MRA) and the American Customer Satisfaction Index (ACSI). The rationale behind adhering to other international associations differs between participants.

- Depending on the organisation's size – Participants from small organisations see little use in having corporate membership, particularly when as an individual they represent the organisation and have no employees:

'No, it's a waste of money, the company is me. When you get down to the small size, there's very little difference.'

- Depending of the nature of the research services provided:

One participant from an organisation involved mainly in qualitative research projects said:

'I guess the starting point is the MRSNZ's code of practice and we absolutely subscribe to that and adhere to that. We also belong to a US based but international organisation for qualitative researchers.'

- Depending on the researcher's (or company owner's) background:

'We do use the guidelines from both the market research societies in New Zealand and the UK because our Managing Director is actually originally from the UK and she's a member of that organisation as well, so we abide by those guidelines.'

- Depending on the type of clients and projects undertaken (local vs. international, overseas clients):

'We typically use the Market Research Society of New Zealand's code of ethics and guidelines. We typically follow that. And also if we are doing work overseas, we often refer to ESOMAR, you know, the European code of ethics. Like I've got their handbook and if we are doing work overseas we are referring to that. But certainly in our contracts with our quote-leaders or whatever with other companies, we always have a reference to the Market Research Society of New Zealand's code of ethics and guidelines.'

Another participant said: *'We follow the Market Research Society [code] but our underlying one is ESOMAR and I think the ESOMAR is more demanding than the MRSNZ one, is that right? Do you know?'*

As per comments above, the participant does not seem to be confident about the differences between MRSNZ and ESOMAR's codes and their content, suggesting a limited awareness of the codes' content.

Eight interviewees did not identify themselves or their organisation as members of the MRSNZ. The majority of these worked for small organisations (up to 5 employees and most often a single-person organisation). Most of these participants stated that they follow no code and are not familiar with the MRSNZ code of ethics. There were two exceptions though: one participant, although not a member currently, but who was several years ago, declared that she still follows the MRSNZ code. This is because:

'...I'm a member of a couple of international associations and I thought well, you know, I probably don't need to be a member of everything. Although it probably makes a lot of sense to be a member of the one in New Zealand I guess.'

Another participant was more critical, and suggested that there is no need for her to become a member of MRSNZ. She also stated that:

'Well, to be honest, because I originally wasn't very impressed with the quality of research here [in New Zealand] and so I felt that being a member [of MRSNZ] really doesn't say very much about capabilities or anything like that. I've seen some horrible research done by members of that organisation. Enough to say that the US [Market Research Association] guarantees quality research and it's got problems too but from what I've seen in terms of research standards, they're just much higher in the US than they are here. And because we do deal with US clients ... NZ clients are much more willing to accept the US code than vice versa.'

(b) The MRSNZ Code – Content Analysis

As identified in the preliminary survey and the in-depth interviews with marketing research practitioners, the MRSNZ code is the ethical code that the majority of New Zealand marketing research organisations and practitioners subscribe to. For this reason the researcher considered it opportune to review the content of the MRSNZ code in order to become accustomed to the ethical statements and ethical issues addressed within the code. Since the review of the MRSNZ code was performed by means of content analysis, a systematic textual analysis tool, it was decided that the appropriate place to do this review is within this chapter, which deals with research analysis.

The MRSNZ is the professional body for New Zealand marketing research practitioners and is affiliated to similar organisations world-wide. MRSNZ's stated purpose is to support the public by inspiring confidence in both marketing research information and marketing research practitioners.

The professional body for people involved in marketing research, MRSNZ, is fully supported and endorsed by the Association of Market Research Organisations (AMRO) – AMRO is the industry body representing the major marketing research organisations which operate in New Zealand (i.e. with an annual turnover that is greater than NZ\$250,000 and their primary activity is commercial marketing research).

MRSNZ has its own ethical code called the Code of Practice. It is based on the International Chamber of Commerce (ICC)/The European Society for Opinion and Marketing Research (ESOMAR) International Code on Market and Social Research. The first ethical code of marketing and social research practices was published by ESOMAR in 1948. A number of codes were later produced by national bodies and by the International Chamber of Commerce (ICC). In 1976 ESOMAR and ICC agreed that it would be preferable to have a single international code and so following this decision a joint ICC/ESOMAR code was published in 1977. The joint code was revised and updated several times, once in 1986, and later in 1994. There were no revisions and updates following the one made in 1994 until the latest revision of the code that took place in 2008. This makes today's version the fourth edition of the code.

As no revisions were made to the ESOMAR's code for fourteen years (between 1994 and 2008), and because the MRSNZ is based on the ESOMAR code, it was considered important to analyse the differences in the code's content particularly around client relationships policy. In order to do this, a content analysis was conducted, examining the content of the two latest codes: the MRSNZ version of the code which has been in place and enforced since before 2008 and the latest version which was approved by the MRSNZ Committee in June 2008.

Content analysis is a systematic textual analysis used to examine and interpret written documents (Krippendorff, 2004; Weber, 1990). Content analysis was performed on each of the two versions of the MRSNZ code; this allowed an in-depth understanding of policies and issues addressed in the codes.

The two versions of the code were hence analysed looking at the ethical issues in marketing research and the guidance related to other aspects of the practitioners' role, including client relationships. Thus, the analysis was performed on two levels. On the first level, the ethical values that are underpinned within the code were identified and analysed. On the second level, the focus was on specific ethical guidelines pertaining to client relationships.

In addition, the work of Cressey and Moore was used – Cressey and Moore (1983) present a practical way of analysing ethical codes, providing a content analysis framework suitable for the purpose of understanding areas addressed in the code, and in particular, type and content of policies developed to guide and regulate client relations. Three key areas are examined in Cressey and Moore's study and these are Policy, Authority, and Compliance. The seminal work of Cressey and Moore (1983) has been used, adapted and applied in other studies in ethics research that investigate the content and focus of codes of ethics of diverse organisations and professions (Carasco & Singh, 2003; Lefebvre & Singh, 1992; Oliver, Kearins & McGhee, 2005).

A starting point in the analysis was simply counting the number of words in each code – this provided a general indication of the level of detail and sophistication of each of the two versions of the MRSNZ code.

Title / Version	Last revised / made effective	Approximate word count
Code of Practice of the MRSNZ Inc. / Version I	1994	4,061
Code of Practice of the MRSNZ Inc. / Version II	June 2008	2,433

The length of the code was extensively reduced in the latest version of the code from 4,061 to 2,433 words. At the Annual General Meeting of MRSNZ on the 17th March, 2008 the new version of the code was proposed and accepted through voting by full members of the Society. The rationale for the amendment of the code, as presented by the MRSNZ Committee, was the recent update of the ESOMAR code on which the MRSNZ code is based. It was suggested that the new ESOMAR code has been *‘enormously simplified; the new code is short, succinct and all encompassing, and reflects both the spirit and the letter of how market research is professionally conducted, with the legislative framework operating in the respective countries or regions. With more work being done across geographical boundaries, adherence to a single international code of practice is more desirable than having our own’* (Proposed and Accepted Motion for MRSNZ Code of Practice Amendment, MRSNZ, March 2008).

The question posed here, however, is to what extent the new simplified code has managed to cover successfully the potential ethical issues that can arise in marketing research and provide good guidance in dealing with these issues. This was further investigated in the next stage within the first level of the content analysis, looking at content and nuance differences between the two versions of the MRSNZ code. In addition, the concern expressed by some members of MRSNZ was noted that although a general international code is a good and valid way of following ethical international standards and guidelines, there is also a need for careful consideration of New Zealand’s specific industry and professional needs around ethics. In light of this claim, the MRSNZ committee also proposed voting on, and was later accepted by members, specific clauses around transparency and ownership of research, research conducted

among children and young people, and breaches of the code. These matters are discussed in more detail later in this section.

The opening section of the MRSNZ code introduces the code, its basic principles and definitions of major terms used in the code. Some significant differences have been identified between the two versions: the new code sets up more clearly the purpose (clear objective goals), key fundamentals (key ethical principles) and scope of the code. It also introduces and recognises internet-based technologies and other interactive media as emerging methods of gathering information.

A clear difference was also noted within the definitions section of the code, where main terms used in marketing research are described. This section was extensively reduced from the 1994 version and some terminology disparity is also noted. The 1994 version of the code defines the term 'marketing research' as offering an extensive explanation of areas and activities that can be included and considered to be marketing research activities (such as quantitative and qualitative research, media and advertising research, business to business and industrial research, desk research, social and opinion research). The new code however refers to the term 'market research' instead, which includes social and opinion research, with a brief definition of market research, as '*the systematic gathering and interpretation of information about individuals or organisations using statistical and analytical methods and techniques of the applied social sciences to gain insight or support decision making*' (MRSNZ Code of Practice, 2008, p.3).

Although the two terms ('marketing research' vs. 'market research') seem to be used interchangeably in the literature, they are in fact different. Market research deals specifically with gathering of information about a market's size and trends; hence, it is much narrower and customer oriented only. Marketing research covers a wider range of activities – it may involve market research. However, marketing research is a more general systematic process that can be applied to a variety of marketing problems (McDonald, 2007; McQuarrie, 2006). These can include marketing activities and processes related to the four P's (product, price, place and promotion) such as, for instance, research into new products, new pricing strategies, and new ways of

promoting a product/service or new methods of distribution such as via the Internet. For these reasons, the term marketing research is considered a more accurate one that covers a wider range of research activities, including those that are market and customer oriented.

Other terms included and defined in both codes are the terms of 'researcher', 'client', 'respondent' and 'interview'. However, the term 'record' has been left out in the latest version of the code. The 1994 version provides a detailed definition of the term 'record' including documentation produced by the client as well as the researcher (i.e. brief, proposal, contact sheet, questionnaire, respondent identification, check list, audio or audio-visual recording or film, tabulation or computer print-out, diagrams, reports and so on).

Next, the content analysis was performed at the first level, identifying ethical guidelines within the two codes and discussing the differences. The starting point in this process was analysis of the codes' structure. In the 1994 version of the code, ethical guidelines were presented and discussed as 'Rules', including five main sections, each section containing a series of articles. The five main sections were: (1) General Rules – with two articles, (2) The Rights of Respondents – with 10 articles; (3) The Professional Responsibilities of Researchers – with seven articles; (4) The Mutual Rights and Responsibilities of Researchers and Clients – with 14 articles; and (5) Implementation of the Code – one article.

The 2008 version of the code was restructured and now comprises 14 articles in total, each representing and discussing specific ethical and technical issues regarding the process of marketing research.

In the next step both codes were closely examined in order to determine the ethical issues that they approach and provide guidance on. Similar to Cressey and Moore's study (1983) this stage of analysis intended to examine the policy area – i.e. identifying the types of statements and specific areas to do with ethical guidelines that are covered in the code. Statements within the 1994 and 2008 versions of the MRSNZ codes were examined and classified according to the policy areas they cover. Following this

principle, 14 categories of ethical principles were identified; these principles are listed below with a brief description of each:

- *Honesty* – the need for honesty and truthfulness in carrying out market research, including the need for trust.
- *Scientific Rigor* – the need to use appropriate scientific principles so that truthful and reliable results are generated and presented as research findings.
- *Professional responsibility* – the requirement to act in a way that will not lead to a loss of public confidence in marketing research, including the need to act conform principles of fair competition.
- *Voluntary participation* – the need to ensure that the respondents’ participation in marketing research is entirely voluntary, including providing the right to withdraw from the research at any time.
- *Informed consent* – the need to ensure the respondents’ fully informed consent to participate in the marketing research project.
- *Harm to respondents* – the potential to cause harm or adversely affect the respondents in a marketing research project.
- *Anonymity* – the protection of anonymity of respondents and /or organisations they represent.
- *Misleading* – the potential for deception and misleading of respondents during the research process.
- *Misrepresentation* – the need to avoid misleading, misunderstanding, misrepresenting or false reporting of findings, and misrepresentation of other activities as marketing research.
- *Transparency* – the need for openness and honesty in communicating information about the marketing research to all interested parties, including the researchers’ requirement to appropriately identify themselves in front of respondents while conducting research.
- *Privacy* – the need to protect respondents’ privacy and avoid invasion of privacy.
- *Confidentiality* – the obligation not to disclose information held about any party to another party.

- *Data usage and storage* – the need to preserve personal information ensuring security measures in order to prevent unauthorised access to, manipulation or disclosure of personal data.
- *Ownership* – principles about ownership of various research documents, stipulating the type of documents that remain the property of the client and those owned by the researcher.

After the identification of the main ethical principles addressed in the codes, differences between the statements that reflect each principle and the extent of detail that it is provided in their discussion were examined. These differences are illustrated in more detail in Appendix 7.

The ethical principle related to honesty and integrity of marketing research has been emphasised in the 2008 version of the code. Although the 1994 version mentions the need for research to be carried out honestly, in the 2008 version of the code this has been extended to statements that refer to the potential abuse of respondents' trust and the need for avoidance of false statements related to researchers' skills and level of experience.

No major differences were noted with regard to the need for scientific rigour in marketing research. The professional responsibility of marketing research practitioners is also emphasised in both versions of the code. Other ethical principles referred to in both versions of the code are the avoidance of harm to respondents, misleading and misrepresentation, transparency, privacy, and ownership of research documents.

Voluntary participation in research is emphasised in both versions of the codes – the 1994 version in fact goes even further so as to provide guidelines for the conduct of further interviews within the marketing research project, where participants' consent is required to participate in consequent interviews. Besides stating the need for voluntary consent the latest version also mentions the respondents' right to withdraw from research at any time.

The informed consent of respondents is emphasised in the 2008 version of the code – the statements refer to both the requirement of making the research purpose known to respondents and the need to inform them before any observation techniques and recording equipment are to be used in the research project; also, it is stipulated that informed consent is required from a parent or responsible adult when interviewing children aged under 15 years old. The 1994 version of the code omits statements regarding the need to inform respondents about the purpose of the research, but provides statements for all the other issues referred to in the 2008 version.

The ethical principle of anonymity is only briefly mentioned in the 2008 version of the code and only in relation to documents (i.e. interview records) that can be provided to clients – i.e. marketing research organisations/practitioners need to ensure that such records do not breach anonymity and confidentiality requirements as per the Privacy Act 1993. The 1994 version of the code is clearer around anonymity issues, emphasising within a separate article (Article 7) the need to always strictly preserve respondents' anonymity, unless they have explicitly agreed to the contrary. Other statements within the 1994 version also emphasise the need for anonymity.

Confidentiality is an ethical principle that is referred to in both versions; however, the 1994 version of the code provides more detailed information and guidelines regarding confidentiality – it formulates statements with regard to confidentiality issues in relation to both the respondents and the client. These statements are also contained in the 2008 version but in a more concise manner.

Guidelines on data usage and storage are provided in both versions of the code. The 2008 version also provides details on usage and storage of personal data (i.e. collection and usage of adequate, relevant and non-excessive personal data for research purposes only, storage of no longer than required for research purposes).

The second area examined in Cressey and Moore's study (1983) is authority. The authors argue that *'drawing on authoritative principles gives weight to the standards that comprise a code of ethics'* (p. 59). Ethical codes are based on authoritative principles that transcend the world of business (i.e. external authority – metaphysical

principles such as the principle that virtue is its own reward, or legal-political principles such as social contract theory stating that private interests are duty-bound to abide by societal rules); others are drawn upon percepts or principles internal to the business (i.e. internal authority – ethics is important to the survival of the business or profession and ethical principles must be followed because they are policy) while other codes draw from both external and internal authority (Cressey & Moore, 1983, p. 60).

The MRSNZ code includes statements that refer to authority which draws on internal authority principles. Both versions of the code refer to the need to have a set of rules that people involved in marketing research must follow in order to maintain public confidence; the concern is around creating and maintaining ethical standards to support the profession’s image. Also ethical standards and principles stated within the code are to be seen as rules (i.e. policies) and to be strictly followed by marketing research practitioners (i.e. internal authority). Statements that relate to authority are presented in Table 13 below.

Table 13: Statements related to authority

1994 MRSNZ code	<p><i>‘[Public] confidence must be supported by an appropriate professional Code of Practice governing the way in which Marketing Research projects are conducted.’ ...</i></p> <p><i>‘This Code sets out the basic principles which must guide the actions of those who carry out or use Marketing Research. No variation in the application of Rules is permissible without express authorisation of the Market Research Society of New Zealand. Individuals and organisations who subscribe to it must follow not just the letter but also the spirit of these rules.’</i></p>
2008 MRSNZ code	<p><i>‘The publishing of this Code is intended to foster public confidence and to demonstrate practitioners’ recognition of their ethical and professional responsibilities in carrying out market research.’</i></p> <p><i>‘The Code sets minimum standards of ethical conduct to be followed by all researchers and clients and is to be applied against the background of applicable law and of any stricter standards or rules that may be required in any specific market.’</i></p> <p><i>... ‘The Code is to be applied in the spirit as well as to the letter.’</i></p>

Lastly, the compliance area refers to statements within a code that specify guidelines on procedures for monitoring, enforcing, sanctioning and ensuring compliance with a code’s provisions (Cressey & Moore, 1983, p.64). Therefore these provide an indication of systems in place to ensure the implementation of and compliance with the code.

Three types of compliance procedures are identified: (a) internal procedures through oversight – i.e. peer monitoring, internal audits and reviews; (b) internal procedures through personal integrity – i.e. self regulation and employee integrity, reporting misconduct of self or others, role models; and (c) external compliance procedures through regulation – i.e. use of external auditors or legislation.

Both external and internal compliance procedures are included in both versions of the MRSNZ code. Internal compliance is applied through integrity by means of self-regulation. The 1994 version of the code goes further in stating that practitioners need to ensure that they and other people in the organisation are aware of and understand the code’s principles. This statement would imply the expectation that they monitor and report any unethical behaviour observed in the organisation. External compliance procedures are also applied through statements that refer to the need to comply to national and international legislation. In addition, as a way of ensuring implementation and compliance with the code, both versions suggest that a breach of the code may result in membership being withdrawn by MRSNZ. Statements that relate to compliance are presented in Table 14 below.

Table 14: Statements related to compliance

1994 MRSNZ code	<p><i>‘Individuals ... are always responsible for ensuring that other people in their organisation are aware of, and understand, the principles laid down in this Code. They must use their best endeavours to ensure that the organisation as a whole conforms to the Code.’ ...</i></p> <p><i>‘Marketing Research must always conform to the national and international legislation including data protection and the privacy of the individual, which may apply in any of the countries involved in a given research project.’ ...</i></p> <p><i>‘Any person or organisations involved in, or associated with, a Marketing Research project and/or proposal is responsible for actively applying the Rules and this Code in the spirit as well as the letter. Breaches of the Code may result in membership being withdrawn by the National Council.’</i></p>
2008 MRSNZ code	<p><i>‘This Code is designed primarily as a framework for self-regulation. With this in mind, ICC/ESOMAR recommends the worldwide use of the Code...’</i></p> <p><i>‘[The code] intends ... to minimise the need for governmental and/or inter-governmental legislation or regulation’. ...</i></p> <p><i>‘Breaches of the Code may result in membership being revoked by the MRSNZ.’</i></p> <p><i>‘The Code and the principles enshrined in it, should be adopted</i></p>

and implemented, nationally and internationally, by the relevant local, national or regional self regulatory bodies. The Code should also be applied, where appropriate, by all organisations, companies and individuals involved and at all stages in a market research project.

Marketers, researchers and clients should be familiar with the Code and with other relevant local self-regulatory documents on market research, and should familiarise themselves with decisions taken by the appropriate self-regulatory body.'

At the second level of analysis, ethical principles and guidelines pertaining to client relationships were examined and differences between the two versions of the code were identified and discussed as follows.

First, in the 2008 version the reduction in number of statements and words to describe ethical principles related to clients is noted. The 1994 version of the code has a full separate section which deals exclusively with mutual rights and responsibilities of researchers and clients. This section includes a total of fourteen articles which are presented in detail within 1,621 words (4 ½ pages). In the newly revised code (i.e. the 2008 version) ethical issues around client relationships are presented within ten statements consisting of 484 words in total (1 ½ pages).

Second, the specifications and ethical principles referred to in the MRSNZ code were examined; in particular differences between the two versions of the codes were analysed. The following sets of guidelines pertaining to client relationships are presented and discussed below.

- Use of a written contract between researcher and client – the need to have a prior written agreement between the two parties, an agreement which will normally govern the rights and responsibilities of both researcher and client.

The need for a written contract between the researcher and client has been stipulated in the 1994 version of the MRSNZ code; however there is no indication of the necessity to draft such an agreement in the 2008 version of the code.

- Combined or syndicated research – the need to inform the client if the research to be carried out for them is to be combined or syndicated with work for other clients; this also specifies that the identity of such clients not to be disclosed by the researcher.

Both code versions stipulate this requirement; however the 1994 version goes further in specifying that the client is not allowed to give any of the results of syndicated research (i.e. a multi-client project) to any other potential purchasers of the study unless they received the researcher's prior permission.

- Subcontracting – the requirement to inform the client if any part of the work is to be subcontracted to other parties (i.e. organisations and/or consultants); in addition, on request, the client must be informed about the identity of such subcontractors.
- Exclusive use of researcher's services – this guideline specifies that a client does not have the right to exclusive use of the researcher's services, unless a prior arrangement has been made between the two parties. This guideline exists in the 1994 version of the code but has not been included in the revised 2008 version.
- Client's identity – the requirement that client's name and any other information about them is to be maintained confidential by the researcher and is not to be disclosed to third parties. Interestingly, this condition is not mentioned in the 2008 version of the code.
- Respondents' identity – the requirement that respondents' identity is not to be divulged by the researcher to the client unless explicit permission for this has been obtained beforehand. This has been emphasised in the 2008 version of the code, providing clear guidelines about when the disclosure of respondent's identity is acceptable.
- Property of the client – this guideline stipulates what type of research documents remain the property of the client (i.e. marketing research briefs, research data and findings). Both versions of the code include clear statements regarding this.
- Property of the researcher – these statements refer to research documents remaining the researcher's property. Guidelines on documentation that remains the property of the researcher are provided in both codes; however, the 1994 version is more detailed with regard to the requirement that the documentation cannot be disclosed by the client to a third party, with the exception of a consultant working for the client on the respective project, and that the client cannot influence proposals or cost quotations from other researchers.
- Storage and duplication of research records – guidelines referring to the amount of time data needs to be stored after the completion of a research project and rules

regarding provision of duplicates of research documents. Again, the 1994 version of the code provides more detail about the amount of time various types of documentation is to be kept: besides the two year minimum for secondary records/stored research data, the code suggests that original records are to be kept for a six month period, and when no secondary records exist then original records are to be kept for a minimum of two years. Both codes require duplication of records to be supplied to the client provided they do not breach anonymity and confidentiality requirements.

- Checks on data quality and preparation – guidelines about the client’s right to solicit checks on research data. Although both codes have clear statements regarding this guideline, the 1994 version of the code goes further in saying that these checks must conform with respondent anonymity as per the ethical principle referring to anonymity of respondents (i.e. Article 7 in the 1994 MRSNZ code). In addition, the 1994 version also stipulates the need for an independent observer in charge of checking the data in the case of a multi-client study.
- Technical details of research – providing the client with details about technical issues regarding the research conducted. This is presented succinctly in the 2008 version, whereas the 1994 version of the code includes detailed and clear guidelines about the types of technical details that can be provided to clients and need to be included in the report, such as the background of the research (i.e. purpose of study, names of client and researcher, names of subcontractors and consultants involved in the research project), sample (i.e. size, nature and geographical distribution, details of sampling method, response rates, possible bias), data collection methods, and presentation of results (i.e. findings, margins of errors, questionnaires and other relevant documents and materials used).
- Reporting on the results – the need to make a clear distinction by the researcher between findings, interpretation of findings and any recommendations based on these. This requirement has been stipulated in the 1994 code but has not been mentioned in the 2008 version.
- Publishing of findings – these are guidelines referring to findings published by the client. Both codes specify the need for these not to be misleading and that the client should consult and obtain the researcher’s consent prior to publication; in addition, they specify measures to be taken by the researcher in the eventuality that these

principles are not adhered to by the client (i.e. refusing permission for his/her name to be used in connection with the published findings, publishing the appropriate technical details of the project, correcting any misleading aspects of the published findings) .

- Use of the researcher's name – the requirement that the researcher must not allow their names to be used in connection with any research project as an assurance that the project is conducted according to the MRSNZ code, unless they are confident that the project meets all the code's requirements. This requirement has not been stipulated in the 2008 version of the code.
- Awareness of the MRSNZ code – the researcher's obligation to ensure clients are fully aware of the existence of the MRSNZ code and the need to comply with the code's requirements. Both versions of the code suggest that it is the researcher's obligation to ensure that clients agree to comply with the code's requirements; the 1994 version emphasises more emphatically that it is the researcher's obligation to make sure that clients are aware of the existence of such a code.

A detailed illustration of the differences between ethical requirements and principles referred to in the 1994 and 2008 versions of the code and discussed above is presented in Appendix 8.

The content analysis shows that four ethical guidelines pertaining to client-researcher relationships have been left out of the revised version. These refer to the necessity of having a written contract between researcher and client, the guideline that prevents clients from using exclusively a researcher's services (i.e. without a prior arrangement between the two), guidelines referring to conditions on the use of the researcher's name in research projects and finally, the need to maintain confidentiality concerning the name of the client during research. One of the most surprising decisions made by those who updated the code was that of not including statements related to the client's identity (i.e. the requirement that the client's name and any other information about them be maintained confidential by the researcher and not be disclosed to third parties). On the other hand, respondent-related statements and ethical guidelines seem to be more present, emphasised, and have more support within the 2008 code.

Other guidelines such as those on checking research data and information on technical details of the research were extensively reformulated and reduced to a minimum number of statements.

Another aspect noted here, when discussing differences between the two versions of the code, is the ethical tone used in the two versions of the code. The 1994 version of the code uses a more definite tone in the statements' design than in the 2008 version. Advisory statements are more frequent in the 2008 version (such as: 'it is *recommended...*', 'the code *should be* adopted and implemented...', 'marketers, researcher and clients *should be* familiar with the code...') compared to more imperative statements in the 1994 version of the code (such as: 'individuals *are always* responsible for...' 'any person ... *is responsible* for actively applying the rules and this code', 'the code *must guide* the actions of those who carry out or use marketing research').

Finally, the reader of the two versions of the MRSNZ is left with the sense that the level of detail provided in the 1994 version is of a higher standard. As suggested by the MRSNZ committee, the decision to update using the newly revised code of ICC/ESOMAR was due to the globalisation of business and internationalisation of research and hence the need to have a more succinct code that researchers all over the world can refer to. Although a general international code is useful for these reasons, careful consideration of country-related ethical issues should be made – therefore, following the ICC/ESOMAR framework, the MRSNZ code should be based on New Zealand specific marketing research needs, as suggested by New Zealand marketing research practitioners at the Annual General Meeting where the new version of the code was approved (MRSNZ AGM, March 2008).

(c) Code's Awareness and Familiarity

Before investigating the extent to which codes (either internal or external) are used by marketing research practitioners, the researcher wanted to determine how aware and familiar participants are with the code. As discussed in the section above, the majority of participants made reference to the MRSNZ code of ethics and hence when discussing an ethical code, the MRSNZ code was the one to which they referred to.

The majority of participants (24 out of 29) were aware of the existence of a code of ethics with no significant differences among participants from small, medium and large organisations. The only practitioners that were unaware of the existence of a code were participants working for small organisations that do not have an internal code and are not members of MRSNZ and were not aware of the existence of a professional code such as the MRSNZ code.

Participants were asked to say how familiar they are with the MRSNZ code. The interview questions were not designed to test in any way the participants' knowledge of the content of the code; however, their answers provided clues about the degree of familiarity and awareness they have. Furthermore, this discussion created a platform for further examination of use of codes in situations with ethical content.

Good familiarity with the code

Some participants (11 out of 29) believe they are very familiar with the MRSNZ code. These participants had more confidence when talking about the code, a few of them providing examples of recent times when they had to consult the code of ethics.

When asked if they are familiar with the code, one participant said:

'Pretty much so. In fact I was reading it yesterday as it happens because one of our clients wanted us to do something which I wasn't at all happy with so I pulled out the code of practice and said well, you know, we adhere to these professional principles and it's...sorry, we can't do it. I suppose in a sense that was using the code to support something that I wasn't prepared to do.'

Another explained:

'I'm familiar with it in that it is the kind of starting point for any ethical thing. The strange thing is that I find that I need to consult it about once every six months, we don't really have many explicitly ethical things that come up. But when they do come up, the reason you're aware of them is you're not quite sure...because you're in a sort of grey area. Most things are clear black and white and you don't even really think of them as ethics issues. It's when things...you're not quite sure and that's when you do actually consult the code.'

Familiar at some extent

Some participants (13 out of 29) believe they are reasonably familiar with the code. Most of these participants acknowledge that they have a general knowledge of the code and/or they have read the code albeit, not recently, as one of them explained:

'Yes, [I am familiar] in a broad sense. I mean, I did read it, I have read the code...it was not that recently but I have read it, so I'm broadly familiar with it, yes.'

Another said:

'Umm, as much as one is [familiar] in terms of...yes, we've all had a look at the very beginning when you first come in and get involved [in marketing research]. And use some of the key things ...identified data and...yeah, the quality...making sure that it's up for good quality...but you'd need to actually go and get the code out and copy of it to make sure that...if it's a query that you're following...there's exact lines that you must follow.'

A few participants explained that they read the code when they joined MRSNZ, as part of the introductory session offered for new members, but essentially not since then:

'It's not something that we read on a day-to-day basis. The MRSNZ has an introductory seminar course or workshop or call it what you like, for new members and they do that twice a year I think and I participated in something like that several years ago.'

And another participant said: *'I became a member [of MRSNZ] not too long ago so I went to a session where we were introduced to it...so I'm familiar with it.'*

A few participants stated that they are aware of general principles and guidelines included in the code and that they consult the code when it is needed:

'Reasonably [familiar] (laughing). I mean, I don't walk around with it on my sleeve but I am familiar with most of the major issues to do with respondent and client confidentiality and those sorts of things. So, you know, if I have a query, I look it up or check it out, you know.'

'Yes, I mean, I refer to it from time to time when I have to, when you get issues that come up, yes.'

Another participant considered that the code is just the reflection of fundamental principles and ways of doing things, but would be unable to recall the exact content of the code:

'... it's just so fundamental to what we do, that I don't even think about it. ... So I think...am I familiar with them [ethical guidelines]? Ask me what they are and I can probably rattle off what we do and how we do it and I couldn't quote you the exact code, but yeah...'

Another example where some degree of lack of knowledge about the code's content was shown by a participant:

'I am familiar with the code of ethics that applies to the consumer but I don't know if this is something that applies to the relationship with the clients too.'

Following the interview, the respective participant was surprised to learn that the code has stipulated specific guidelines for client relationships.

Not familiar at all

Five participants said that they are not aware and/or familiar with an ethical code. These participants were all from small organisations that do not have a code of ethics and participants were not members of the MRSNZ.

(d) Use of codes of ethics

The preliminary survey showed that more than half of those surveyed do not use the code of ethics on a regular basis (more than half of the respondents, 61%, stated that they use the code only sometimes, rarely or never). This situation was further examined in the interviews. In the initial stage of the interview, after determining the level of familiarity with ethical codes (i.e. either organisational and/or professional codes) participants were asked to say if they use the code in solving ethical issues in their relationships with clients.

Answers varied and can be divided into three main categories: those who stated that they make use of the code when ethical issues arise between them and the client, those who acknowledged a limited use of codes and those who admitted that they do not make use of a code of ethics when dealing with clients.

Use of an ethical code

The answers provided by some participants (31%) suggest that they not only are aware of and familiar with the code of ethics but that the code is used in relationships with clients. Some of these participants were participants who, from the outset, provided examples of instances when they had to refer to the code and use it to clarify ethical issues between them and their clients.

There were a few participants who said that they refer to the code whenever problems arise in their client relationships and that the code is the right tool to use in situations like these, as a guiding tool to ensure good and ethical research practice.

Another participant said:

'The code informs good research practice ... the code gets used all the time. I mean, we have the code...we literally have the code printed out and bound in our office and we refer to it as a document as well as a resource all the time.'

Another participant said:

'[The code is used] as a guiding principle to good research practice, I guess that's the way we would use it.'

There were two participants who went further in explaining how they use the code – that is, through making use of quotes and specific paragraphs or articles stipulated in the code to support their decisions and actions when performing work for clients. One of these participants explained:

'Yes, we often refer to [the code]. I mean, most of us know the general principles very well but you do get occasional questions that are perhaps just not quite obvious as to where they fit. ... this is the code of practice (refers to paperwork) and you can see I've got yellow stickies that are dotted all through things that we keep finding ourselves coming back to. I did find that the old hard copy was quite useful, even though it's on the Net now but just being able to quickly pull this out, often struck me as being a bit faster than getting it from the Net.'

Another participant discussed instances when he had to deal with some difficult clients who asked for specific information (like respondents details) and/or other information that cannot be made available to clients. In situations like these he chose to refer to the code, emphasising and quoting specific sections from the code that supported his organisations' ethical views:

'We often refer to [the clause saying]: "it's against the ethics and guidelines of the MRS to hand that over" ...so yes, we often are quoting a clause ... and saying you cannot do this because of this.'

Similarly, another participant referred to circumstances when clients solicit certain information that cannot be offered due to ethical guidelines in marketing research, informing clients about ethical principles stipulated in the code when necessary. He said:

'Some of [the clients] don't have a great understanding of the code of practice so a lot of times I have clients asking for respondents' company details. I said, well I can't give it to you because we're bound by the code of practice.'

Another participant explained that the organisation includes quotes from the MRSNZ code in its proposals to the client so that some areas and clauses are made clear to them from the outset:

'It's part of our proposals so we have several...four or five bullet points if you like, in our proposals that we actually put in our proposals, around security and behaviour. And we actually quote the number of the clause as well with that.'

There were several other participants who spoke of the need to inform and share the code with clients so that they are aware of its existence and the parameters within each the marketing research project will be conducted. One participant explained:

'We are able to refer to [the code] and reference it. ... We make [clients] aware of the benefits of it. And so when they put an idea to us or make a request, typically what we'd do is...we say that may be impacted by the code of ethics and we may have a short conversation about it at the time. But we're more likely to bring it back here and reflect on the code and have some conversations internally and then go back to the clients with a view once we've had, you know, a good close look at the code and discussed it internally.'

This also reflects a certain degree of peer discussion and consultation prior to making ethical decisions with regard to client requests when the code may be brought into focus as a supporting document and a decision-making tool.

More than adhering to and using a code of ethics, there is the opinion that the code has to be an essential component of the company's culture and therefore ethical guidelines and principles have to be inherent within the culture of an organisation. A participant from a small organisation referred to the code as something that represents a set of ethical guidelines driven by the organisation's culture, an instrument that needs to be adhered to holistically, analysing and applying the whole system of beliefs contained within the organisation's culture:

'I believe that the code really needs to be a culture within an organisation. ... And I believe that all of those [ethical guidelines] are driven by the culture within the organisation. You either respect the code holistically or you don't.'

Some differences in the degree of code's use were expected among large, medium and small organisations. However, no major differences were noted in participants' answers among those who work for large, medium or small marketing research organisations.

The answers varied as per the discussion above and a number of answers suggesting the use of a code came from participants working for small organisations – this may suggest that although small, these organisations and their managers/employees take codes of ethics into consideration and make use of them when needed; hence the size of the organisation does not seem to have an impact on the ethical code's use by practitioners. The extent of codes' use is however analysed in more depth, employing the use of supporting information collected from interviews in Section 5.8 of this chapter.

Some degree (partial) use of an ethical code

There was another group of participants (28%) who suggested that they sometimes use the code; however they do not feel the need to refer to it often. These participants refer to or use the code when they are presented with specific ethical dilemmas or issues. They feel very confident in their understanding of ethics in marketing research and the corresponding guidelines and principles so that they do not feel the need to refer to the code often.

A few participants stated that they use the code for some issues only. These can be related to various ethical issues such as privacy, confidentiality, and anonymity. As one participant from a medium-sized organisation stated:

'We have [used the code] in the past year in areas of privacy and identification of respondents vis-à-vis the client specifically. Other than that I have not specifically referred to the code.'

Another participant from a small organisation said:

'Yeah, I sort of look [the code] up. A couple of times a year I'd look it up, yeah. ... The main thing is the limits of confidentiality and anonymity. It's all the sorts of things that you just talk through routinely as we all do at the start of an interview and 99% of the time, it's absolutely straightforward, it's just what we do all the time but about 1% of the time, there's an issue, for example a grey area.'

Similarly, there were participants who suggested that they make use of the code only when there is a need to do so; however, they may not do so very often:

'When I have a need to, yes [I use the code]. Not particularly [frequent]. You know, the whole ethical side of things, I mean...it's not a major area of concern to me, you know. I mean it's always there; it's always underpinning things ... It's only where something is quite away from the norm or somebody's asking you to do something that you're not happy with.'

As suggested in the above quote, these participants consider that they are fully aware of the ethical standards in marketing research, feeling confident about their knowledge of and ability to deal with ethical issues, and therefore do not feel that is necessary to refer to the code. Several participants expressed similar views:

'I could tell you whether something's within the rules or not...(laughing)...but I wouldn't consider myself to be very familiar with them, I couldn't tell you which clause it is but I could say, yes, that's covered in the code and this is what is the right thing to do. I would seldom have to actually refer to it.'

Another participant explained:

'I can't tell you what the code is for [a specific ethical issue], but I know that's what we're following, does that make sense? ... We've got standard documents that we put on the end of all of our contracts about what we do and what we follow. Have I ever had to refer back to the code? Umm,... I don't go back and review the code to make sure that it's there. Because I'm already doing some of those detailed things.'

No use of an ethical code

Finally, there was the category of interview participants who declared that they do not make use of the code of ethics (41%) – within this category several participants (six people) do not adhere to the MRSNZ code of ethics and are not familiar with it.

Among those who adhere to the code and stated that they do not use it in their marketing research operations, there were several participants who provided an outright answer, declaring that they never used the code of ethics in their dealings with clients.

There were others who went to the length of providing more information on the reasons they do not use the code. One participant said when asked if they use the code:

'No, not really, no, no... I think because we're known as having a good name and that we do what we say, then that probably is the reason why that hasn't come up particularly. ... I've had to stand my ground on identified data a couple of times.'

This response suggests that the need to use the code is not felt because they are not faced with ethical issues in their client relations –implying that this is because of the reputation the organisation has among marketing research clients. Reputation as an emerging theme within the interviews is thoroughly discussed in Section 5.6 when the relationships between practitioners and clients are analysed in more detail.

There were several other participants who seem to believe that having experience in the marketing research field enables a marketing research practitioner to be confident in dealing with ethical issues without the need to refer to an ethical code; however, as one of the participants explained, there is the need for the practitioner to be fully aware of the code in the first place and hence very capable of making the right ethical decisions when needed:

'It's one of those things...I think if you're a carpenter you're very familiar with how to use a saw, a hammer...you know, when you start off you don't know much about it...so in a word no [I do not use the code] but having said that I feel that if you're not aware of the code you could make some pretty gross mistakes.'

Similarly, another participant believed that the more experience the practitioner has in marketing research, in other words the longer he has been in the industry, the more familiar he is with the code and does not need to refer to it – he also suggested that in many cases it is a matter of common sense in taking the right ethical decision:

'I think it's fair to say that a lot of it is kind of common sense. You know, it's the sort of thing that if you've been in the industry long enough, you don't really go and refer to the code if you've got an enquiry on the phone, about anonymity or about the way the data's going to be treated or whatever, we're familiar enough I think with the underlining concepts, that we can just talk to that with the client directly.'

The use of common sense to make ethical decisions was often mentioned in the interviews. This response prompted the researcher to investigate in more depth what is meant by 'using common sense' in ethical decisions and what exactly is perceived as representing common sense in the participants' view.

(e) Use of common sense in dealing with ethical issues

The majority of participants suggested that common sense is also used when faced with ethical decisions.

The rationale for using common sense was associated with the practitioner's experience and his/her knowledge of ethical norms and standards, in other words their awareness of ethical principles and guidelines that need to be followed in their relationships with clients and in marketing research in general. These participants were of the opinion that using common sense means doing something that makes sense, and choosing between right and wrong by using intuition – this intuitive, instinctive way of doing

things, it is suggested, comes with experience and is determined by the length of service one has in the marketing industry:

'I think of something that we call the common sense check, which is...does this make sense? And if it doesn't appear to make sense, then it's probably wrong in some way. So yeah...I suppose it's...it's the intuitive stuff. You sort of feel like something's right or wrong. And there's a whole heap of things I suppose that you learn over the years.'

Similarly, another participant suggested that common sense is doing something that is right and this depends on the level of expertise and knowledge someone has in order to do that:

'Common sense is something that you know it's right. ... It is just a shorthand for the accumulation of your knowledge.'

Another participant explained that doing the right thing should be a matter of habit and experience, without necessarily consciously referring to a code:

'A newbie in a research company might not realise they're actually ticking off some of the obligations to clients and mightn't remember about the code but assuming they work within the system, it's gonna happen. The same as working with clients...I mean where have you been if you're an experienced person and have been working for a few years if your shared habits don't reflect ethical codes...well, you've been doing something badly wrong. It should be a matter of habit.'

Another participant from a small organisation talked about the use of common sense and what they call informal business ethics – that 'proper' behaviour, an informal and 'unwritten' way of behaving ethically:

'[I use] common sense; and what I call informal business ethics which is that any business would not release any confidential information that is crucial to them, information that they would not like a competitor to have or any third party ... I am very gutted about giving any information about my clients to anybody else, that's just an informal code, it is probably what I would do if I am a doctor, a lawyer, an engineer or anything, a consultant of any kind ...'

This response introduces the view expressed by participants that personal ethics can be attributed to doing things in a certain way and this is because of the personal views on ethical principles and behaviour that a person holds, which in turn will affect their actions.

Within this view, common sense relates to one's personal judgements with regard to certain circumstances that need ethical attention. One participant suggested that someone's personal views and values will always have an impact on the way that

person acts and interprets things as being the common way of doing things – i.e. common sense:

'...The ways of looking at the world always come with a personal standpoint. Your own values always colour what you do. ... [It is] having a standpoint so you can see "the you" in the research you're doing. And that "you" bit is the common sense bit ...'

This opinion is emphasised by other participants who refer to having a solid foundation of personal ethics determined by their own values and beliefs which ultimately lead their actions to a greater extent than a code of ethics. One participant referred to common sense as one's personal value system, stating that: *'I feel I have a very strong foundation for my personal ethics'* and suggested that, for this reason, common sense is very useful in determining the best course of action for an ethical issue.

Another participant referred to the need for management to have strong ethical values in order to shape others' behaviour as well, while a code of ethics is not seen to have a great impact on behaviour:

'I think [using common sense is] the only way of doing it. You need to have leaders that have strong values and then that's the way to handle ethics. If your leaders don't have ethical values then there is no code of ethics that is going to prevent you from doing the wrong thing.'

There were a few participants who went further in discussing the idea of having a personal value system and associated this with the Golden Rule of ethics, philosophy and religion – *'Do unto others what you would like to be done to you'*. For them, common sense describes the way they need to treat others, arriving at a good outcome for both parties involved in the transaction:

'[Common sense] is treating [others] as I would wish to be treated myself in that situation. ... It's an honest perception of what the facts are I suppose; something like that.'

...

'I think just trying to take into account all of the information in the situation and finding a solution that's going to be workable for all parties.'

However, several others were of the opinion that common sense and an ethical code cannot be separated: they need to be used simultaneously in ethical decision-making. As one participant said, a better way of dealing with ethical issues is making sure that

they are first clarified using the right channels – i.e. the code, MRSNZ committee – prior to deciding what course of action is best:

'I think common sense application has to come into it but I would suggest that the common sense element is not rather than the code; ...I do believe that if an element within the code is not clear, then personal interpretation should not come into it and if the researcher is unsure, then they should not just adopt a common sense approach. They should approach the committee as our industry body, to give a ruling on that particular issue and their view of the code to ensure that we're all working on the same playing field.'

There was also the opinion that although codes of ethics are not directly used on a regular basis, they shape the research practitioners' views and ethics and for this reason common sense is a reflection of what is used as a common and acceptable industry practice:

'[Common sense is] I suppose a common practice...is in turn shaped by the codes even if you're not directly using them all the time.'

As another participant explained, the code is seen as a tool that enables practitioners to clarify ethical issues and justify actions, as a support for ethical decision-making:

'I think there's examples where you know what the answer is and you're looking for the rationale to provide the justification but there's also examples where you're unsure about...when it is genuinely murky, when you actually need to look at the code and see it says ok, we can't do it that way ...you know, we need to know... look at the code to understand whether it's possible or not. I think there are examples of both and I don't think there's a bias either way. I think there are just times when it falls both ways. One where it's a tool to justify and two, it's a tool to clarify.'

Having said that, there was also the belief that common sense comes first and it is then backed up with norms from the code that will clarify your personal views:

'Ninety percent common sense and then you think probably 10% when you're really not sure and you'd go back to the written code of practice.'

Another participant also appreciated that:

'I would say 90% of the time it's common sense.'

Even though a code is seen to shape one's perceptions of ethical issues and to provide support in decision-making, certain circumstances arise when personal ethics and values prevail, as one participant explained:

'I use both [common sense and the code]...I think the code is largely based around common sense anyway but yeah ... very definitively, but sometimes you get some personal ethical areas. I'll give you an example. I was approached by cigarette companies to do research for them ... and I've made a conscious decision not to work

with them ... that ties in more with my personal values than my business ethics in a way I suppose.'

And finally there were those who view common sense as a pragmatic, practical approach of doing things, providing a clear, simple solution to their clients – this is mostly related to the techniques and practices applied in research and the design of research projects. Some responses which support this observation were:

'It must be a very logical, pragmatic approach; that's what common sense would mean to me. And if something is illogical, it cannot often be deemed to have common sense.'

...

'Thinking I guess about ... is it the most practical way? Is it the most honest way? Is the most realistic way? Cost efficient way? Best all round result for everybody? And some people seem to lack it completely (laughing).'

and

'It's usually the simple solution rather than anything that's complicated.'

'I think my common sense... I guess I have quite a loose sense of how I do things but a strong sense of principles, if that makes sense. So, I have a strong sense of what's right and what's wrong and what's do-able and what's allowable and what breaches things. And then within that, I will try to create or design or make a process that works best to deliver whatever the outcome is I'm trying to achieve.'

These statements reflect an interest in what is right and wrong, along with the concern with what is practical, logical and achievable in terms of their marketing research offer to clients.

As one participant suggested, common sense also represents something that the practitioner is comfortable with and does not, at any time, compromise their ethical behaviour:

'Common sense does come into it provided it doesn't compromise ones level of professionalism and integrity. If common sense encroaches on that, if common sense is taking over and it becomes purely driven by that, then I think you're on the wrong track. ... I would define common sense as behaviour that 99% of people who build a...who are in a professional relationship with others, will be happy with. That is what I think I would describe as common sense. Common sense is not behaviour that perhaps only 10% of people would be happy with.'

Consequently, common sense is seen here as the type of behaviour that generates good business relationships with clients, supported by high levels of professionalism and integrity.

(f) Enforcement of ethical codes

As discussed, it was established that only about half of the participants use the code when they encounter ethical issues, although the majority subscribe to the MRSNZ code of ethics and it would be expected that they make use of the code. Research suggests that for a code to be effective organisations need to make every effort to support their enforcement through ethical education and training, and other processes (Brinkmann & Ims, 2003; Schlegelmilch & Houston, 1989). Segal and Giacobbe (2007) also suggest that a lack of enforcement of formal codes of marketing research ethics is perceived to lead to unethical behaviour. The researcher was therefore interested to investigate to what length New Zealand marketing research organisations go in order to enforce and implement the code. Information was sought on the sorts of tools and practices used by these organisations for the purpose of enforcing the code and ensuring that employees are not only aware but also use the code and its principles in conducting marketing research.

Three main themes were apparent from the interview data, suggesting that the main ways of enforcing the code are through induction and training sessions, business procedures and quality check processes, and finally through peer review and expertise.

Most participants referred to the induction session offered by MRSNZ to all new members and marketing research practitioners new to the industry. This induction session is designed to introduce new members to the MRSNZ code and to create awareness of the code. However the scope of the induction session is to generate basic awareness of the MRSNZ and it is a one-off session. On-going training on codes and ways of dealing with ethical issues does not seem to be provided by MRSNZ and/or marketing research organisations. Only one person said that other formal training and/or ongoing training is provided at a later stage by their organisation. This participant stated:

'We do extensive staff training relative to both the Privacy Act and the MRSNZ code of ethics ...I mean, that is included within our procedure manuals and within the interview induction processes and likewise, among induction processes for new staff coming in. But we do annual refresher training relative to those issues.'

This response was an exception, as other participants clearly stated that no formal training is provided to employees other than the first introductory session on codes:

'There's induction, there's basic awareness at the start. When people come in to the company, they sort of have to sign this sort of business code of conduct and it's part of coming in to a company that they're... they join the MRSNZ and they're made aware of sort of code of conduct type issues. ... [there is] no formal training, no. It comes out very ad-hocly.'

Although training emerged as a theme in the participants' responses, this theme was mostly related to training around the procedures involved in marketing research, that enable them to conduct sound marketing research and do 'the right thing' from an ethical perspective. As one participant explained, training on how to do their job is provided to new practitioners – however, he does not suggest that training is provided specifically with regard to ethics in marketing research:

'When you first do research with anyone new to research, you have to make sure they actually do it regardless of what's in the code of conduct. ... It's little things like, you know, what is on the presenter when they do an interview, how do they start up an interview, do they ask for permission... Any established company really has procedures...it's not even an ethically driven procedure, it's built into the way the company operates.'

Some participants mentioned the use of business procedures and processes in their organisation, along with quality check procedures. However, the majority of these participants discussed processes to ensure quality research – the emphasis appears to be on quality standards rather than ethical standards:

'A lot of it really is about the training and doing it right the first time... So it's about those internal guidelines being adhered to, so if you've been trained in a way, that's the way you do it.'

Another participant explained:

'I don't know how strictly we adhere to it as such but everyone in the organisation has read the code. ... I don't know that we really have any strict sort of checks on that. We do checks, you know when we're doing telephone surveys and things like that, we have automatic quality control checks and those sorts of things. All of the people that we

have working for us have to sign confidentiality agreements but we don't necessarily, you know, get the code out each time and go through it and go over it with everybody.'

The opinion was shared by one participant that business processes are informed by the code and therefore ethical standards are maintained by ensuring that procedures are followed strictly and checklists for various research steps are signed-off:

'We have business processes for different research. So a quantitative research project or a qualitative research project has a business process map and those business processes have points in them where there's oversight. Those points and the oversight is where what's being done will be compared to what we would expect the practice to look like based on the code. And so there might be a preparation checklist for a focus group or interview, there will be a sign-off checklist for a transcript; there will be a sign-on checklist for a report. All of those things have been informed by the code.'

Some participants referred to discussions with peers, peer reviews and peer expertise as a method of ensuring that ethical standards are met. Most of these participants discuss issues that have an ethical connotation with peers, mainly with those colleagues who have more experience in marketing research and have certain seniority within the organisation. Those from small organisations, particularly, suggest that peer discussions and reviews are a common way of ensuring that everyone is doing the right thing and ethical issues are clarified:

'We work mostly in quite small and virtual teams so we'd often on a project or on a client, work ...pull together two or three people out of our pool to work on that particular assignment. That usually includes somebody at quite a senior level. I'm pretty confident that within any one team there would be people well enough familiar with the code of practice to recognise if they were getting sort of close to boundaries and then they would seek advice from others or discuss it. We have internal review sessions and projects and there's a lot of very open communication generally.'

Participants from medium and larger organisations also described how marketing research projects are conducted by a team in which at least one person has experience in dealing with ethical queries – internal peer reviews are used to ensure that ethical issues are identified and dealt with when they arise.

One participant said:

'I guess the other tool that we've got is that projects are structured so there's an experienced person on every project team and that's to ensure that the research is conducted at a high level both in terms of how the research is actually conducted but also as well in terms of how it's designed and is ethically managed.'

Another explained:

'We have peer review. Internally we have peer reviews of work in progress and often things might be picked up at that stage. It's not a case of going and actually re-reading the code every time. It's more a case of knowing the basic principles and being able to spot where it's going over the edge.'

This situation suggests that peer discussions and peer reviews are tools used by practitioners from various organisations, regardless of their size, without explicitly and necessarily consulting and using the code. Rather, they use their personal business experience and knowledge to interpret and solve ethical issues. In general, as one participant from a large organisation explained, there are no specific rules or practices around code enforcement and practitioners are relied on to have read the code, be aware of the code and actively seek advice from peers when they have ethical questions that need to be answered:

'Well to be brutally honest there are no specific rules as such. ... But generally a lot of it is common sense and MRSNZ relies on people to have read it and understood it and if they don't understand it, to go out there and actively find out what the issue is and how to resolve it.'

And finally, one participant from a small organisation stated that the only tool he uses to make sure he does the right thing is 'the mirror' – making sure that he is comfortable with the decisions he makes, based on his personal ethics and values, coupled with consultation with peers.

'[I use] the mirror. At the end of the day, I don't have any formal philosophy or approach. When I start to feel a bit uneasy about an issue, I will tend to actually talk to somebody, probably someone within the industry, a third party.'

As seen from the interview data, there is no solid proof of methods used by New Zealand marketing research organisations to enforce the code through penalties or other punitive measures in order to ensure ethical behaviour, even when the company is a subsidiary of a large multinational firm in the marketing research industry – there was no discussion or examples of situations where people behaved unethically and as a consequence were punished or penalised after careful consideration of the code and its principles. There is reasonable interest among New Zealand marketing research organisations in making sure that new MRSNZ members and new marketing research practitioners are accustomed to the industry code; however very little is done in terms of further and on-going training in ways of dealing with ethical issues.

Some participants discussed the role of sound business practices which helps in guiding practitioners within the marketing research process. However, their main interest is in providing and maintaining high quality research standards in projects for clients, and less interest is taken in the ethical matters. Nevertheless, inclusion of ethical guidelines and principles in the organisations' procedure manuals (i.e. guidelines that are informed by the code of ethics) helps practitioners to follow the right course of action when conducting marketing research, as interview participants commented.

In addition, what is apparent from the interview data is that practitioners favour consultation with peers for ethical decisions along with providing the opportunity to inexperienced marketing research practitioners to work alongside a seasoned practitioner and become involved in peer review processes.

The use and the resulting effectiveness of codes of ethics is discussed in Section 5.8 with support from additional information with regard to specific ethical problems encountered by marketing research practitioners and tools used in the resolution of these problems. The use of codes is examined in such situations and how effective the code is in dealing with these problems.

5.5. ETHICAL ISSUES IN NEW ZEALAND MARKETING RESEARCH

Previous research has shown that most of the studies examining ethical issues in marketing research have been focused on the interaction between marketing research practitioners and respondents, with fewer studies conducted around the practitioners' interaction with their clients. In addition, most of this research has been undertaken in the United States; studies in the international context are limited and those examining the New Zealand marketing research industry are practically non-existent (Segal & Giacobbe, 2007). For this reason, this study proposed to examine the ethical issues that appear to be more common in the relationships between New Zealand marketing research practitioners and their clients. Moreover, understanding the general ethical issues that practitioners are confronted with in their dealings with clients provides the background to investigate the ways they manage them when these issues occur – i.e.

what sort of tools they use to solve these issues and therefore to determine the extent to which codes of ethics play a role in the resolution process.

Participants in the interviews were asked to explain what sort of ethical issues and problems they have encountered when working with their clients. Several main categories of ethical issues were identified, the two most common problems being the identification of respondents and issues related to reporting of research results.

The main ethical issues identified are: (a) Identification of respondents; (b) Reporting of research results; (c) Release of information to third parties; (d) Ownership and access to data; (e) Research design; and (f) Other ethical issues.

(a) Identification of respondents: this is the most recurrent ethical issue that participants have referred to in the interviews; it refers to situations when the client asks for the names of respondents. In most cases, along with respondents' comments made within a survey or interview, clients want to receive information on who said what or they simply want to be provided with a list of respondent names. As stipulated in the MRSNZ code, this identification is not allowed unless prior permission to do so is sought from respondents. All participants stated that they simply refuse to do so or seek to obtain respondents' permission to do so.

'I think the main one is clients wanting to identify a participant or a survey respondent... a lot of respondents make comments and occasionally the client will want to know who those people are and we make it very clear to them that we're happy to contact people to see if they're then happy to be contacted by the client and they're not, that's the end of it. You know, there's no way we'd pass on details without the respondents' permission.'

Revealing the identity of respondents is an ethical issue that has been identified and discussed within previous research in marketing research ethics; in some cases this issue is attributed to confidentiality and anonymity issues – i.e. protection of data sources, with the marketing researcher having the responsibility to maintain respondents' anonymity and treat all personal information collected as confidential (Hunt et al., 1984; Kelley et al., 1990).

A New Zealand industry specific issue, however, seems to be the difficulty in maintaining the required level of confidentiality and anonymity due to the smaller scale of some sectors in which research is conducted. One participant explains:

'I was just working on a big proposal recently where we're doing intensive stakeholder work and we'd want to be able to inform our client about how people in this sector and people in that sector and people in some other sector might view them. And there might only be quite small numbers of people in any one of those individual sectors and yet it could be quite important for our client to know that for instance the media or the government sector or some other provider sector etcetera, etcetera, has a particular opinion of them. We would aim to never divulge information that could easily identify who'd participated but then when you quote verbatims and little stories and so on, it can get tricky.'

This situation seems to be both an ethical and technical issue related to reporting of results and ability to maintain respondents' anonymity. Although names that would allow identification of people or organisations are not included in the research findings, due to the small size of specific sectors and markets, there is the concern that deductions about who might have said what may be drawn by clients. This concern asks for closer attention from practitioners when using different styles and ways of handling the research findings.

Another issue in the area of anonymity and confidentiality described by participants in the interviews is particularly in relation to qualitative research that involves focus groups and video recordings – i.e. assuring and maintaining participants' anonymity when clients are there to observe these sessions. In these cases, clients are often asked to sign a confidentiality agreement that binds them to treat any information about participants confidentially.

(b) Reporting of research results: This was the second most frequently occurring ethical issue that became transparent from the interview data. The ethical issues that fall into this category and have also been discussed by other scholars and researchers are related to integrity of the research results, misinterpretation of research results with the objective of supporting a predetermined personal or corporate view (Hunt et al., 1984; Michaelides & Gibbs, 2006), results distortion and partial reporting of results (Kelley et al., 1990).

Participants referred in the interviews to situations when the client puts pressure on the marketing research practitioner to edit the research findings according to their views and agenda and / or to alter the research results:

'...sometimes the research doesn't say what [clients] want it to say. And they... they'll obviously often want us to edit that'.

Another participant explains:

'...[clients] want to have certain things minimised or other things put into growth prominence, which I mightn't feel warrant that attention. So we've been on the borderline several times, of me saying I just can't do this but I try and reach some sort of compromise but without going beyond what I consider is the ethical solution.'

Compared to corporate clients, it was suggested that clients from the public and government sector (i.e. government agencies) are more concerned about the way research outcomes come across and are more likely to want to closely monitor and control the process of editing of research findings, as they are much more risk averse.

As suggested by Murphy and Laczniaik (1992), another ethical issue related to research findings is clients conducting research solely to support *a priori* conclusions. This has been described by one participant as a situation where the client wanted to engage them in conducting research in order to confirm their views on an issue:

'Basically they wanted us to do some research to confirm a theory they had and we knew it was not so... it was really about the conclusions [of the research].. they had an agenda which they wanted to follow through and we basically said well the agenda you want to follow through is not what the reality is.'

A similar situation was described by another participant whose client wanted to use research in order to confirm their views; however, the research findings were quite negative. The ethical issue concerned the marketing research practitioner's duty to convey objective and accurate research results (Akaah, 1990; Kelley et al., 1990; Malhotra & Peterson, 2001). The participant explained:

'...my job is always to report things as objectively as I possibly can and so if people don't always want to hear that...you know, they like to hear that everybody loves their product but I think my ethical obligation to them is to tell them the truth as I know it and to the extent that I can understand it from the data and stuff that we've collected...'

(c) Release of information to third parties: These issues are referred to in previous research as situations where client confidentiality is not maintained by the

marketing research organisation or practitioner (Murphy & Laczniak, 1992) or research data and information obtained within a project for a particular client is used and / or made available to other clients.

Interview participants referred to situations when information about a client is given to a third party:

'[There is] this issue of disclosing information that I might have as a researcher about [the client's] business'

and / or clients request information about their competitors or other organisations:

'[Clients] know that you know things about other industries; they'll want to know if you can do something for them or give them some information, that is confidential to someone else or insiders, you know. And my usual response to that is....you won't respect me in the morning, you know? It's like no, because if I tell you that in confidence, then you're going to assume that I have told somebody else something about your business in confidence.'

Closely related to this ethical issue is the aspect of off-limits clients. This issue was described by several participants as purposefully avoiding conducting any research for their clients' competitors. However, as a few participants explained, doing so can have consequences for the organisation's future workflow and financial situation, particularly for small organisations; it also proves to be more difficult in a small market like New Zealand:

'We guard ourselves by only working for one supplier or company within an industry... we often have had a client come to us and say would we do work and we have to say sorry, we're already working for x in the industry so we feel we cannot work for you. And that has issues. Today we're finding more and more companies want contracts signed and often those contracts are tied with several years that you cannot work...like, you've worked for them and you can't work for another competitor for maybe a number of years afterwards.'

'In a country like NZ, it's very difficult not to bump into each other and often you'll get into situations where there is a potential conflict of interest. We always declare it... Potential conflicts of interest are always raised beforehand.'

Situations of conflicts of interest between marketing research organisations and clients have been identified and discussed in previous research – Hunt, Chonko and Wilcox (1984) refer to the need to treat outside clients fairly which involves the avoidance of conflicts of interest between the research firm and client; likewise, Murphy and

Laczniak (1992) discuss researchers' responsibility to the client, that of avoiding possible conflicts of interest.

(d) Ownership and access to data: the ethical issues participants referred to in this area comprise situations when clients request ownership rights on data collection tools such as questionnaires and / or solicit the right to have access to data collected (i.e. interview transcripts; focus group data and videos). One participant described how sometimes clients request to receive the video(s) taken during a focus group:

'...sometimes they'll ask to have a video and then you have to explain that they can only have it for two months or something or other and then they have to send it back and [we've] got a reminder process to call them up and ask them for the video back... 'send the video back' cause often they don't either. And realising that that's not actually their property and they can't use it for other purposes...'

Similarly, another participant identified issues to do with clients' access to data – i.e. access to interview transcripts and focus group data and videos:

'[An ethical issue] is around getting access to original data... so transcripts or that kind of stuff. And we're always reluctant to do that. In market research the client often gets to see focus groups, they can sometimes sit in on focus groups or they can watch a DVD of a focus group. But those focus groups ...often people identify themselves by name when they start talking, so essentially they're getting to see transcripts, living transcripts, by doing that. And that's not handled very well.'

Also there were ethical concerns about situations when clients use a questionnaire designed for them by the marketing research organisation/practitioner for internal research purposes.

(e) Research design: ethical issues around the design of a research project consist of problems related to researching wrong or irrelevant research problems, inappropriate data collection tools and unsuitable design of these, as well as inappropriate analytical tools and techniques (Malhotra & Peterson, 2001; Murphy & Laczniak, 1992). Interview participants referred mainly to problems related to the design of survey questions. In these cases, several participants described situations when clients interfered in the design process, instructing the marketing researcher on how to design the questions and what sort of questions to ask. Some examples included those of clients who wanted respondent businesses to identify names of suppliers; another client made unrealistic requests for questions that were

too intrusive; and in yet another example the questions that the client wanted to be asked were biased. One participant said:

'In those situations you actually have to say to people, you know, I've got my credibility to think of as a researcher but I'm also thinking of [client's] credibility ... so we needed to make sure that the questions and the information provided are really very much from a neutral view, that we get as much bias out of it as we can so that it can be defended, so that it can be credible.'

(f) Other ethical issues were brought to attention by a couple of participants around researchers' responsibility to the client in avoiding conducting unnecessary research but also clients' responsibility to the researcher to treat them fairly (Murphy & Laczniak, 1992). This is the situation of tenders for research proposals when marketing research organisations feel that the tender process has not been entirely transparent and there was an imbalance between their effort put into the preparation of the proposal and the outcome of the tender:

'I think that ethically, they could be more responsible in their approach to actually briefing research companies and going through a more rigorous selection process before they ask people to tender.'

A similar issue was signalled in previous research by Malhotra and Peterson (2001) as a situation in which the client is in wrong-doing by not describing clearly the parameters of the research needed and in which the researcher will operate.

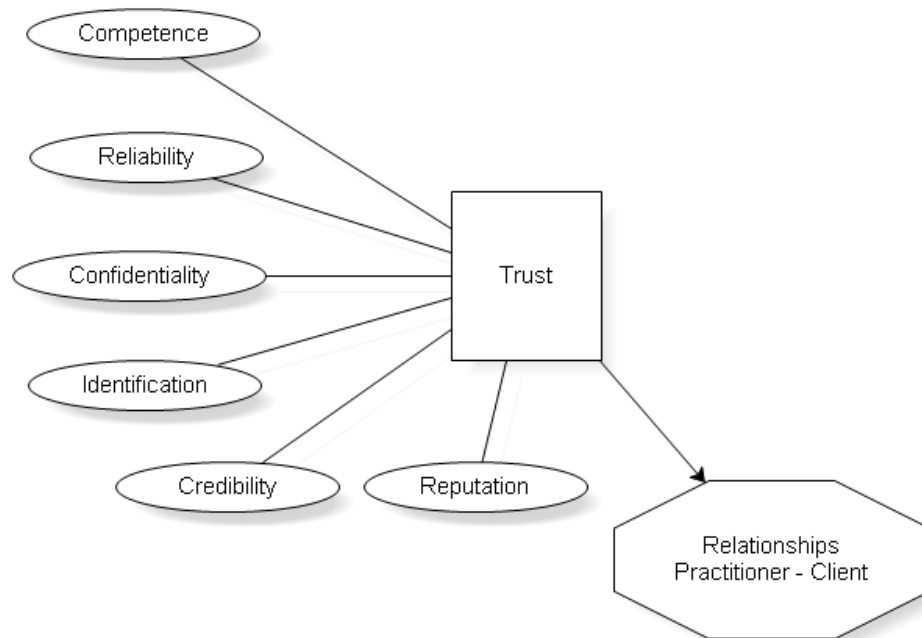
Table 15 presents the actual ethical issues New Zealand marketing practitioners face in client relationships that were described in this section and the ethical issues identified earlier in the literature review.

Table 15: Ethical issues in client relationships: Literature vs. actual data

Previous research studies	Actual ethical issues identified in this study
Hunt, Chonko & Wilox (1984) Kelley, Ferrell & Skinner (1990)	Identification of respondents (clients asking to know respondents' identity)
Hunt, Chonko & Wilox (1984) Michaelides & Gibbs (2006) Kelley, Ferrell & Skinner (1990) Akaah (1990) Malhotra & Peterson (2001) Boggs (2003)	Reporting of research results (integrity of research results)
Murphy & Laczniak (1992) Hunt, Chonko & Wilox (1984)	Release of information to third parties
Malhotra & Peterson (2001) Murphy & Laczniak (1992)	Research design
Malhotra & Peterson (2001) Hunt, Chonko & Wilox (1984) Murphy & Laczniak (1992)	Other issues: Avoidance of unnecessary research; fair treatment of marketing researchers by clients

5.6. TRUST IN CLIENT RELATIONSHIPS

In this section, the role of trust in relationships between marketing research practitioners and clients is analysed – the participants' opinions about factors that generate trust between the two parties is also examined. Consequently, within the initial model, the following area that refers to and seeks to understand trust in business relationships is investigated:



The variables that were identified in the literature and were defined within the preliminary conceptual framework as constructs of trust (i.e. competence, reliability, confidentiality, and identification) along with other dimensions of trust (such as credibility and reputation), are analysed; other variables identified as they arise from the interview data are also examined.

(a) Description of client relationships

Analysis of the level of trust between practitioners and their clients begins with an examination of their business relationships – participants were asked to describe their relationships with clients. An overwhelming majority of participants stated that their client relationships are good, cordial, open, long-lasting and trusting. Some of the words used were: ‘very friendly / cordial’, ‘open / frank / honest’, ‘very close’, ‘professional’, ‘personal’, ‘collegial’, ‘long-term / long-lasting / long-established / ongoing’.

There were however several participants who made a distinction between the category of clients with whom relationships were closer and those with whom relationships were more distant and formal. A more distant and formal relationship was attributed to the distance between the two parties, size of projects and ability to build relationships at a personal level, as well as type of client organisation (i.e. public vs. private sector).

Marketing research practitioners who have clients in other locations and cities around New Zealand explained that the distance between them and their clients could hinder their efforts in establishing a closer, friendlier relationship with their clients. Second, those who have business relationships with different types of clients from public and private sectors have explained that working with clients from the two different sectors can be quite a distinctive point in how relationships are built and managed. Marketing research conducted for government organisations, for example, is the result of a lengthy and careful process of selecting the right marketing research provider. Hence, as one participant appreciated, past relationships do not have great weight in this process. On the other hand, in the private sector, good business relationships are very important:

'In government circles when you do work for government, [relationships] almost mean nothing. Every piece of work has to be tendered for and we tender for it and so on and past performance and relationships count for very little. ... In the private sector, relationships are very highly regarded: productive, effective relationships ...we know that our clients, particularly in the private sector, value that very highly.'

Third, participants engaged in larger projects and/or working for larger marketing research organisations said that the size of the project can interfere in the working relationship they have with the client and can affect their ability to build a closer, more informal relationship. In these cases the inter-personal relationship between practitioner and client is seen to be affected by contractual conditions, a limited opportunity to interact on a one-to-one basis because of the larger number of people involved in the same project, and the nature of relationship they manage to build at an inter-personal level with the client:

'[The relationship] is closer when you're just yourself in a small company. ... [When you are in a larger company] they see you as part of a large company. The size of the projects ... and the contractual things can be a barrier to us getting too close.'

'I suppose depending on how intensive the project was, what type of project it was and just what type of person we're dealing with. Cause we find even dealing with a single organisation, of the people of that company change, the sort of relationship you have can change a lot.'

The inter-personal interface of practitioner-client relationships has been emphasised by other participants – good business relationships are seen to be built by trusting relationships created through personal rapport. Consequently, good inter-personal

relationships with clients are seen to form the basis of ‘good marketing’ and a ‘good name’ in the industry:

‘We think our marketing is very dependent on inter-personal relationships ... quality of work that we’ve done and so on.’

...

‘You do a project and then they come back to you cause they know you’ve done a good job, you’ve got a history. ... We do have a pretty good name. We actually got a job the other day on the basis of a project that was done ten years ago, which we’d all forgotten about.’

...

‘It’s just a case of if you do a job right and they know what you can do, they’re actually quite happy to come back. So a lot of work is actually not new customers, but repeat ones, even though they might have moved on [to other companies]’.

This response shows that good business relationships are developed by making sure that quality work is provided to the client. A large number of participants considered their client relationships as long-term, long-lasting and ongoing relationships. This is seen as being determined by the reputation they manage to build in the industry through high levels of work quality and therefore the ability to generate repeat business.

Strong business relationships were described by participants as those that are built through constant engagement and involvement of clients in the research process. Participants discussed the role they have in creating the relationship with the client. This is described as a ‘strategic role’, offering expert opinion, becoming involved in the clients’ future planning, acting as a consultant in order to help them achieve their objectives:

‘[We are] a member of their team really. We’re there for a long-term relationship, not just for one big bang project. And we involve them at every step of the way.’

...

‘It’s often very much about telling them what we think they should do next ... we become quite involved in what their future plans are.’

Client relationships are therefore seen as close and cordial; they are long-term relationships based on trust. Surprisingly, ethics in marketing research does not seem to be a real concern for practitioners in their client relationships –no reference was made to ethics or ethical issues as themes in the participants’ description of relationships with clients. On the contrary, it can be inferred that ethics is not perceived as having a

certain weight in building strong and long-term business relationships. One participant said:

'[We have] very long-established relationships which are based on the fact that you do what you say you're going to do and you over-exceed the expectations. And you work really close with them. That doesn't come from good ethics, are just good business relationships at a client level.'

Trusting relationships are perceived by participants as relationships that are built due to their ability to provide marketing research expertise and the information sought by clients at high standards and levels of quality, providing the expected level of marketing research service and therefore contributing to improvements in clients' level of service.

(b) Discussion of ethical guidelines, rights and obligations

As ethics did not appear to be a theme referred to in participants' discussion of client relations, the researcher was interested to know the extent to which ethical issues and principles are discussed with clients. Particularly, the researcher sought information on whether ethical guidelines, rights and obligations of both parties are discussed with clients when initiating and developing marketing research contracts.

All participants stated that there is no standard process in relation to discussion of ethical issues, rights and obligations of the two parties and that these issues are not directly and explicitly discussed with clients. There were, however, a few participants (21%) who explained that a verbal discussion of ethical issues and principles would only arise in some situations, albeit this is not common. Yet, the main ethical principle they felt needed a certain degree of discussion at various stages in the research project was to do with confidentiality (i.e. both in relation to identification of respondents and / or withholding client information). Having said that, the general opinion was that these instances are rare, as one participant claimed:

'Typically the ethical aspects of market research projects are five seconds of the conversation you know ...normally, it's pretty well glossed over. It's taken for granted.'

The common practice appears to be for marketing research organisations to stipulate some ethical guidelines within the contract and / or proposal provided to the client. However, the majority of participants stated that they do not go to the length of drafting

a contract to be used in client relationships. In most cases a simple letter of agreement or a research proposal is drawn up.

With clients from the public sector, particularly in research conducted for government agencies and departments, communication tends to be very formal and more detailed research contracts are drafted and supplied by the client itself, not the marketing research organisation.

In business relationships with clients from the private sector, however, the communication between the two parties is very informal. Particularly in ongoing business relationships, a very informal communication process is used where the marketing research organisation provides the client with a proposal and then e-mails and telephone calls are used to arrive to an agreement regarding future research for that particular client. In some cases, a proposal is only provided to new clients.

A number of participants (31%) explained that, generally, there is a paragraph in the proposal or at the end of it as an appendix stating the terms and conditions of research. These terms and conditions will usually include ethical principles (mostly related to confidentiality issues). The client is supplied with the proposal and is entrusted to read and familiarize themselves with any ethical issues involved in marketing research. However, as mentioned before, there is no direct and specific discussion involved between the two (research practitioner and client). One participant said:

'The research agreement is a written document. ... [Clients] have to sign it and send it back so it has to exist in paper copy. Now, I'm not suggesting that in every case or every job they read [the agreement] because a research agreement is four pages long and there's one page where there's quite a lot of data detail about what the obligations are ... I'm not saying they would read it. But we make sure that we put it in front of them. ... But it all comes down to the level of trust that we have with the client.'

Once again, it appears that a great weight is given to trust in business relationships, suggesting that regardless of agreements that include ethical guidelines in place, trust has an influence on the relationship between the two parties.

A few participants (24%) mentioned MRSNZ in their responses, suggesting that although they do not include or mention any ethical guidelines in their communication

with the client, in their proposals they make reference to the MRSNZ and the fact that they are members and / or adhere to the MRSNZ industry code of ethics. However, two of these participants admitted that this membership is only mentioned when they prepare proposals for new clients or they are involved in a major pitch for a research project that requires the preparation of a bigger proposal.

From the interview data it is apparent that in 31% of the cases (9 out of 29 participants) no ethical guidelines were introduced in research proposals or letters of agreement. This situation was mainly attributed to the perception that ethical issues are not relevant and that clients place little importance on them. One participant explained:

'I think we are probably very market driven. I suspect that to a lot of clients it would be just a big yawn to have even a paragraph in there about ethical issues.'

Another participant said:

'A general discussion about ethical obligations within a client service and client relationship? Probably not. Because it's not usually pertinent to what you're attempting to do [for the client].'

Another interesting point of view expressed by one participant was:

'I really believe, at this level, if you have to teach ethics then there's no point in having a relationship [with the client].' There seems to be an expectation that clients are aware of what is acceptable from an ethical perspective when marketing research is conducted and they would behave ethically themselves.

Other participants explained that although they provide a research proposal to the client, the main issues addressed in the proposal relate to the research process – i.e. procedural aspects of the research, ways and methods of conducting the research, project development, and the overheads involved. There is no specific mention of ethics or ethical guidelines in the proposals.

(c) Level and constructs of trust between marketing research practitioners and clients

This sub-section examines the marketing research practitioners' perceptions about levels of trust in their client relationships and the factors that contribute to establishing trust between them and their clients.

The vast majority of participants maintained that there is a high or very high level of trust between them and their clients. Trust was described as essential in business relationships with clients of marketing research; trust is perceived by participants as being even more crucial in smaller markets and industries, such as the New Zealand marketing research industry. There is the opinion that in a small market like New Zealand where news travels that much faster and practitioners and users of marketing research know each other to a larger extent than in a bigger market, business relationships have to be built on trust. Without trust there is no business relationship between the two parties and marketing research practitioners have to be much more careful about how they behave in relationships with clients. One participant explained:

'[Trust] is crucial ... New Zealand is small. ... I think it constrains people to be well behaved. It's like being in a village.'

Another participant said:

'New Zealand is a very small place. As soon as someone behaves unethically people do know about it.'

Three participants made a distinction between trust in the organisation (impersonal trust) and the person itself (personal trust). They suggested that trust is present at both levels, organisational and inter-personal. They explained that trusting business relationships exist partly because of their organisation's credibility and reputation in the industry and partly because of their personal reputation, expertise and ability to provide value to the client's business. As one participant said:

'I think it's your reputation as an organisation and the reputation of you as an individual representing the organisation. I think it works on both levels. They want to involve you in their business because they know that you do good work as an organisation and separately that [the person] who sits in front of them will add value to their business.'

Previous studies also claim that there is a relationship between impersonal and personal trust. Literature suggests that the two, impersonal and personal trust are in an inter-dependent relationship, where organisational trust can also promote or hinder the development of inter-personal trust (Khodyakov, 2007). On the other hand, previous research suggests that inter-personal trust is more valued by people than is organisational trust, particularly in smaller organisations where close collaboration and development of close, embedded relationships are preferred (Fukuyama, 1996). This

situation is apparent in the interview data as well. Not surprisingly, the three participants who talked about organisational (impersonal) trust were from larger organisations, well-known and well-established, with a long history in the New Zealand marketing research industry. This form of trust is what is called in the literature 'history-based trust' (Kramer, 1999) and it creates good business relationships. The constructs of good, candid business relationships are trust, reputation and the relationship history (Wilson, 1995).

Literature on trust describes impersonal trust as being primarily generated through **credibility**, one of the dimensions of trust (Pavlou, 2003; Tan & Chee, 2005). One participant from a large organisation explained:

'The company's credibility is about the fact that we've been around for a very long time. We're a very stable company.'

Organisational credibility is seen by participants as being determined by the length of time the organisation has been present in the industry and on the other hand, its 'proven track record' of quality marketing research.

Organisational (impersonal) trust therefore seems to have a certain meaning and significance in client relationships developed by larger organisations and is seen to be generated by organisations' credibility and reputation as an organisation that has established a good name in the industry due to its ability to offer **quality work** and its **long history** in the marketing research industry.

In contrast, almost all other participants (90%) talked about business relationships based on personal (inter-personal) trust, i.e. trust between people as one participant explained:

'A lot of what we do is concerned with the relationships that we have with different people the level of trust that gets established is between personalities, between people.'

Another participant said:

'I think it really comes down to the individual person as opposed to the organisation because this is where we've had a few experiences where we've either followed a client from organisation to organisation or we've been with the organisation and had the key person change and that level of trust really seems to reside with the individual as opposed to the organisation.'

Participants suggested that it is themselves as individuals that clients trust rather than the organisations they work for and/or represent and, over time, this trust creates good business relationships and loyalty:

'There is no, or very rarely, very, very rarely is there a loyalty to the company. Especially if you think of [market] research, research relies on individuals which have built their way ... built their careers up with their experience and knowledge of working with hundreds of different clients.'

Participants suggested that **practitioners' reputation** in marketing research (which is created because of their **experience** and high level of **expertise**) is what leads to a good reputation and high levels of trust in client relationships:

'People talk, individuals get reputations – [company's reputation] is only possible through individuals' reputations which are cemented in the fact that in their original client relationships they delivered a high level of value.'

In the literature, reputation is perceived as important because it informs the development of trust (Whitmeyer, 2000). In inter-personal trust, a positive reputation exists when particular attributes (such as experience, expertise, credentials) are attached to the person and provide them the credibility and trustworthiness needed to establish good and trusting business relations (Whitmeyer, 2000).

Literature suggests that two different dimensions can be associated with inter-personal trust: cognitive and affective trust (McAllister, 1995; Rotter, 1967; Tan & Chee, 2005). Cognitive trust is trust created through individual's reliability, honesty and integrity. A trusting business relationship was described by several participants as a close relationship in which honesty and integrity are important. However, the majority of participants perceived the major drivers of trust as aspects that suggest the practitioners' ability to deliver the promised service in the agreed timeframe; in other words, his/her **competence and expertise** in delivering quality work, and reliability. This is apparent from the answers participants gave in order to explain trust, for example:

'[Trust] is built on your ability to do the job and the trust that you are going to do it well.'

'[Trust] is your ability to deliver quality work.'

'[Trust] is giving our clients what they've asked us to do and sometimes more.'

'We do what we say we're going to do...they know they can rely on us to do work to the best of our ability.'

Surprisingly, **honesty and integrity** as constructs of trust were mentioned by only five participants (17%). Honesty and integrity were however associated with the practitioners' degree of honesty and objectivity in presenting the correct research results ('*saying it like it is*'), developing very honest and open relationships with clients, open communication and transparency between the two parties during the entire research process, and honesty in making decisions with regard to the marketing research services needed by the client (i.e. the decision not to conduct unnecessary research work and wasting clients' financial resources). Ethics and ethical issues do not seem to represent a concern for practitioners. Along with someone's competence and expertise, the literature suggests that ethics (i.e. personal ethics, ethical standards) can generate and promote trust (Bejou, Ennew & Palmer, 1998; Bell et al., 2002; Bews & Rossouw, 2002). However, the interview data does not reflect ethics as a construct of personal (and/or impersonal) trust. In fact, there were only three participants who made reference to ethics in relation to trust and only one placed ethical standards as a factor that creates trust in client relationships. In alignment with previous research, trust was also associated with a certain level of expertise in marketing research; participants claimed:

'I think they see us as the experts. They look to us for guidance in these [market research] areas and they assume that we will enforce and abide by ethical standards.'

The other two participants who referred to ethics and ethical standards gave low importance to ethics in trust formation; one of them said:

'Mostly the issue of trust would not be with ethical issues but can they / do they produce good research work. So it's trust as in the quality of work not ethical side of the work.'

The other participant claimed:

'There's a trust that comes from somebody sitting down and saying... asking questions in proposal takings, brief taking situations... asking questions [clients] haven't thought about... highlights issues that could arise from the research or whatever. That's what generates trust; not a reference to some ethical document that MRSNZ says "oh, put this in and say you're with the MRSNZ and you've got ethics". Hello?! 90% of the industry does not have ethics; they trot them out when it suits them.'

Both the above opinions suggest that, ultimately, practitioners' competence and expertise, their ability to provide quality marketing research and high-value to the client is valued more than issues to do with ethics per se, in marketing research.

The second dimension of personal trust, affective trust, reflects a special **personal relationship**, one that relies on emotional ties and affective factors such as openness and a real concern for someone's welfare and best interests (Tan & Chee, 2005). Participants talk about open, close relationships with good communication; they refer to the need to make sure that clients' best interests always come first. A number of participants (21%) described the relationship as a '*personal connection*' they have managed to establish with clients:

'It comes down to the person as well, I guess they need to like you at least or feel confident to go ahead with you.'

...

'[Trust] not only does go on what expertise you put in the proposal but it also goes on how they feel in and around you, listening to what you say ... you can pick an untrustworthy person from a mile away, or I'd like to think you can.'

The affective aspect of trust is here highlighted through participants' and clients' emotional feelings and perceptions about themselves, the personal relationship that establishes as a result of trusting the person itself.

Confidentiality has also been mentioned by participants as a factor that leads to trust between them and their clients. Participants explained that discretion in storing and using client information is much appreciated by clients, producing a higher degree of trust in their relationships. One participant said:

'They let us know some quite intimate details about their business, so they have to trust us with all that [information].'

Another participant explained:

'Clients come to a research company with the expectation that what they tell us is confidential and will not be spread. So that's a good basis on which to start a trusting relationship.'

Participants talked about the fact that they are entrusted with highly confidential client information which in turns leads to a high degree of openness in relationships with clients. This response is supported by literature on trust: confidentiality is seen as an ingredient that creates openness in business relationships (Ebers, 1999; Lane & Bachmann, 1998).

Another factor perceived to generate trust is **referrals** / word of mouth. A large number of participants discussed the role of referrals in generating business. Referrals are seen by participants as something that enables clients to trust that the respective marketing research organisation and / or practitioner can do the required marketing research work. Particularly in a small market like New Zealand, word-of-mouth proves to be a powerful tool for generating new business. One participant explains:

‘Well, there are a whole lot of things that generate trust. You know, past performance is an obvious one; but word-of-mouth; peer referral and word-of-mouth referral is what we use all the time. I mean, what we do is we get a client and we work hard to please that client and then we use that client’s referral to get us other work. Because you know, New Zealand is a small place and if we do a good job for [client A], the chances are that somebody in [organisation A] knows somebody at [organisation B] and so when [organisation B] are looking for a research company, that person in [organisation A] can say, “hey, use [market research organisation X], they did really well”.’

As suggested in the literature and recognised by interview participants, good referrals can go both ways – (a) providing the necessary organisational reputation which in turns generates trust (organisational reputation is pertinent particularly for well-established, larger organisations who have managed to build a certain reputation and credibility in the industry, over time developing commitment and trust in business partnerships (Achrol, 1997; Turnbull et al., 1996)); and (b) providing the practitioners with an individual reputation for their competence and knowledge in marketing research based on individual credentials, expertise and past performance (Fombrun & Van Riel, 1997; Whitmeyer, 2000).

Individual reputation built through credentials and word-of-mouth was seen by participants as important, particularly by those involved in small organisations (in many cases, a ‘one-man’ organisation). Reputation was perceived by participants as the element that will generate potential business partnerships, as one participant explained:

‘Trust about that is through referrals and also through credentials of saying I’ve worked for this client, this client, this client. I can show them a list of clients and types of projects.’

In both cases, either for an organisation or individual, reputation is important because assists the development of trust in the organisation and / or person (practitioner).

Identification through shared goals, values, norms and beliefs has also been considered in the literature as a factor that generates trust between two parties (Gillis, 2003). The interview data does not place identification as a significant factor in generating trust between marketing research practitioners and their clients. Nevertheless, identification within the industry as an accredited marketing research organisation / professional, which is determined by the organisation's **affiliations, accreditations** and **memberships**, and the implicit adherence to an industry code of ethics can be a factor that offers credibility and therefore can generate trust (Giddens, 2007; Lane & Bachmann, 1998; Pavlou, 2003). For this reason, the researcher was interested to find out if interview participants perceive affiliation to MRSNZ to have an effect on trust and credibility. Information about whether the membership to MRSNZ is used as proof of accreditation in the industry was also sought and is discussed next.

Almost half of the participants (48%) believed that affiliation to MRSNZ does not have any effect on or contribution to trust and their credibility in the New Zealand marketing research industry. No distinctive differences were identified among opinions of participants from large, medium or small organisations with regard to benefits of MRSNZ's membership. Most of these participants consider that the development of trusting personal relationships is the main driver of credibility and the fact of being a MRSNZ member does not make any difference to their business. They believe that clients are not too concerned about MRSNZ and the fact that the practitioner or the organisation they work for is a member of MRSNZ. One participant explained:

'New Zealand business environment is probably quite trusting and there are a lot of very personal relationships. A lot of clients would know us quite well and me personally and can probably depend on that to quite an extent... If the MRSNZ mattered to clients, it would be in a latent, background, semi-conscious sort of way I would say. I don't think it stands out to them as a major sort of bulwark against the possibility of things going wrong.'

Other participants also suggested that clients do not really care about whether or not they are a MRSNZ member, even more so because they believe that the emphasis of MRSNZ's work is on the relationship with the respondent, not that with the client:

'I don't think the clients give two hoots about [MRSNZ]. I don't think they care. It's not legally enforceable and the application of it is dubious. It's too focused on the relationship with the respondent, not the relationship with suppliers and clients.'

Participants explained that when a new marketing research user looks for a potential marketing research supplier what really matters for clients in helping them to make the final decision about who to choose is through referrals (word of mouth) and the offer that is put in front of them in terms of research conditions (i.e. methodology, research solutions and outputs) as well as costs involved are also aspects that clients are interested in:

'I think it's more about "who do we know who's out there, who does this work?" And for some clients it's about what is the best price.' ...

'[Clients'] decision it's more based I think around experienced people and the solution and some dollars.'

Another participant explained that:

'When you start working with a client it's references... when we get approached by a client it's a contact that they have with someone else and they know that we are doing good work ... So that I think is how trust is built in the industry – just by doing good work with the clients that you have today that can only grow if you keep on doing good work. It's not through affiliation with any sort of society.'

At the other end of the spectrum were participants (20%) who expressed the opinion that affiliation to MRSNZ helps in creating trust and credibility in the New Zealand marketing research industry. Among these, the main opinion was that affiliation to MRSNZ represents a point of difference in the industry – it is a differentiation from the marketing research suppliers who do not belong to an industry body and implicitly to its codes and guidelines. One participant explained that:

'I think it helps a great deal with trust...in NZ, there's something like 160 market research companies and half of those are sort of a one-man-band, people running them out of their house or out of their garage...which means that there's good reason to have a little bit of suspicion about the industry. "Suspicion" is the wrong word but there's good reason to be wary about a lot of people in the industry.'

Similarly, another participant suggested that mentioning MRSNZ and its code of ethics in research proposals helps in building trust and credibility:

'Yes, I think [affiliation to MRSNZ] helps. I think it's good in your proposal to say you're a member of the MRS and that you follow these guidelines and code of ethics.'

However, other participants (20%) believed that MRSNZ affiliation helps but only to a limited extent. The general belief was that although MRSNZ can provide some degree of credibility to marketing research practitioners, this was not seen as an underpinning

factor of trust and / or as something that would imply that the respective individual is more ethical, but rather is seen more of a hygiene factor, not a differentiator:

'Yes [MRSNZ affects trust and credibility] because I'd have questions and I'd expect my clients to have questions about anyone who didn't belong to an organisation like that. No [MRSNZ does not affect trust and credibility], in the sense that there's almost no variation that anyone who's in this space will be more ethical...it's kind of a given...it's kind of a hygiene factor.'

'I think you have to be a credible player – you should be a member of the industry body – I would expect that of any professional services organisation. If I was dealing with a lawyer I'd expect them to be part of their industry body or accountant or someone like that. I don't think being a member generates much more than that, I think it just simply means that you ticking the first box if you know what I mean – where I say it's a hygiene factor it's not a differentiator at all.'

Nevertheless, the view was expressed by one participant that MRSNZ affiliation has an indirect effect on trust and credibility through individual behaviour. Individual behaviour was seen by that participant as being shaped by principles and guidelines included in codes that marketing research practitioners adhere to:

'Most clients are probably aware of [MRSNZ] but at quite a low level. I don't think it would be high on their radar. But our behaviour is a reflection of the MRS and the code of ethics so our behaviour directly impacts upon our trust relationship and having all those things behind how we behave is really important because if we started acting in a manner that was not ethically correct or was a bit haphazard then they'd directly observe that behaviour and then would start viewing [us] with less trust.'

Interesting views were articulated with regard to MRSNZ's use as proof of accreditation in the New Zealand marketing research industry. Participants suggested that, in their experience, clients do not ask for proof of accreditation and do not really care if the organisation / practitioner is a member of MRSNZ or not, albeit MRSNZ affiliation is often used by practitioners as a marketing tool. The only exception they talked about was when placing a tender bid and conducting research for clients in the public sector (such as local authorities, government departments) who usually require marketing research organisations and practitioners to be members of MRSNZ and hence have a code of ethics that they adhere to as they are more strict about ethical issues. Another exception was sometimes made with new clients. In these cases, the research proposals provided to new clients will sometimes mention the affiliation with MRSNZ and its code of ethics. However, participants admitted that inclusion of MRSNZ affiliation in their proposals does not make a significant difference to clients:

'I feel that it would be a bit cheeky to say that I'm involved with market research and I'm not a member of the Society. It's important as a sales tool... but if I wasn't a

member I wouldn't have more trouble getting work; it probably wouldn't really matter.'

Other participants who were not members of MRSNZ also believed that not being a member does not affect their potential to generate business:

'Clients never brought [MRSNZ] up... It has never impeded us from winning work as a result of not having [MRSNZ membership].'

A few participants pointed out that MRSNZ does not, in fact, provide marketing research organisations and / or practitioners with any professional or industry accreditation per se. They explained that there are no procedures in place to test the research skills and competency of potential members, albeit MRSNZ membership and adherence to its code should prompt ethical behaviour:

'I know [someone] that criticises membership of the MRSNZ from the perspective that... you know, you don't have to have any credentials, you just pay and join. So being a member doesn't necessarily accredit you...other than of course, you know, you agree by their standards, which I think is one of the more important things.'

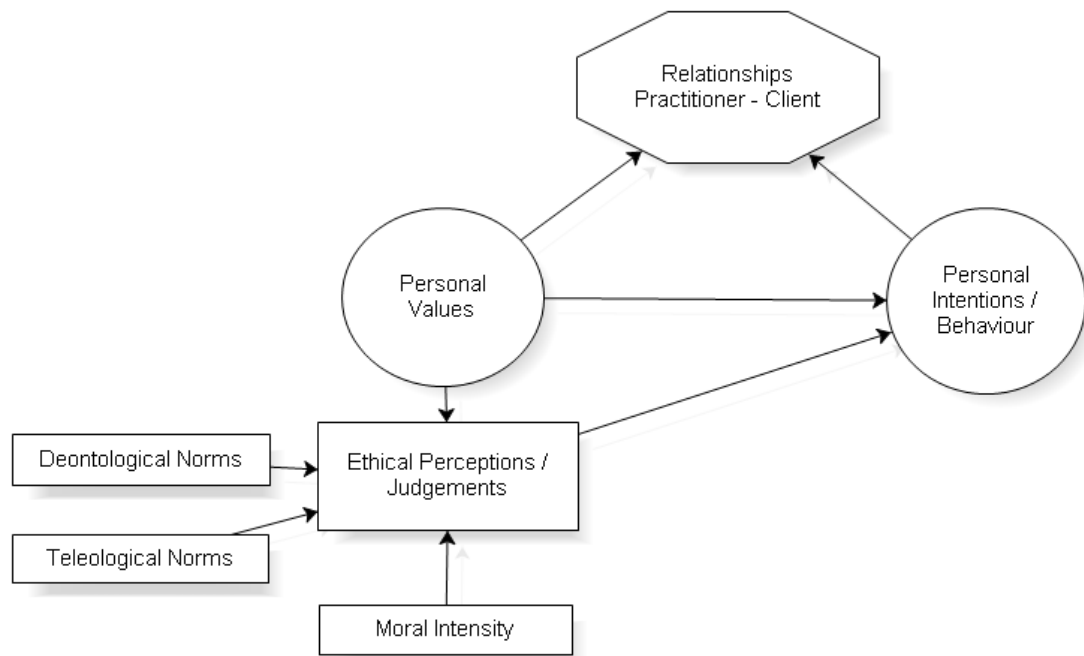
Another participant explained that MRSNZ membership does not guarantee quality and ethical marketing research:

'Membership has certain criteria but it doesn't guarantee anything at the end of it. I mean, it doesn't say that just because you're a member of MRSNZ, you are a market researcher of good standing and your experience is at this level.'

Why are practitioners interested in joining the industry body? What would the benefits be for a marketing research practitioner if not for accreditation purposes? Participants' reasons for joining MRSNZ were based on networking opportunities, information sharing with peers (i.e. sharing interests, information and knowledge), and professional development. Consequently it would seem that the main reasons for joining MRSNZ are more about the professional advantages that a New Zealand marketing research practitioner can benefit from by joining and less about the need to be seen as a trustworthy, credible actor in the marketing research industry, or for particular ethical reasons.

5.7. PERSONAL ETHICS

At an individual level, individuals' ethics and values, and how these affect business relationships in terms of decisions made with regard to ethical issues in client relationships are investigated. The area of the model that is examined further follows.



The literature suggests that personal ethics influence the individuals' behaviour and are affected by a person's individual values (Fritzsche, 1991, 1995; Quinn, 1997; Trevino, 1986b). An individual's values are believed to shape one's ethical perceptions and judgements and further guide intentions, and consequently, behaviour (Dawson, 1992; Quinn, 1997). In order to determine the role of personal values in ethical decision-making, participants were asked to explain the extent to which they trust and use their personal values when dealing with ethical decisions. This information is expected to shed light on the kinds of tools participants use in their decision-making, in particular in generating an understanding of what elements their perceptions and judgements are based upon – i.e. personal values and ethics versus organisational and/or industry norms such as codes of ethics.

Participants' answers were largely divided into two main categories: those who believe that personal values and ethics have the most influence on their judgements and behaviour and those who believe that their behaviour is partly influenced by personal values and partly by norms that are incorporated in their practice.

Values are defined as beliefs about right and wrong that guides us in our behaviour (Fisher & Lovell, 2003). Participants who believed personal values and ethics play a great part in making ethical judgements and decisions (64%) talked about the need to

‘be right’, ‘to do the right thing’, to feel that what they do is right. This denotes a deontological approach to personal ethics, where the main concern is the inherent rightness or wrongness of the behaviour (DeConinck & Lewis, 1997), as one participant said: *‘If it doesn’t feel right for me I won’t do it.’*

A number of participants in this category explained that norms do not play a major part in their decision-making. Again, what is important for them was to make sure that their actions are ‘right’ and the subsequent behaviour is an ethical one:

‘It doesn’t matter what the norm is, it’s what we think is right.’

One participant admitted that he goes with a personal instinct (reflected by their personal beliefs) about what is right and wrong and they have a limited awareness of the codes’ content:

‘I go with gut. I freeze up if something feels [wrong]... like, I don’t know whether it’s in the code anywhere. I don’t even know if it’s mentioned in the code let alone there’s an answer in the code. I go with gut.’

However, the literature suggests that awareness of formal and informal norms helps in stimulating morally responsible behaviour in organisations. A code of ethics is expected to increase the ethicalness in the practitioners’ actions and behaviour (McDonald & Nijhof, 1999).

As suggested in the literature, deontological ethics determines what is right and wrong from predetermined principles and standards (Etzioni, 1990; Fisher & Lovell, 2003). Participants talked about honesty, integrity and trustworthiness as the main elements that define their personal ethics. These principles and standards were considered the foundation for their personal ethics and hence behaviour:

‘I guess my personal values absolutely are at the forefront. It’s really about honesty and truth.’

‘There’s a core value that sits there for me, which is about honesty and integrity and that’s what I won’t compromise. So it doesn’t matter whether it’s to do with personal stuff or work stuff; it doesn’t matter, it’s not up for negotiation.’

'I just believe in my personal ethics because you know, I'm just totally honest with clients. Personal ethics for me is honesty and integrity... and that's just uppermost for me with clients; and in my personal life as well.'

There were other participants for whom the need to 'do the right thing' arose from other reasons than those of following universal ethical principles (such as honesty, integrity). These participants' motives were drawn more from the fear of unwanted consequences, reflecting a teleological approach to ethics, in which the effect and consequences of the generated behaviour is what counts and guides a person to choose a certain course of action. Some of these participants talked about the need to 'do the right thing' because of the potential risks and consequences for their business and themselves as professionals: the risk of making mistakes in research projects and be found out, or the risk of losing reputation in the industry and damaging their relationship with clients, as one participant explained:

'I always have to make sure that I'm doing the right thing. It's too much of a risk for me otherwise if I didn't... I can't afford to ruin my reputation or my bank account.'

The second main category of participants, although fewer in number (36%) believed that ethical perceptions, judgements and subsequent behaviour is influenced by both personal values and norms such as codes of ethics. Literature suggests that behaviour is the result of the interplay between personal values and organisational norms; individuals who are employed by organisations with a clear ethical dimension (such as a code of ethics) would be expected to have different attitudes and behaviours toward business related ethical issues than those who are not involved in such organisations (Carr, 1968; Quinn, 1997). In other words, both personal ethics and business ethics will have an impact on their behaviour. This proposition was reflected in the participants' answers, who believed that both personal ethics and business ethics through norms and codes shape their behaviour. The code of ethics was seen by these participants as incorporated in their personal practice and is 'largely in sync' with the person's values:

'It really comes back to the extent to which I've inculcated codes of ethics into my personal practice. And I've been dealing with issues of ethics in research practice since 1990. And so now, when I think about my personal values, those values have been informed by years of research and years of practice.'

...

'I think it's inevitable that you are an individual and you probably bring that into your work, your interactions. But that said, I'm conscious of the fact that whilst I'm an

individual I'm also representing [my organisation] and there is [the organisation's] way of doing things.'

Yet, almost half of the participants who acknowledged the interplay between personal values and norms stated that ultimately most of the time it is the person and their personal values that overrule. This finding is also supported by the literature – Quinn (1997) suggests that the most influential factor that will determine one's behaviour when faced with ethically sensitive business issues will be their personal ethics; ultimately it is the personal values that cause differences in ethical perceptions and behaviour (Dawson, 1992). A code of ethics was seen by participants as a 'secondary tool' and as 'a reinforcement tool' for ethical behaviour. Participants explained that when they come across something that was unethical or that did not feel right and posed some obvious ethical questions, at first personal instinct and personal perspectives would guide their behaviour; this can be later supported by codes to provide reassurance that they are doing the right thing and are acting according to industry norms and standards. Participants explained that:

'I think having a code of ethics there as reinforcement is great but at the same time I'd never do any research which I thought was unethical or harmful. ... I think it certainly comes from your personal perspective.... I guess you might give an immediate instinctive reaction and rather than just relying on how you articulate that reaction to the client, you've got something that provides a whole lot more weight in the form of a code of ethics.'

...

'I think it comes from the person and then it comes from the person's ability to recognise when they potentially stray from what the norms are and then to question what the norms actually are. But I think it comes from the person. I think to be a researcher in business you actually have to have quite a clear view of what your values are because so much of what we deal with is so sensitive.'

Another dimension that has an impact on how people perceive and judge ethically sensitive situations is moral intensity. The ethical decision-making process depends on characteristics of the situation being considered and the extent to which people perceive the respective issue as an ethical one (Fritzsche & Becker, 1983; Jones, 1991; Weber, 1990). Thus, people respond to ethical issues differently. They respond to moral issues by type of issue and can perceive a level of urgency or necessity to deal with ethical issues. This situation was observed in the discussion of personal values and ethics with interview participants. At one end of the spectrum there were those with high levels of moral intensity who, for instance, would not want to be involved in certain projects that

they find are not aligned with their own personal values (for example marketing research projects for organisations operating in the tobacco industry, alcoholic beverage industry, gambling industry, or projects in the food industry targeting children and concerning consumption of unhealthy products). In cases like these, when participants came from large and medium organisations, they have a choice in not getting involved in these research projects:

'We have a policy that if someone doesn't want to work on a particular industry within the organisation that is absolutely fair.'

On the other hand, personal values define an individual and each person has their own set of moral standards that guides them in decision-making. These sets of values and standards would therefore direct their intentions and actions in ethically sensitive business situations; some will perceive the particular ethical issue with higher intensity than others, making them more acute in identifying and dealing with ethical matters. One participant explained that people are morally flexible and having written norms (either societal or business norms) may not always have the desired effect on them:

To be honest, I don't think having anything written down would make a difference because we have rules in society. We have laws that people break all the time but it's not because they're not written down or not that there's social mores that people don't understand, you know, it's just that some people are more morally flexible than others.'

This response reflects again a deontological approach to ethics, where those individuals with high levels of morality will consider the societal norms and rules they feel need to be always followed, whereas those with lower levels of morality will be more flexible in the application of rules and norms.

At the other end of spectrum were those with lower levels of moral intensity, for whom being involved in ethically sensitive research projects such as those in the gambling or tobacco industry does not represent a real concern, as one participant explained:

'If I had a stronger personal value sense in terms of unwillingness to work in the area of gambling or beer or cigarettes then there would be examples where there would be discrepancy between my values and [the organisation's] values. But you know, I think that how we work with them is done in a responsible and considered and ethical way.'

Another example of a low moral intensity was shown by those who do not perceive ethically sensitive research issues as things they should be concerned about and pay attention to:

'If you ring somebody to ask them some questions without telling the person exactly what you want those answers for... is that ethical? For me, I was comfortable with it... to others, it may have been an ethical issue. To me it wasn't.'

Individuals with lower levels of moral intensity were also those for whom ethics and potential ethical issues are not at the top of their everyday concerns and/or viewed ethics as something that has little significance in business relations and should not constrain the relationship with the client. One participant claimed that:

'I think MRSNZ code of ethics is absolutely meaningless in the sense that you better have a legal definition of duties and responsibilities than an ethical one because... you can't say to the client "well actually, you're behaving unethically in asking for that". But you can say "legally, I own the intellectual property of that questionnaire, OK?" Ethics always takes it into the realm of personal. I would rather stick to legal because I think that way, it's better. ... I wouldn't even attempt to [use the code]; for that reason... because it's personal... what is ethics? I mean, you can go and do your Masters in Philosophy on that one [laughing].'

In this example the belief was that legal rules and norms should have greater weight in client relationships than ethical norms, as ethics represents an area that has little value in building good client relationships. One can only presume that for these people, ethics and the corresponding ethical norms (i.e. a code of ethics) have little value in their evaluations and would not represent a significant factor in deciding a particular course of action and behaviour. Nevertheless, ethical norms and, implicitly, codes of ethics have been found to lead to higher awareness of ethical issues and ways of dealing with these issues, guiding and shaping individual behaviour (McDonald & Nijhof, 1999; Quinn, 1997).

What has been encouraging, however, is that majority of participants believed that their personal values are aligned with those of their organisation. This situation was investigated among those who were employed by a marketing research organisation, albeit there were also a few cases in which practitioners managing small organisations and running contract-base research projects were also been confronted with few conflict situations. Although no serious conflicts were identified, there were, however, a few exceptions:

Most of the few conflict situations that participants talked about were related to potential research conducted for clients in specific ethically sensitive industries and products such as tobacco, alcohol, some food (due to obesity issues - e.g. promotion of biscuits to children), and gambling. These participants expressed a clear reluctance to participate in these types of projects due to their personal values and beliefs. What is encouraging is that this choice does not seem to be a problem for the organisation they are employed by; most organisations have been recognised as accepting and accommodating these employees, providing them with the opportunity to withdraw from such research projects; similarly, there were participants who talked about the existence of a '*collective position*' on such ethical issues, which provides them with the reassurance that their personal values are aligned with those of the organisation.

There was also the situation where the need for profits prevailed over ethical concerns. This was identified in a few cases where self-employed practitioners needed to take on projects that, although they would not have felt comfortable to take otherwise, they needed to for financial reasons; and there was the case where the management of an organisation gives priority to profit generation over ethics, as one participant described:

'The management stressed that you just not worry about [personal ethics]...you should over-ride your personal ethics because you're all being a bit too prissy about these things or you're too sensitive and this is business first and foremost and we need to do what generates money for the firm. ... They were more concentrated about making money than the pure ethics of what they were doing but I'm sure that's still the same today.'

Other conflict situations related to the outcome of the research and its quality. Some participants experienced a situation of '*sharp*' conflict between organisational values and personal values and beliefs when they felt that there had been a compromise made on the quality of the research provided to the client (i.e. premeditated statistical errors which led to misleading of clients). Likewise, there were situations when research findings were misinterpreted in the final reports to the client – these situations also left some practitioners feeling uncomfortable and conflicted. Finally, two participants discussed the situation of conflicts of interest when research was solicited and conducted for main competitors. This situation was dealt with differently by the respective practitioners: in one case the marketing research practitioner was honest and open about the conflict of interest and openly communicated with both parties (eventually both clients' decision was to go ahead with the research). This case shows

that the respective practitioners had a good level of awareness of ethical issues relating to confidentiality, release of information to third parties including research conducted for clients' competitors, and also felt a higher degree of moral intensity. In the second case, although aware of the above ethical issues, the practitioner decided to omit letting one of the clients know that they were also conducting research for one of their competitor. He explained that:

'So I've got two competitors, doing work for both of them, almost identical projects, at the same time. And one of them knew that I was doing some work for one of their competitors ... the other one never found out about it all and I didn't see any point in telling them but that was an extremely uncomfortable time and I'm not sure what the best way to handle it was.'

This response shows that although a certain level of internal conflict (a moderate level of moral intensity) was experienced by the practitioner, they had difficulties in identifying the right course of action from an ethical perspective (i.e. limited awareness about guidelines on these types of ethical issues).

In addition, the researcher asked participants if their personal values and views on ethical issues were similar and aligned with those asserted in the MRSNZ's code. Although at first many of the participants replied in the affirmative in saying that there was no divergence between their ethical beliefs and principles and those stated in the code, when asked if there is anything in particular in the code that they might have any concerns about, they admitted that they would have to revisit the code as they were unsure about its content. They explained that they had not read the code for some time; some of the remarks were:

'I read it a year ago, I'm sure I read it a year ago because it's when I took this position.'

'I'd have to go back to it to actually be able to make a comment on that.'

'I have not read it for some time I must be honest.'

'I can't remember what the guidelines in the code are...I could look it up, I've got it sitting them filed in my filing cabinet somewhere.'

These responses show again a limited awareness and a certain haziness about the content of the MRSNZ code. These findings are consistent with those made earlier in the study when direct questions on awareness and content knowledge were asked (i.e. 62% of participants have limited or no awareness). In the literature, awareness of

norms such as ethical codes is seen to increase ethicalness in the employees' behaviour and actions – codes of ethics, along with personal values and intentions can generate an ethical behaviour (McDonald & Nijhof, 1999). When ethical norms exist in an organisation, employees can use them as guidance for their actions, consulting the appropriate guideline pertinent to the specific ethically sensitive situation they are confronted with (Liedtka, 1989b). Only some participants showed good knowledge of the MRSNZ's code content; these viewed the code as reinforcement for their own personal values, a formal structure that supports their views:

'The code I'd say is sort of a formal structure behind something that's based on principles... There's no sort of conflict with my personal beliefs, I guess it just puts some structure on it.'

A greater awareness of ethical codes' content can be achieved through training of staff – however, only one participant said that the organisation *'makes every effort, both in systems used internally and the training of staff'* to make sure staff adhere to the proper ethical guidelines. Other participants explained that it was up to their *'own initiative'* to read the code when they entered the industry or they participated in the one-off introductory session offered by MRSNZ for new members. One participant from a large marketing research organisation explained that staff are not provided with the code and it falls to their responsibility to become familiar with the code of ethics. Accordingly, there seems to be no formal training around ethical matters in New Zealand marketing research organisations. These findings are consistent with those of the preliminary survey.

Two participants expressed the opinion that the emphasis should be on good standards of business practices rather than marketing research ethics – they explained that:

'It's about how to do business and that's kind of more general... I don't even know if that's covered in the MRSNZ code but it's not kind of research... it's kind of business ethics as opposed to research ethics.'

'The code doesn't deal with business practices and things like pricing of research.'

These opinions show more interest in the practical side of the client relationship – i.e. good practices such as correct pricing strategies, attention to deliver good research outcomes, that would enable good client relationships, and less interest in ethical issues that might arise in the relationships.

5.8. USE AND EFFECTIVENESS OF CODES

This section analyses the use of ethical codes by New Zealand marketing research practitioners and the extent to which such codes have an impact on their behaviour when they are faced with ethical issues in client relationships. The researcher was therefore interested in further investigating if codes and ethical guidelines were used in decision-making and the resolution of ethical conflicts that took place between marketing research practitioners and their clients.

In the initial stage of the interviews participants were asked in a direct manner if they use ethical codes when faced with ethical problems in their client relationships. As discussed in Section 5.4 (d) of this chapter, 31% of participants said that they make use of the code as a guiding principle for good research practice by means of openly discussing the code with clients and using clauses from the code to support ethical views and norms when ethical issues arise between them and the client. Another 28% declared that they sometimes use the code, but only when they feel a need to do so. However, as they suggested, these instances are not common. In addition, these participants also showed a limited awareness of the code's content. The remaining participants (41%) indicated that they do not make use of the code in their dealings with clients. In order to further analyse to what extent participants use the code in ethically sensitive situations (particularly those participants who declared that they do use the code in client relationships), further questions relating to use of codes were asked in the final stage of the interviews with practitioners. This further in-depth analysis is an extension of the investigation undertaken within the initial stage of the interviews and it offers supporting information relating to use of ethical codes by New Zealand marketing research practitioners.

For this part of the study, the interview participants were asked to describe an incident(s) they experienced with a client in which they faced ethical issues to be considered and resolved. Thinking about the incident, participants were then asked to describe how they reacted and what kind of measures they took to arrive to a conflict resolution with the respective client(s).

Most of the incidents that participants referred to were related to identification of respondents and confidentiality issues (such as clients asking to know the respondents' identity), reporting of research results (i.e. clients suggesting to use misleading and / or inaccurate research findings in the reports) and release of information to third parties (such as involving a third party for data analysis or undertaking research for competitor firms). These are consistent with the description of main ethical issues New Zealand practitioners deal with in client relationships – they were discussed in more detail in Section 5.5 of this chapter.

The participants then described how they react when incidents and conflicts arise in their relationship with clients. Four main ways of dealing with ethical issues were identified within the interview data. These were: (a) Use of open communication, openness in client relationships; (b) Consultation with peers; (c) Use of personal values and beliefs; and (d) Referral to and use of the code of ethics.

(a) Open communication / Openness

In dealing with ethical conflicts between themselves and their clients, the vast majority of participants talked about the use of open communication, both verbal (i.e. through face-to-face meetings and telephone), and written (i.e. through emails, letters of communication). These participants discussed about the importance of establishing an open, honest and candid relationship with their clients, which would then allow them to create a trusting relationship with clients.

The dimension of inter-personal trust based on honesty and integrity is referred to in the literature as **cognitive trust**. The literature suggests that open communication leads to cognitive trust, i.e. trusting relationships based on honesty, openness and transparency (McAllister, 1995; Rotter, 1967). Furthermore, a special personal relationship between two parties (practitioner and client) exists when **affective trust** (i.e. the second dimension of inter-personal trust) is created between the two parties, which also relies on open, close relationships enabled by good communication (Tan & Chee, 2005).

This situation is apparent from the interview data – participants explained that conflict with clients can be avoided and ethical issues, when they come up, can be clarified through open communication and dialogue with clients. In turn, open communication and dialogue will generate higher levels of trust between the two parties and will enable long-lasting and trusting business relationships. One participant explained:

'I think really again it comes back to honesty and trust – go back to the client and say what are we going to do now, we have this problem, let's sort it.'

Another participant also referred to the level of trust that needs to exist for good business relationships to be enabled:

'...A lot of people, when they retain a research company to do things, trust the research company to use its processes and its knowledge to deliver ethically accountable, high quality research results on time.'

Openness, honesty and transparency, as significant elements of trust, were therefore seen as important tools in solving potential ethical conflicts between practitioners and clients.

(b) Consultation with peers

Another tool used by participants was discussions with peers. Consultation with peers, generally with other practitioners who have more experience in the industry, and other colleagues and/or members of the management team, was a preferred way of reassuring themselves that the right decision is made in ethically sensitive situations that involve clients. Discussing the ethical issues with peers provides clarity and support in making ethical decisions, as this participant explained:

'Discussing these things with others internally is always very useful as well... particularly with the most senior other three here, I think it's extremely helpful in terms of ideas and just ways of looking at things.'

Similarly, another participant gave details of the measures he normally takes when faced with ethical dilemmas in client relationships, explaining that internal consultative behaviour is common in the organisation and whenever practitioners are posed with ethical questions they seek help and advice from peers:

'...There's a highly internally consultative behaviour ... I would consult the other members of the management team in terms of the best way to handle [the issue]. ... You want to seek advice from people with wisdom and experience in the industry and you'd say well you know I'm a bit stumped about this. I'm feeling uncomfortable about it what

do you guys think, how do you feel about it and what's the best solution to this? That's probably how I'd deal with it.'

(c) Use of personal values and beliefs

There were also participants who explained that their own value system is what they refer to when experiencing ethical dilemmas in client relationships. Their behaviour is largely guided by personal beliefs and having strong values that lead to more ethical behaviour is what will, in turn, generate better business relationships with their clients. One participant from a large organisation, member of MRSNZ stated that:

'At the end of the day I think personally I would always follow my own moral values.'

Another participant from another larger organisation, also member of MRSNZ explained that:

'If you have strong values I think that's your code of ethics. ... Your day to day relationship cannot be based on the code. You either have an ethical code of practice yourself or the company or you don't – you don't refer to the code.'

Similar responses were provided by participants from medium and small organisations that subscribe to the MRSNZ code:

'To be honest, I would say that I use personal ethics and personal relationships 80%-90%, probably closer to 90%.'

...

'I didn't need to go and look at the code to know that that is not an ethical scenario. ... Even to this day I couldn't point out particular parts of the code of practice which relate to that ... I'd have to flick through ... in actual fact I was so comfortable that it was out of line I didn't even bother looking up the code of practice – it was just like I'm not prepared to do that.'

No major differences were identified among practitioners from large, medium or small marketing research organisations. A general opinion emerged that personal values and beliefs are at the foundation of one's behaviour in ethically sensitive situations. This finding is consistent with previous studies on personal ethics and values which suggest that the most influential factor determining an individual's behaviour in ethical situations will be their personal ethics (Quinn, 1997); personal values act as a platform in determining how individuals perceive deal with ethical issues (Liedtka, 1989b).

Values have been defined as the common-sense, often taken-for-granted, beliefs about right and wrong (Fisher & Lovell, 2003). Several participants referred to use of common-sense in taking the right course of action in situations with ethical connotations – they viewed common-sense as something that is defined by personal ethics and values, life experiences and views on what is right and wrong, as one participant explained:

'I think common-sense is built up from a group of experiences from a number of years working and not only in the industry but in other work you've done in other jobs and other experiences you've had in life. So I think it's life experiences and ...you know... behind that is the values and principles of how you've been brought up.'

In many cases, *'it gets back to common sense'*, as another participant said:

'It's usually a common sense issue. No, I'd have to say I don't [refer to the code]...I mean, I just fix it. ... I use personal ethics.'

Consequently, it is apparent that strong personal values coupled with constant care and concern for developing open, candid business relationships based on trust were the main ways of ensuring that potential ethical issues and conflicts are handled efficiently by practitioners, and good client relationships are developed and sustained on a long-term basis.

(d) Referral to / use of code of ethics

Six participants (out of 29) stated that they referred to the code when they experienced ethical issues in client relationships, along with other ways such as open communication with clients and consultation with peers. These participants were from the whole range of organisations (large, medium and small organisations) – both those from larger and/or smaller organisations who mentioned situations when they referred to the code had a strong belief that a code of ethics can help in clarifying grey ethical areas when they arise in their dealings with clients. The MRSNZ code was used to support decisions they made relating to ethical issues that generated conflicts between themselves and clients, as one participant explained:

'I went on the MRSNZ website, got the link to the code of practice and sent that to the client and said have a look at Article whatever in the code and you'll see that you know, this is not me being funny or stubborn, this is an accepted industry practice and we're not prepared to compromise.'

Another participant described the need to use the code in a client meeting in order to show it to the client and provide more support for the decisions she was prepared to make:

'In some cases we actually take the code along with us and show it to people. We did that once around ownership of questionnaire, where there were disputes around the ownership of a questionnaire and the code is pretty clear about those things like that.'

Participants from both large and small marketing research organisations also described conflict situations when they not only referred to the code to clarify various ethical issues but had also contacted MRSNZ to seek more guidance on how to approach the client in those particular instances and what decisions to make that would represent the ethical thing to do. A code of ethics was seen by one participant as:

'a powerful tool just to be able to reference it in a conversation with the client, to say, OK, there's something else in the consideration seat here, it's not just you and I, there's another reference which we take into consideration.'

However, although used as a tool to reinforce ethical standards in situations of conflict, participants who stated that they refer to the code also identified the code as a 'support tool, 'a reinforcer' of ethical behaviour and as something that accompanies your own personal ethics and values, as this participant said:

'When you are selling your intellect and your expertise, alongside that, are your ethics and standards by which you apply that expertise in a business context and that should be driven by ethical considerations from your industry body.'

Ultimately, the code was seen as a hygiene factor, providing ethical standards and principles that need to be available at an industry level so that practitioners can refer to it.

'It's just something that has to be there... I think a lot of what's in the code is what you would think of as good practice and we're more inclined towards good practice than any particular code. It'd be common sense.'

As one more critical participant claimed, it is one's personal ethics and values that will dictate their behaviour and ethicalness of their actions:

'[The code] wouldn't make a difference! If someone wants to behave unethically, do you think the code's going to make a bit of difference sitting on that table? It's a one-way street. What slap on a wrist can a code of ethics deliver to a client?'

A criticism of MRSNZ and its code is that there is little focus on ethics by MRSNZ – the MRSNZ does not have an Ethics Committee in place to deal with ethical issues when they arise and for practitioners to seek advice from. The MRSNZ accreditation is too informal with no clear pre-set ‘rules’ and expectations for those who want to adhere to MRSNZ ethics. In general, there is little emphasis on ethics and ethical issues in the New Zealand marketing research industry.

In addition, although a few participants were able to show that they referred to the code when situations of conflicts or disputes took place in their relationships with clients, they also admitted that situations when they have to actually use the code were rare. This situation is explained by the fact that marketing research organisations and practitioners have long-term and long-lasting client relationships; they were able to develop close, open relationships in many cases at a personal level, that are based on trust and mutual respect. Moreover, they described the New Zealand marketing research industry as a small industry (particularly in the Wellington and South Island area), and as an industry that *‘it has this village [feel] where people know each other and can build trust’*, as one participant says.

In conclusion, the additional information provided by participants in the latest stage of the interviews revealed and reinforced the fact that common ways of dealing with ethical issues in client relationships were by establishing inter-personal trust at both cognitive and affective levels through open communication, honesty, close relationships, openness and transparency; consultation with peers, and use of personal values and beliefs in decision-making. Only 21% of participants suggested that they made use of the code when facing ethical issues albeit this use had not happened often. The code is thus seen more as a hygiene factor, a ‘reinforcer’ that can be used to support one’s personal ethics.

5.9. SUMMARY OF FINDINGS AND MODEL REVISION

This section provides a summary of the study's research findings. Based on these findings the initial conceptual model that was designed from the literature review has been revised accordingly, including a discussion of the main tools used in conflict resolution within client relationships.

The purpose of the present study was to investigate the use of codes of ethics in the New Zealand marketing research industry, in particular codes' use and effects on decision-making and resolution of conflicts between New Zealand marketing research practitioners and clients. Preliminary data was collected with use of a survey based on mailed questionnaires in order to provide the researcher with a general understanding of the New Zealand marketing research industry and the population involved in this industry, as well as general information on the existence of ethical codes in the industry and their use in New Zealand marketing research organisations. The preliminary data revealed that a majority of respondents surveyed are members of MRSNZ and subscribe to the MRSNZ's codes of ethics. However, the survey's results showed that only about half of these respondents were familiar with the code's content and less than half of them use the code when faced with ethical issues. The survey data suggests that the most common ways of dealing with ethical issues are consultation with peers and use of personal ethics and values to make a decision in ethically sensitive situations.

As the purpose of this study was to investigate the use and effects of ethical codes at the relationship level (i.e. between practitioner and client), these aspects were further analysed through semi-structured interviews undertaken with 29 New Zealand marketing research practitioners. Three main aspects representing the three central sub-models of the preliminary conceptual framework were investigated (i.e. codes of ethics' existence, use and effectiveness in client relationships; trust in client relationships and its constructs; and personal ethics and values). Findings related to each of these sub-models are discussed as follows.

1) Codes of ethics

- Ethical codes' presence in New Zealand marketing research organisations:

The majority of New Zealand marketing research organisations surveyed subscribe to and follow the Market Research Society New Zealand (MRSNZ) code of ethics as the external code designed by an industry body; only one large marketing research organisation has its own internal code of ethics (i.e. an ethical code designed by the organisation itself). The research shows that New Zealand marketing research organisations (smaller organisations in particular) do not feel the need to develop their own code of ethics; participants consider the MRSNZ code sufficient in guiding marketing research practitioner behaviour.

- Affiliation to Market Research Society New Zealand (MRSNZ) and its code:

The majority of interview participants (21 out of 29) identified themselves or the organisation they worked for as MRSNZ members; eight participants are not members of MRSNZ, with two of these being affiliated to other international associations. MRSNZ membership was not found to be a significant factor in client relationships. Regardless of their organisation's size, most participants were of the opinion that affiliation to MRSNZ is not an underpinning factor of trust and/or ethical intentions and actions and has little effect on the development of good and trusting client relationships. The practitioners' main drivers to join MRSNZ (and hence subscribe to its code) are the opportunity for networking, information sharing with peers, professional development opportunities, rather than a need to be perceived as a trustworthy and ethical marketing research practitioner.

- MRSNZ code's content analysis:

The MRSNZ code was updated in June 2008 following the changes in the ICC/ESOMAR's code of ethics. This revision of the code came after 14 years (the previous version was designed in 1994). A content analysis was performed on the 2008 MRSNZ code and the 1994 MRSNZ code in order to examine the changes, particularly around policies and ethical statements relating to relations between practitioners and their clients. The 2008 MRSNZ code has been greatly simplified and its length has been extensively reduced. These changes had a great impact on the level of detail and sophistication provided within the newly revised code. The new code emphasises ethical guidelines and issues related to treatment of respondents in marketing research projects but fails to give the same level of attention to practitioner-client relations. Several ethical guidelines related to practitioner-client relationships were not included in the 2008 MRSNZ code (i.e. exclusive use of researcher's services, need for a written

contract between the two parties, use of researcher's name, confidentiality issues around client's name and disclosure of confidential information about the client to third parties). In addition, the ethical tone has significantly changed from an imperative and definite tone in the 1998 code to an advisory and consultative tone in the 2008 MRSNZ code.

- Awareness and familiarity with MRSNZ code of ethics:

The majority of participants were aware of the MRSNZ code of ethics. However, more than half of the participants admitted a limited familiarity, or no familiarity, with the code's content. The research findings show a degree of haziness about the code's content. Although they have a general knowledge of the code, having read the code in the past, participants have difficulty recalling the content of the code. Most of these practitioners read the code when they joined MRSNZ but have not done so since then.

- Enforcement of ethical codes:

The research findings show a lack of enforcement of ethical codes in the New Zealand marketing research industry. Participants suggested that the MRSNZ code is introduced within an induction session when they join MRSNZ, a session designed to create awareness of the industry code. However, no on-going training for dealing with ethical issues and ethical codes seems to be provided by MRSNZ or, internally, by marketing research organisations. Most training provided both by MRSNZ and marketing research organisations is focused on business and market research procedures and quality check processes, rather than ethical issues in marketing research. One way of ensuring that practitioners are 'doing the right thing' is through consultation with peers, rather than consultation with the code of ethics. Thus, although New Zealand marketing research organisations show a reasonable interest in making sure that practitioners are aware of and familiar with the MRSNZ code, there is little support and few resources put aside for further training and assurance that the code is enforced and implemented in organisations, regardless of their size.

- Code of ethics' use and its effect on behaviour:

The interview data reconfirmed the survey results that there is limited use of codes of ethics in dealing with ethical issues by practitioners in client relationships. The research findings show that a small number of participants (21%) made use of the code when faced with ethical issues. No differences were observed between practitioners' perceptions among small, medium and large organisations in relations to the code's use.

These participants viewed the code as a useful tool in clarifying ‘grey’ ethical areas and ensuring that their initial intentions in ethically sensitive situations are supported by the code of ethics. Although a code of ethics was seen by practitioners as needing to exist at the industry level (i.e. a hygiene factor) so that it can be referred to, the code is mainly perceived as a reinforcer of ethical behaviour and a support tool that strengthens personal ethics and values. Participants indicated that although the code can be used as a reinforcer of good and ethical behaviour, ultimately, they return to personal values and beliefs that shape their intentions and behaviour. These findings suggest that the MRSNZ code has a limited effect on practitioners’ intentions and behaviour although the code has the ability to guide behaviour. However this guidance takes place when full awareness of and familiarity with the code is present. The research suggests that the New Zealand marketing research industry and the industry body attach little importance to codes of ethics in marketing research which is noticeable in the lack of interest showed in providing on-going training and support around codes of ethics as well as the lack of codes’ enforcement.

2) Trust

- Description of client relationships:

Relationships with clients were mainly described as friendly, close and honest and trusting relationships. A more formal and distant relationship was attributed to cases where the distance between the practitioner and client made difficult the development of a close relationship. These were cases where larger projects limited the interaction between the two parties and in the case of research projects for the public sector where the relationship maintained is more formal. Client relationships were described as long-term relationships based on trust where personal rapport creates the basis for an inter-personal relationship. Inter-personal trust therefore has a great importance in practitioner-client relationships.

Participants did not perceive codes of ethics in marketing research as an aspect that has great significance in building strong, trusting and long-term business relationships with their clients. The research findings show that ethical issues, rights and obligations of the two parties are not commonly discussed with clients. Ethical guidelines or referral to MRSNZ’s code are sometimes included in research proposals albeit in some cases a research proposal is provided for new clients only. Most participants’ perception is that

ethical guidelines are not particularly relevant to client relationships as clients place little importance on them and hence practitioners do not feel the need to discuss and/or emphasise these issues in the communication with the client.

- Constructs of trust:

Participants describe the level of trust between themselves and clients as high or very high. Trust is perceived as being crucial to their client relationships, particularly in a small marketing such as the New Zealand marketing research industry. Participants from larger organisations indicated that trusting business relationships exist partly because of their organisation's credibility and reputation in the industry (creating impersonal trust) and partly because of their personal reputation (creating inter-personal trust). However, the overwhelming majority of participants (90%) indicated that a close and trusting relationship with clients is created through inter-personal trust. Both impersonal and personal trust are created through a desired level of credibility attained through the quality of work performed for the client, and a good and lengthy relationship history, as well as reputation offered by a good level of experience and expertise in marketing research.

Both cognitive and affective constructs were associated with inter-personal trust by participants. Competence and expertise in delivering quality work as well as being a reliable business partner were perceived by participants as being the most relevant constructs of cognitive trust in client relationships. Referrals / word of mouth were also found to generate trust that the respective marketing research practitioner has the required credentials (which in turn provide him/her with credibility and reputation). Interestingly, ethics do not appear to have great weight in creating a higher level of trust between the two parties; at the affective level trust is enabled through a special personal relationship based on close and open relationships. Confidentiality was also found to create openness in client relationships.

3) Personal ethics and values

More than half of the participants (64%) believed that personal ethics and values have a significant impact on their ethical judgements and decision-making. For these participants norms (such as codes of ethics) do not play an important part in decision-making. The majority of participants showed a deontological approach to ethical

decision-making, being concerned about the need to 'do the right thing' based on their personal ethical values and beliefs. Honesty, integrity and trustworthiness were seen as the foundation of their personal ethics. Several other participants showed a teleological approach to ethical decision-making, being driven to do 'the right thing' by the fear of unpleasant consequences and potential risks they may expose themselves to otherwise. Other participants (36%) suggested that ethical perceptions, judgements and subsequent behaviour is influenced by both personal values and norms (the code of ethics was seen as being incorporated in one's personal practice and aligned with personal values) albeit almost half of these participants admitted that, ultimately, personal ethics and values overrule. It is their personal values and beliefs that guide the behaviour with the code of ethics acting as a support tool to provide reassurance that the right course of action is taken. However, in situations that posed ethical problems, participants perceived the importance of ethics in marketing research differently. On the one hand, there were participants with high levels of moral intensity and high ethical standards who perceived a more acute need to follow rules and norms derived from personal ethics and/or codes. On the other hand, there were those participants with lower levels of moral intensity and personal ethics for whom ethics has little value in their evaluations and are therefore morally flexible in the application of rules and norms.

The research findings also show a general agreement among participants that personal values are aligned with those of the organisation participants worked for. By and large there is an organisational collective position on ethical issues that provides participants with the reassurance that personal and organisational values are aligned. In most cases where conflicts between personal and organisational values occurred, participants had the ability to opt out of research projects that would have otherwise required them to overlook personal values and beliefs. In a few circumstances however, participants felt a certain degree of conflict between personal and organisational values (e.g. when the need for profits prevailed over ethical concerns, situations of compromise on the research quality, and conflicts of interest associated with research work undertaken for competitor clients).

Based on the above research findings, the conceptual model has been accordingly revised to better reflect the reality in client relationships in the New Zealand marketing

research industry and identify the variables that have a significant impact on the process of resolution of ethical conflicts when they occur in client relationships.

In Chapter Three a preliminary conceptual framework was presented. This initial model was derived from the literature review and took account of models and literature related to the process of ethical decision-making (Bommer et al., 1987; Brady & Hatch, 1992; Brass et al., 1998; Ferrell & Gresham, 1985; Ferrell et al., 1989; Hunt & Vitell, 1986; Hunt & Vitell, 1993, 2006; Jones, 1991; Malhotra & Miller, 1998; Rest, 1983; Rest & Barnett, 1986; Trevino, 1986) as well as variables that appear to have an influence on marketing research practitioners' relationship with clients in situations of ethical conflict. Based on previous research, the three-level model proposed that ethical decision-making in practitioner-client relationships is impacted at industry / organisational level by the availability and use of industry and/or organisational codes of ethics (such as MRSNZ code) (Ferrell et al., 1998; Kaptein & Schwartz, 2008; Marnburg, 2000; M. Schwartz, 2001; Somers, 2001; Webley & Werner, 2008), and at the individual level by practitioners' personal ethics and values (Akaah & Lund, 1994; Finegan, 1994; Fritzsche, 1991, 1995; Quinn, 1997). At the practitioner-client relationship level trust and its adjacent constructs are seen to influence the quality of interaction and generate good client relationships (Bachmann & Zaheer, 2006; Bendixen & Abratt, 2007; Castaldo, 2007; Gillis, 2003; Lane & Bachmann, 1998; Moorman et al., 1992; Mouzas et al., 2007).

The initial model was explored through means of semi-structured interviews, within a qualitative approach. First, at the industry / organisational level, the initial model proposed that codes of ethics, affiliation to professional bodies and associations, and the organisation's size are variables which may potentially have an impact on client relationships. Previous research identified ethical codes as a potential factor that has an effect on behaviour albeit opinions are divided between those who claim that codes of ethics have a behavioural effect (Chonko et al., 2003; Ferrell & Skinner, 1988; McDonald & Nijhof, 1999; Ziegenfuss & Martinson, 2002) and those who suggest that ethical codes have limited or no effect on behaviour (Akaah & Riordan, 1989; Cleek & Leonard, 1998; Glenn & Van Loo, 1993; Lee & Yoshihara, 1997; Marnburg, 2000; Oliver, Kearins & McGhee, 2005; Schwartz, 2001).

New Zealand marketing research organisations and practitioners largely follow the professional / industry code of Market Research Society New Zealand (MRSNZ). This research suggests that MRSNZ code of ethics has little effect on New Zealand marketing research practitioners' behaviour. The code is used on a small scale. This can be explained by the limited awareness of and familiarity with the code's content. Practitioners who did make use of the code in ethically sensitive situations involving clients reported that the code of ethics served as a reinforcer of personal values and beliefs, providing reassurance that they take the 'right' course of action. Codes of ethics, although a potential factor that can influence behaviour but only when individuals are aware of and familiar with the respective ethical guidelines (Webley & Werner, 2008), acts more as a support tool in decision-making. It is a necessary tool, a hygiene factor that endorses one's personal ethics.

Previous literature suggests that affiliation to professional bodies and associations (such as MRSNZ) encourages business interactions with an organisation / practitioner and leads to positive reputation (Whitmeyer, 2000); this also creates an increased level of trust (Pavlou, 2003) and credibility within the industry (Lane & Bachmann, 1998). The participants, however, reported that affiliation to MRSNZ does not create a significant advantage in client relationships and therefore lead to an increased level of trust, credibility and reputation within the industry. Several members of MRSNZ suggested that it can be used as a 'seal of approval' and assurance for particular clients (i.e. the public sector) that ethical guidelines are considered and used (i.e. the MRSNZ code). Nevertheless, both members and non-members of MRSNZ agreed that long-term and trusting client relationships are formed due to the confidence that quality and reliable research based on great expertise and experience is provided to clients.

In addition, although the literature suggests that the size of the organisation is a factor that can determine the extent of ethical codes' use (Robertson & Schlegelmilch, 1993; White & Montgomery, 1980), this does not seem to occur in the New Zealand marketing research industry where no significant differences were identified among small, medium and large companies in codes of ethics' use and their behavioural effects.

However, at the organisational level, a factor that emerged from the interview data as having a significant role in helping practitioners to deal with ethical issues in client relationships is **consultation with peers**. Participants reported that in situations of doubt they often seek advice from peers (i.e. more experienced marketing research practitioners and in some cases, they appealed for advice to the MRSNZ).

Second, at the individual level, previous research was undertaken with the intent to examine the role of personal ethics and values in ethical decision-making (Barnett & Karson, 1987; Quinn, 1997; Trevino, 1986). Studies in this area also attempt to examine the inter-play between organisational norms such as codes of ethics and personal values, suggesting that norms are expected to increase the person's ethicalness (Carr, 1968; Liedtka, 1989a, 1989b; McDonald & Nijhof, 1999; Quinn, 1997). Participants' answers suggested that at the foundation of their decisions lay **personal ethics and values** and that although codes of ethics may be useful in reconfirming their beliefs, they are mainly guided by their personal ethics (Dawson, 1992; Fritzsche, 1995; Quinn, 1997; Weick, 1979). Values are seen as the common-sense, often-taken for granted, beliefs about right and wrong (Fisher & Lovell, 2003); participants talked about using common-sense in ethical decision-making. **Common-sense** has therefore been included in the revised model as an emerging theme at the individual level that is used in resolution of ethical conflicts or issues involving clients. Participants also had different perceptions about the ethicalness of various client related ethical issues. This implies, as suggested in the literature, that various levels of **moral intensity** can have an impact on individual's ethical perceptions and judgements (Franke et al., 1997; Fritzsche, 1991; Fritzsche & Becker, 1983; Jones, 1991; Weber, 1990), which in turn can have different effects and therefore different outcomes in ethical conflict resolutions.

Third, at the practitioner-client relationship level, trusting relationships are seen to assist in generating open, close and candid relationships which allow both parties to better resolve any ethical issues or conflicts when they occur in the business relationship (Pavlou, 2003; Tan & Chee, 2005). Participants reported that impersonal and inter-personal trust in client relationships is generated through a desirable level of

organisational and/or personal (practitioner) credibility and reputation (Fukuyama, 1996; Khodyakov, 2007) albeit most participants referred to personal rapport, a personal relationship that enabled the development of higher levels of **inter-personal trust** between them and their clients (Fukuyama, 1996). Credibility is seen to be built as a result of a long history in the marketing research industry and, therefore, an extended **relationship history** with the client coupled with the **quality of research** work delivered to clients (Kramer, 1999; Wilson, 1995). Reputation, as another determinant of trust is determined by the level of **expertise** and **experience** one has in marketing research and is linked to other trust constructs such as the level of **competence** of the marketing research practitioners and **referrals** (Whitmeyer, 2000). Participants also reported that a high level of personal-trust is achieved as a result of protecting and maintaining the **confidentiality** involving sensitive client information as well as showing a certain degree of **reliability** in client relations (McAllister, 1995; Tan & Chee, 2005).

The effects of the different variables and constructs on ethical decision-making in client relationships and the inter-play between them are reflected in the revised model (Figure 22).

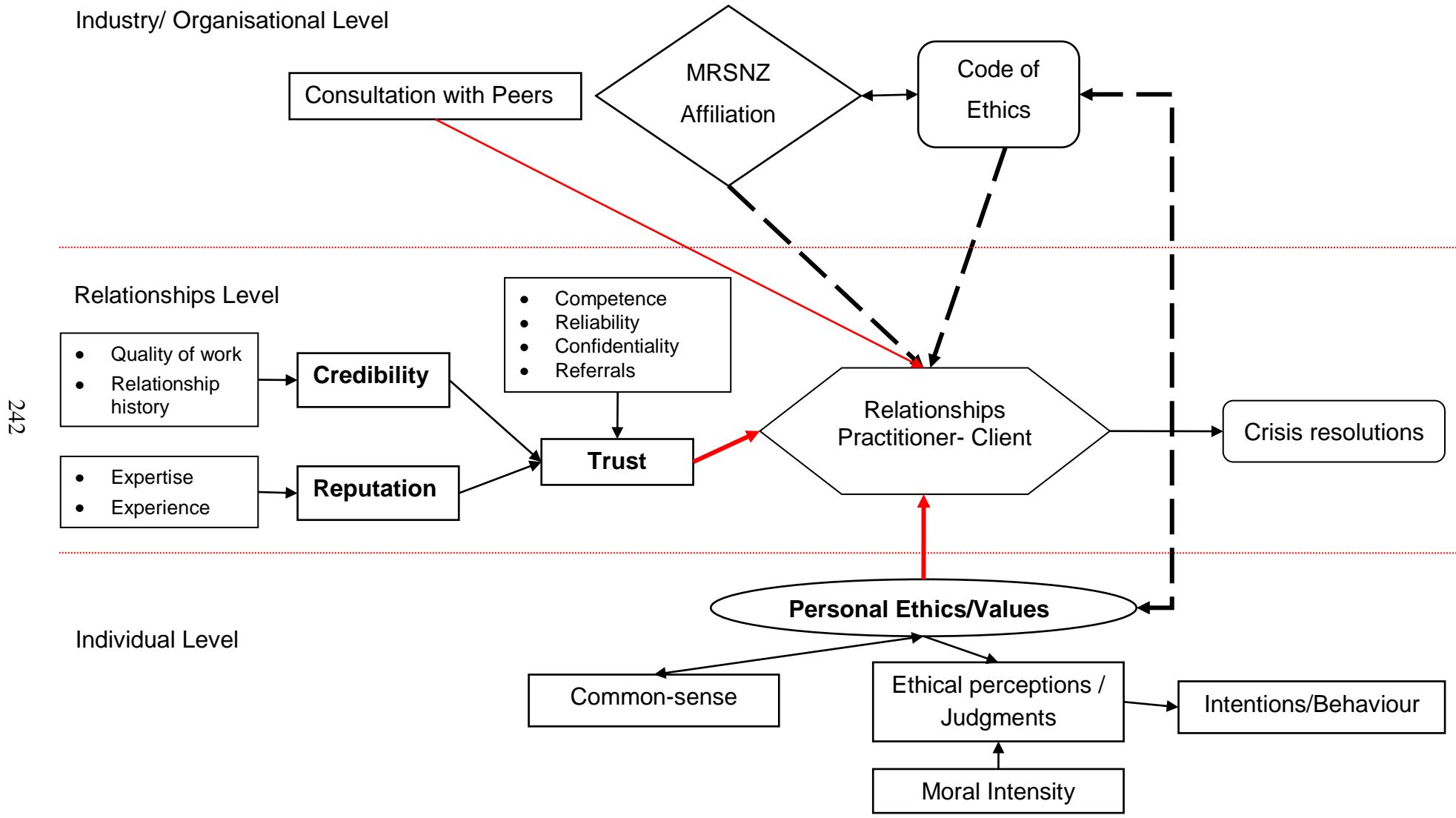


Figure 22: The Revised Model

In comparison with the initial model (i.e. the conceptual framework) designed from the literature review, the revised model includes several new constructs such as peer consultation, common-sense, referrals, quality of work, relationship history, experience and expertise. These constructs represent new themes that emerged from the research data. The main differences between the two models are:

- The initial model proposed that, at industry and organisational level, formal codes of ethics play an important role in client relationships by guiding and influencing practitioners' behaviour. The revised model, however, suggests that codes do not seem to have a significant effect on ethical behaviour. In addition, in the revised model the organisation's size does not represent a factor that makes a difference in the use of codes and client relationships hence it has been left out.
- At the industry level, the initial model proposed that affiliation to a professional body that is responsible for enforcing the code within the industry (i.e. MRSNZ) represents a factor that has a positive effect on the relationships with clients by generating trust and providing the assurance of ethical intentions from practitioners. The revised model proposes that MRSNZ membership is not an underpinning factor of trust and/or ethical intentions and actions, and has little effect on the development of good and trusting client relationships.
- At the individual level it is proposed that personal ethics and values have a significant effect on practitioners' behaviour, shaping their ethical intentions and behaviour in client relationships. While this has been maintained in the revised model, common-sense is often used by practitioners in ethical-decision making.
- Finally, at the practitioner-client relationship level, the premise that trust and its adjacent constructs (credibility and reputation) greatly influence the nature of the relationships between marketing research practitioners and their clients and promote ethical interactions has been maintained in the revised model. The revised model proposes that inter-personal trust creates candid client relationships. The emerging themes found to generate trust are referrals (word-of-mouth), the quality of research work undertaken by the practitioner, the relationship history between the two parties and the experience and expertise of the marketing research practitioner.

To sum up, the research findings of this study support the notion that the main tools used in dealing with ethical issues are through open communication and the development of a close, candid relationship with the client – i.e. a relationship based on **inter-personal trust – consultation with peers** when ethical questions are posed in client relationships, and the use of one's **personal ethics and values**. Codes of ethics have not been identified as having a significant effect on practitioners' behaviour. They are a hygiene factor; however they can represent a potential support tool in ethical decision-making, acting as a reinforcer of personal ethics and values. Nevertheless, for this to exist, an increased awareness of and familiarity with codes of ethics and their content needs to be present in order to stimulate and guide ethical behaviour.

CHAPTER SIX – CONCLUSIONS, CONTRIBUTIONS AND FUTURE RESEARCH

The last chapter of this thesis discusses the conclusions of the study, suggests the contributions this research makes to the current knowledge in marketing research ethics along with the implications that arise from the study, and proposes potential future research directions in the study of codes' use and effectiveness in the process of ethical decision-making.

6.1. RESEARCH CONCLUSIONS

The conclusions of this research are structured in such a way as to address the research questions of the study and to provide an answer to each of these. The relevant subquestions posed in Chapter Three are not itemised below but they are also answered in the following paragraphs.

Research Question One: What codes of ethics exist in New Zealand marketing research organisations and how are they implemented?

In New Zealand, the professional body that governs the activity of marketing research organisations and practitioners is the Market Research Society New Zealand (MRSNZ). The study has found that the MRSNZ code is the ethical code that the large majority of marketing research organisations and practitioners subscribe to. The MRSNZ code has been used as a source and has been inspired by The European Society for Opinion and Marketing Research (ESOMAR) code of ethics.

The study found that the development of internal (organisational) codes is not common in the New Zealand marketing research industry. Only one large multinational organisation was found to have an organisational code of ethics; other large, medium or small organisations and their employees follow the MRSNZ professional code of ethics. New Zealand marketing research practitioners report that the MRSNZ code is sufficient in guiding their behaviour and that development of specific organisational codes of ethics is not necessary.

The MRSNZ code includes ethical guidelines and principles to be followed by practitioners in both their interaction with marketing research respondents and relationships with clients. The latest revision of MRSNZ's code took place in June 2008. This was prompted by the revision of ESOMAR's code of ethics at the beginning of 2008. A detailed content analysis of the MRSNZ's code of ethics revealed that the 2008 version of the code has been greatly reduced and simplified. Regrettably, these changes have affected the level of detail provided in the revised code. The emphasis is on the practitioner-respondent interaction and less emphasis is placed on practitioner-client relationships where several noteworthy ethical guidelines have been left out. In addition, a change in the ethical tone used from an imperative tone to an advisory tone suggests that future enforcement of the code may also be affected.

The present study found that there is limited use of codes of ethics by New Zealand marketing research practitioners. Those able to provide a clear example of a situation when they made use of the code in client relationships were few and the cases when they employed the code to address ethical issues were very rare. The main beliefs expressed by the practitioners interviewed were that they are aware of what is right and wrong (i.e. use of personal ethics and values) and do not need to refer to the code, and also that common-sense is generally used when making decisions (i.e. use of personal beliefs). Nevertheless, several participants recognised that a code of ethics is a hygiene factor that needs to exist at industry and organisational levels, although it is personal ethics and values that ultimately shape behaviour. These findings are similar to those of Schlegelmilch and Houston (1989) who assert that codes of ethics have limited value in generating ethical behaviour and that they are needed in relation to ethics in general. This study also found that codes of ethics are not the primary mechanism for ethical decision-making.

In addition, there is a lack of enforcement of codes of ethics in the New Zealand marketing research industry which may explain, in part, the lack of use of codes by marketing research practitioners. Other than an introductory session on the MRSNZ code, the MRSNZ shows little concern for and initiative in providing continual training and support in raising practitioners' familiarity with the code which may in turn

stimulate the use of the code. In their study, Ziegenfuss and Martinson (2002) found that accounting professionals do use the professional code of ethics to identify and resolve ethical dilemmas. However, it was also determined that the professional body in question validates skills and knowledge but not the professionals' ethics. Similarly, this study shows that the emphasis at the industry and organisational levels is on training around research techniques and procedures and less emphasis is placed on ethics in marketing research. This is also consistent with Alam's (1999) study who claims that New Zealand organisations do not place ethics at the top of their priorities.

Research Question Two: What kinds of ethical problems are New Zealand marketing research practitioners facing in client relationships?

Relations with clients were described by participants from a wide range of marketing research organisations (large, medium and small organisations) as being close and friendly, long-term, trusting relationships. Nonetheless, there were several ethical issues that participants identified as occasionally occurring in their client relations.

The two most frequent ethical issues noted in the practitioner-client relationship are related to (a) identification of respondents (i.e. situations when clients require the respondents' names and contact details) and (b) reporting of research results (i.e. cases when clients call for editing or altering of research results in order to suit pre-determined organisational objectives or agendas). Other occurring incidents are related to (c) release of information to third parties (i.e. disclosing confidential information about clients, and/or clients requesting information about competitor firms for which the practitioner has previously conducted research); (d) ownership and access to data (i.e. ownership of research tools such as questionnaires and access to research data such as interview transcripts, focus groups data and videos); and (e) research design (i.e. situations when clients interfered in the research design process, making unrealistic and unethical requests for use of intrusive and biased questions). Regardless of the marketing research organisation's size, it appears that clients pose similar challenges to practitioners as no significant differences among large, medium or small marketing research organisations were identified with regard to ethical issues faced in client relations.

At the relationship level, the level of trust between practitioners from across the range of organisations and their clients was described by participants as being relatively high. The reason for this appears to be the level of inter-personal trust that is created between the two parties. This research finding is similar to that of Moorman, Deshpande and Zaltman (1993) who suggest that interpersonal factors are the most predictive of trust.

Two participants from larger organisations indicated that a high level of trust can also be attributed to the organisations' credibility and reputation in the industry which in turn creates impersonal (organisational) trust. However, the large majority agreed that inter-personal trust (trust created at personal level) significantly affects the nature of the relationship with clients, enabling open, trusting business relationships. Based on the participants' answers, the study proposes that inter-personal trust is shaped by practitioners' (a) credibility (generated by high quality research supplied to clients and the quality and length of relationship) and (b) reputation (generated by high levels of experience and expertise in marketing research). In a recent study, Khodyakov (2007) investigates the relationship between trust in people and trust in organisations and argues that inter-personal trust is more valued by people than is organisational trust. This research supports Khodyakov's (2007) findings. Additionally, this study's research data revealed that codes of ethics, i.e. organisational tools that have the role of generating trust in organisations, were perceived as being of low importance compared with reputation and inter-personal trust.

The research study found that ethics (i.e. being an ethical marketing research practitioner) does not appear to present a factor in creation of inter-personal trust in practitioner-client relationships. Nevertheless, the practitioner's ability to maintain high levels of confidentiality in client relations was found to create more open and candid client relationships.

Research Questions Three: How are codes of ethics perceived by New Zealand marketing research practitioners?

Based on participants answers' the study found that the majority of New Zealand marketing research practitioners were aware of the existence of a professional / industry

code of ethics (i.e. the MRSNZ code). Those who were not aware of the existence of the code were from small organisations who are not members of the MRSNZ.

Despite this finding, the study identified that there is little familiarity with the MRSNZ code among New Zealand marketing research practitioners. Similar to Fisher's (2001) study who suggests that employees were aware of the code of ethics' existence but they were hazy about its content, the research findings of this study show that participants are rather unsure about the code's content. Most had not read the code recently and/or read the code when they joined MRSNZ but had not since then. The limited use of codes of ethics can therefore also be attributed to the limited interest shown by practitioners in becoming familiar with and understanding the code.

As previously identified, a small number of participants made use of the code when dealing with ethical issues in client relations. No distinctive differences were observed between practitioners from large, medium or small organisations. However, when the MRSNZ code was used by marketing research practitioners in ethical decision-making, as per Schwartz's (2001) suggested roles of codes of ethics, the MRSNZ code served as a rule-book (i.e. helping practitioners to identify the expected behaviour), a sign-post (i.e. encouraging practitioners to seek advice from the MRSNZ and consult with their peers), and a mirror (i.e. after consultation of the code, providing practitioners with the opportunity to confirm whether the intended behaviour is acceptable). The literature has also argued that the role of codes of ethics', together with honest and open business relationships, is to influence business partners' ethical perceptions, which then lead to the formation of reputation (Bendixen and Abratt, 2007). Similar to Bendixen and Abratt's (2007) findings, candid business relationships emerged as an important factor; however, marketing research practitioners attached little importance on codes of ethics as a factor leading to reputation.

In addition, at the individual level, the code of ethics (when used) supports personal values and beliefs. The code is a re-enforcement tool used to make sure that the right ethical course of action is taken. Consequently, the code is not perceived to have a direct effect on practitioners' behaviour. These findings oppose those of Fisher (2001) who claims that codes of ethics limit personal ethics, undermining or challenging

personal integrity and personal ethical responsibility. On the contrary, this study's research findings maintain that codes of ethics complement practitioners' personal ethics. These findings are in line with the research findings of Lee and Yoshimura (1997) and those of Glenn and Van Loo (1993) who note that codes of ethics are an important factor in ethical decision-making but personal values are more influential.

The role of codes of ethics is rather that of a hygiene factor. A code needs to exist at the industry / organisational levels so that practitioners can refer to it if needed. The code has the potential to guide the process of ethical decision-making. However, what this research study suggests, based on participants' answers, is that codes do not play a significant role and do not have significant behavioural effects. These findings are similar to those of Marnburg (2000) whose research identified that codes of ethics as an inferior document in organisations and do not have attitudinal effects on professionals. By comparison, personal ethics and values were found to have a greater effect on ethical judgements and decision-making – these elements seem to represent the core elements that shape practitioners' behaviour when faced with ethically sensitive situations in client relationships.

Research Question Four: How does use of codes of ethics affect relationships between marketing research practitioners and their clients, especially in relation to perceived ethical problems?

Several ethical issues were identified as having occurred between New Zealand marketing research practitioners and their clients. One would expect that ethical problems are tackled with the use of tools specifically designed to address these problems (such as referral to and use of codes of ethics). However, the study found that ethics in general and codes of ethics specifically, do not seem to have great importance and are not of major concern in client relationships.

On the contrary, based on participants' answers, long-term client relationships are attributed to the level of inter-personal trust that is created between the two parties over time; ethics does not appear to be of major concern for either practitioners or clients. This is reflected by the majority of participants who reported that potential ethical issues, rights and obligations of both parties, referral to the code of ethics and

clarification of expectations from an ethical perspective are not commonly discussed with clients.

The interview data does not reflect a notable connection between ethics and trust. Participants gave low importance to ethics in trust development. Factors that had a greater weight in generating trusting business relationships were the quality of research conducted and the marketing research practitioners' expertise and experience in marketing research (i.e. constructs of credibility and reputation within the industry).

There was, however, one aspect of business ethics that had great importance to participants: confidentiality. Confidentiality in client relationships (i.e. discretion in storing and using client information) was a factor considered to create a higher degree of openness and trust between marketing research practitioners and their clients.

As previously identified, what appears to have a direct effect on practitioners' behaviour within client relationships are their personal values which they return to as the main tool in guiding their behaviour, as well as the level of inter-personal trust which enables a trusting, open, candid relationship. Codes of ethics have not been found to directly affect New Zealand marketing research practitioners' relationships with clients. When referred to, codes represent an additional tool in supporting personal ethical views. However, that some participants (albeit few) used the code in client relationships suggests that an ethical code may represent a behavioural guiding tool and with the appropriate awareness and training codes may be more effective in guiding behaviour in client relationships.

6.2. RESEARCH CONTRIBUTIONS AND IMPLICATIONS

The key contributions of this research fall into two main areas: contribution to literature and theory, and contribution to practice.

(a) Contribution to literature and theory

With the increased attention given in the last years to ethical issues in business, the latest literature on business ethics has focused on normative ethics, particularly around

intra-organisational behaviour and codes, and issues related to ethical decision-making. Normative studies attempt to define and examine codes of ethics, their functions, content and use in various industries. The literature is well-represented in addressing ways of arriving to ethical decisions within organisations. Academics and scholars have endeavoured to understand the process of ethical decision-making and guidelines to be followed in situations of ethical conflict (Brass et al., 1998; Hunt & Vitell, 2006; Jones, 1991). Business ethics studies of ethical models development indicate that this has been a concern for both professionals and academics. However, the literature offers fewer descriptive studies on the role and behavioural effects of ethical codes.

There seems to be general consensus that, at least from a theoretical perspective, a code of ethics can have an impact on how people perceive the ethical situation and how they then arrive at a resolution (Oliver, Kearins & McGhee, 2005; Segal & Giacobbe, 2007; Ziegenfuss & Martinson, 2002). However, these studies have not clearly determined the role and extent of use of an ethical code in the process of ethical decision-making. As identified in the literature review, research on ethical codes' effectiveness is limited (Cowton & Thompson, 2000; Marnburg, 2000; Somers, 2001). Kaptein and Schwartz (2008) identified a relatively small number of 79 empirical studies that examine the effectiveness of ethical codes. However, there is still little agreement in the literature on the effects of codes on ethical decision-making and behaviour, empirical studies providing clearly mixed results (Grundstein-Amado, 2001; Kaptein & Schwartz, 2008, Trevino & Weaver, 2003; Trevino & Nelson, 2010). This is also the case within literature in the marketing research area where studies investigating the use of code of ethics by marketing research organisations are scarce and their main focus is on the theoretical utility of codes of ethics and less on how codes are used in practice.

This research adds to the empirical literature on the use and effectiveness of codes of ethics – it provides new grounds for understanding codes' role and the impact on ethical decision-making and behaviour.

Second, literature on marketing research ethics has focused particularly on ethical issues that occur within the marketing researcher-respondent relationship. Although some studies have been conducted with regard to client relations (Boggs, 2003; Malhotra &

Peterson, 2001; Michaelides & Gibbs, 2006) they mainly examine and describe the ethical issues and conflicts faced by practitioners without attempting to understand the reasons for arriving at such un/ethical decisions and/or the mechanisms and tools used to support such decision(s).

The contribution of this research to theory lies in the analysis of marketing research practitioner-client relationships. It provides an added dimension to research that examines marketing researcher-client relationships and ways of resolving ethical conflicts between the two parties when they occur. Within this process, the use of and behavioural effects of codes were particularly examined.

Third, previous studies investigating the use and effectiveness of codes of ethics in ethical decision-making predominantly used a quantitative approach (Kaptein & Schwartz, 2008). This study employed an interpretive approach within the framework of qualitative research. Therefore, by way of the method of qualitative research, rich data on actual ethical decision-making was found. This actual information on processes involved in ethical decision-making by marketing research practitioners has highlighted important areas which future research can examine. Some of these areas, which were identified as having a significant influence on ethical decision-making, are the role of peer consultation in ethical decision-making and the generation of good client relationships, as well as the use of common-sense at an individual level. The role of inter-personal trust and personal ethics in ethical decision-making are areas that can also be further examined.

Fourth, the result of the examination of client relationships is the presentation of a model of cognitive, affective and behavioural factors that affect client relationships of marketing research practitioners in situations of ethical crises and conflicts. This model is a state of the art literature review synthesis and represents the base for future research. The model also integrates new research findings from this study. Previous models (Bommer et al., 1987; Ferrell & Gresham, 1985; Hunt & Vitell, 2006; Jones, 1991; Rest & Barnett, 1986) have mostly focused on two main categories of factors that are believed to have an impact on the process of ethical decision-making. These are organisational factors (such as codes of ethics and norms) and individual factors (such

as personal values). The contribution of this research consists of the development of the model, which represents a framework for understanding processes and tools used in ethical decision-making, and provides an extended dimension to existing models of ethical decision-making by identifying factors at three different levels: the industry / organisational level, the individual level, and the relationships level.

At the industry / organisational level the model proposes that behaviour may be influenced by codes of ethics and norms. Codes of ethics are normally developed and enforced by professional bodies and organisations or institutions – the affiliation to professional and industry bodies and associations which enforce these codes was hence considered as a potential factor influencing behaviour in client relationships. At industry / organisational level, an emerging area in this research has been consultation with peers in situations when ethical issues occur in client relationships. This area provides new grounds for future research.

At the individual level, behaviour is seen to be influenced by personal ethics and individual values. Values are understood as common-sense, often taken for granted beliefs. The use of common-sense in ethical decision-making has been identified as an emerging theme at the individual level. Further research can focus on investigating this area in more depth, providing a better understanding of common-sense (i.e. beliefs about right and wrong) and the effects it has on the individuals' personal ethics.

Finally, the contribution of the proposed model is that it offers an additional level of analysis in the examination of the resolution of ethical issues, i.e. the relationship level. At the relationship level, the inclusion in the model of relationship factors such as interpersonal trust, credibility, and reputation provides an additional dimension for the analysis of ethical behaviour in business relationships. These relationship factors may generate more ethical, trusting and honest business relationships. Based on actual data on ethical decision-making, new avenues for research were identified with the inclusion in the model of constructs of credibility (i.e. quality of research work undertaken by marketing research practitioners; the relationship history between practitioners and their clients) and constructs of reputation (i.e. levels of expertise and experience of marketing research practitioners).

(b) Contribution to practice and implications:

The academic and industry literature on marketing research ethics is poorly represented in terms of studies undertaken in the international context, in geographical areas such as Europe, Australia and New Zealand (Segal & Giacobbe, 2007). In fact in New Zealand, research studies of ethical issues in marketing research are very few and those examining the use of codes by marketing research practitioners are absent. This study represents the first endeavour to examine the use of codes in the New Zealand marketing research industry and the consequent behavioural effects on New Zealand marketing research practitioners' behaviour.

The main implications of this study can therefore be placed within the industry and practice of marketing research. What current research suggests, and this study implies, is that codes of ethics have the potential to influence behaviour when there is adequate awareness of and familiarity with codes' content, when they are understood, used and enforced in organisations. Acknowledgement of the potential behavioural effects of codes of ethics may create greater interest in and commitment to the use and enforcement of codes of ethics in the New Zealand marketing research industry.

Consequently, from an industry and organisational perspective, these research findings might be used by both professional and industry bodies (such as MRSNZ) and New Zealand marketing research organisations in the endeavour to create higher awareness around ethical codes through regular training and workshops focused on ethical issues in marketing research and use of codes, which in turn can generate greater effectiveness of codes. The level of awareness of codes of ethics may also be increased by making sure that codes are available in a written form and can be easily located by employees within the organisation so that they can refer to it when needed.

In addition, from a personal ethics perspective, there are implications from this study for staff selection and recruitment. As identified in the study, marketing research practitioners may demonstrate different levels of moral awareness – marketing research organisations not only have the responsibility to ensure that practitioners with high ethical standards are employed and involved in marketing research as credible

representatives of the New Zealand marketing research community, but continuous efforts and resources need to be put aside in order to create a greater moral awareness among marketing research practitioners – this again can be achieved through code training which can then indirectly influence practitioners' personal ethics.

6.3. FUTURE RESEARCH DIRECTIONS

This research study identified several numbers of factors and variables that influence marketing research practitioners' behaviour in client relationships and lead to un/ethical decisions. However, further qualitative and quantitative studies could identify and explore a number of other factors that might be relevant to the process of ethical decision-making. In doing so, other research methodologies could be used and could add value. For instance, grounded theory (Charmaz, 2006; Glaser, 1992) and narrative inquiry / storytelling (Boje, 2001; Clandinin & Connelly, 2006) may be effective methods for exploring the areas of common sense and peer consultation. These research approaches may also be used as alternative and/or as additional research methodologies to reveal other factors that have not been identified in this research.

In addition, it has to be re-emphasised that the proposed model was not tested by means of quantitative research tools. The model was developed and explored through semi-structured interviews. This creates opportunities for future research that could focus on testing and validating of the proposed model.

Second, the location of the study and nature of the participants provided the research with a specific New Zealand-based context. This research has been conducted in and applied to the New Zealand marketing research industry. As mentioned in Chapter Four of this thesis, although the generalisability of the study's findings to other groups and populations was not intended in this study, the resulting knowledge and theory may be transferable and applicable to other business environment contexts. Consequently, using the model and framework proposed in this research, further empirical studies could be conducted in other industries and locations in order to identify and examine potential similarities and differences in practitioners' ways of dealing with ethical issues.

In addition to methodological and context related opportunities for future research, further theoretical and practical issues regarding the use and effectiveness of ethical codes and ethical behaviour could be identified and investigated in the future. Using this research study as a starting point, the following issues might be addressed in future research. These issues follow the three levels of analysis used in this research.

Industry / Organisational level of analysis:

- How can the effectiveness of codes of ethics be increased – i.e. what kinds of organisational tools can be used to create greater effectiveness of codes (such as training, workshops) and how can they be applied to ensure that they have the desired effect on behaviour?
- What kinds of procedures can be applied to ensure the enforcement of codes in organisations (such as ethics committees, application of penalties for unethical behaviour)?
- What kinds of ethical codes are capable of being more effective in the workplace: internal (organisational) codes of ethics or external (professional) code of ethics and why? What kind of training is most effective with codes of this type?

Individual level of analysis:

- Can personal ethics be influenced by industry / organisational norms (such as codes of ethics)?
- What kinds of organisational tools can be used to increase employees' moral awareness and affect their ethical intentions?

Relationship level of analysis:

- What role, if any, have ethical codes in creating higher levels of trust in business relationships?

This research study provides the marketing research practitioners' perspective of use and behavioural effects of codes. Additional research can be conducted to investigate clients' views with regard to perceived ethical issues in marketing research and their expectations around ways of resolving them.

As a final note, the surveyed literature and the interviews conducted for the purpose of this research offer confidence that the proposed model provides a solid framework for further research into behavioural effects of codes of ethics. Nevertheless, much research still needs to be conducted to further clarify the specific role of codes in ethical decision-making and ways in which they affect behaviour. The researcher looks forward to continuing to investigate these issues in future academic research endeavours.

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APPENDICES

APPENDIX 1: LETTER OF INVITATION TO PARTICIPATE IN RESEARCH

As a significant player in the New Zealand marketing research industry, you are invited to participate in a research project seeking to gain an in depth understanding of the relationships between New Zealand marketing research organisations and their clients in regards with potential ethical issues that may exist between them.

We aim to contribute significant findings to the literature on marketing research ethics, as well as to the understandings of use of code of ethics in marketing research organisations and its effects on behaviour.

What we need from you?

We **do not need** financial assistance as this project has adequate funding. We do need reasonable access to relevant organisational staff. The first part of this project for which we seek your participation involves a survey based on a questionnaire and focuses on New Zealand marketing research organisations and their use of codes of ethics. The questionnaire will take approximately 15-20 minutes to complete. In the second part of this research project we will envisage a series of one-hour semi-structured interviews with marketing research practitioners during the research period (2006-7).

Your participation in this project will be voluntary and based on informed consent. **Ethics approval was obtained from AUTECH** (Auckland University of Technology Ethics Committee). All responses to the questionnaire will be kept completely confidential. **No individuals or organisations will be able to be identified in the reports and articles produced from the survey** and no personal data will be passed to any third parties.

What's in this research for you?

While it is impossible to pre-empt the research results, the feedback we anticipate giving participants is likely to be provided in written or oral form as appropriate for those interested in receiving feedback on the generalized research findings. We aim to provide information that will contribute to a better understanding of the ethical issues involved in the relationships marketing research practitioners develop with their clients, identifying ethical dilemmas and ways of dealing with them in an effective manner, generating better organisation-client relationships and trust.

Who will be undertaking actual fieldwork with you?

PhD student Anca Muresan (Yallop) is undertaking the research study under the close supervision of Dr Simon Mowatt, Senior Research Lecturer at Auckland University of Technology.

You will be contacted by phone within two weeks of receipt of this invitation to ascertain whether or not you wish to participate in the project.

APPENDIX 2: PARTICIPANT INFORMATION SHEET

Date Information Sheet Produced: October 2005

Project Title: The Use of Codes of Ethics in New Zealand Marketing Research and Effects on Ethical Behaviour

Invitation

You are invited to participate in a research project seeking to gain an in depth understanding of the relationships between New Zealand marketing research organisations and their clients in regards with potential ethical issues that may exist between them. Your participation in this project will be voluntary and based on informed consent.

What is the purpose of the study?

This research project will form the basis of a Doctoral thesis. The aim of the research is to evaluate the relationships between New Zealand marketing research organisations and their clients, from the perspective of marketing research organisation, seeking to analyse and understand the ethical issues and problems involved in these relationships.

How are people chosen to be asked to be part of the study?

You have been chosen as a potential candidate in this research project because of your position as a marketing research practitioner within the New Zealand marketing research industry.

What happens in the study?

The study will involve a survey based on a questionnaire distributed to the marketing research organisations within the census and interviews with selected participants from marketing research organisations. All information generated will be analysed and compared with existing theory in an effort to generate new theoretical insights about ethical issues that might surface the relationships of marketing research organisations and their clients.

What are the discomforts and risks?

There are no significant risks to participants. However, some of the participants might feel a degree of discomfort caused by some questions related to their opinions about potential ethical problems that they might encounter during their employment and marketing research activity.

How will these discomforts and risks be alleviated?

The confidentiality of the participants' opinions will be respected by both applicant and student researcher. All information provided will be accessed only by the applicant and student researcher and it will be used only within an academic context.

What are the benefits?

The anticipated benefits for participants are:

- to gain a better understanding of the ethical issues involved in the relationships they develop with their clients

- to identify ethical dilemmas and ways of dealing with them in an effective manner, generating better organisation-client relationships and trust

The anticipated benefits for the researcher are:

- completion of a thesis towards a PhD degree
- development of an academic career and publication of research findings

How will my privacy be protected?

The research project does not seek to collect personal information from participants. Confidentiality will be maintained to the highest degree possible requested by participants. Organisations/participants will remain anonymous throughout all research process. In the final thesis, participants will be identified by pseudonyms such as Company A, Company B, etc. The clients will be identified by Client A, Client B, etc.

How do I join the study?

If you would like to take part in this research, please contact the researcher or project supervisor. Contact details are listed below.

What are the costs of participating in the project? (including time)

There are no financial costs associated with participation in this research project. The primary cost is that of your time. The researcher will conduct a survey in 2005 and a series of interviews during 2006 and 2007 with marketing research practitioners. The participation in the initial survey will take around 15-20 minutes to complete the questionnaire. The interviews with selected participants will involve around 1 hour per participant, in some cases twice over the course of the project, if additional information is required.

Opportunity to consider invitation

You will be contacted by phone within two weeks of receipt of this invitation to ascertain whether or not you wish to participate in the project.

Opportunity to receive feedback on results of research

Feedback will be provided in written or oral form as appropriate for those interested in receiving feedback on the research findings.

Participant Concerns

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor.

Concerns regarding the conduct of the research should be notified to the Executive Secretary, AUTECH, Madeline Banda, madeline.banda@aut.ac.nz , 921 9999 ext 8044.

APPENDIX 3: QUESTIONNAIRE

Dear participant,

This research study seeks to analyse the use of codes of ethics in New Zealand marketing research organisations.

The questionnaire will take approximately 15-20 minutes to complete. All responses to the questionnaire will be kept completely confidential. No individuals or organisations will be able to be identified in the reports and articles produced from the survey and no personal data will be passed to any third parties. Participation in this research is entirely voluntary and you are free to withdraw from the research at any time.

Thank you for your time and co-operation.

Section A. Demographic profile

1. Please indicate your gender:

Male

Female

2. Please indicate your age:

20-29

50-59

30-39

60 or more

40-49

3. What position do you fill within the organisation?

Manager/executive

Account executive/sales

CEO/owner/principal

Other, please specify _____

Research analyst

4. What is the size of the organisation you work for?

Small (less than 6 employees)

Large (20 or more employees)

Medium (6 – 19 employees)

5. Approximately how many clients does your organisation have?

6. What type of clients does your organisation have?

- Large, multinational companies Small companies
Medium national companies Local individuals

7. How long has your organisation been in the industry?

- Less than 5 years Over 10 years
5 – 10 years

8. Is your organisation's main activity in market research?

- Yes No

9. Is your organisation a member of MRSNZ (Market Research Society New Zealand)?

- Yes No

Section B. Internal and external codes of ethics

10. Does your organisation have a written code that includes ethical conduct / principles?

- Yes Don't know
No

If NO, please go to **Q23**.

11. By what name is the code referred to by your organisation?

- Code of practice Conduct guidelines
Code of ethics Staff handbook with sections referring to ethical guidelines and principles
Code of conduct Other, please specify _____
Operating principles

12. Was the code of ethics designed by your organisation (internal code)?

- Yes (please go to **Q13**) Don't know (please go to **Q15**)
No (please go to **Q15**)

13. How would you describe your awareness level of the internal code?

- No awareness Have some idea about the content
Aware but never read it Familiar with its content

14. Is the internal code of ethics enforced within the organisation?

- Always enforced Seldom enforced
Sometimes enforced Never enforced

15. Is your organisation using an external code (code of ethics of industry associations)?

- Yes (please go to **Q16**) Don't know (please go to **Q19**)
No (please go to **Q19**)

16. What type of external code is your organisation using?

- MRSNZ (Market Research Society NZ) Other, please specify _____
AMRO (Association of Market Research Organisations) Don't know
ESOMAR (European Society for Opinion and Marketing Research)

17. How would you describe your awareness level of the external code?

- No awareness Have some idea about the content
Aware but never read it Familiar with its content

18. Is the external code of ethics enforced within the organisation?

- Always enforced Seldom enforced
Sometimes enforced Never enforced

Section C. Code of ethics presence and use

19. Is the code present in a written form within the organisation?

- Yes Don't know
No

20. How is the code presented? (Please tick all that apply)

- Placed on the walls Online on the organisation's website
Filed with other documents Other, please specify _____

21. Where is the code of ethics placed in the organisation? (Please tick all that apply)

- Reception / public area General offices
Manager's office Meeting rooms
Don't know The code is not visible in the organisation

22. Do you make use of the code when dealing with clients?

- Always Seldom
Sometimes Never

23. How do you usually deal with ethical issues in relations with clients?

- Refer to the code of ethics Seek advice from colleagues and peers
Report to the board of directors Trust your personal ethical values and judgements
Report and ask for advice from the ethics committee Other, please specify _____

24. Do you clearly understand the organisation's position on ethical issues?

- Yes At some extent
No Don't know

25. Is the code of ethics mentioned during recruitment and initial training in your organisation?

- Yes Not always
No Don't know

26. Is the code of ethics mentioned during on-going training programmes in your organisation?

- Yes Not always
No Don't know

Please indicate your opinion in regards with the following statements:

27. I feel obliged to ignore personal principles and values in order to achieve results.

Always	<input type="checkbox"/>	Seldom	<input type="checkbox"/>
Sometimes	<input type="checkbox"/>	Never	<input type="checkbox"/>

28. I am pressured to sacrifice personal values by my manager(s).

Always	<input type="checkbox"/>	Seldom	<input type="checkbox"/>
Sometimes	<input type="checkbox"/>	Never	<input type="checkbox"/>

29. Conflicts exist between individual values and corporate values.

Always	<input type="checkbox"/>	Seldom	<input type="checkbox"/>
Sometimes	<input type="checkbox"/>	Never	<input type="checkbox"/>

30. A greater emphasis should be given to values rather than profits.

Always	<input type="checkbox"/>	Seldom	<input type="checkbox"/>
Sometimes	<input type="checkbox"/>	Never	<input type="checkbox"/>

APPENDIX 4: CONSENT TO PARTICIPATION IN RESEARCH

Title of Project: The Use of Codes of Ethics in New Zealand Marketing Research and Effects on Ethical Behaviour

Project Supervisor: Dr Simon Mowatt

Researcher: Anca Muresan (Yallop)

- I have read and understood the information provided about this research project (Information Sheet dated October 2005).
- I have had an opportunity to ask questions and to have them answered.
- I understand that the interview will be audio-taped and transcribed.
- I understand that I may withdraw myself or any information that I have provided for this project at any time prior to completion of data collection, without being disadvantaged in any way.
- If I will experience any discomfort (psychological, social) during the research project in relation with issues discussed during the interviews, I understand that I can ask for counselling services provided by AUT Health, Counselling and Wellbeing
- If I withdraw, I understand that all relevant tapes and transcripts, or parts thereof, will be destroyed.
- I agree to take part in this research.
- I wish to receive a copy of the report on the generalized findings from the research: tick one: Yes No

Participant signature:

Participant name:

Participant Contact Details (if appropriate):

.....
.....
.....
.....

Date:

Approved by the Auckland University of Technology Ethics Committee on September 19 2005 AUTEK Reference number 05/175

Note: The Participant should retain a copy of this form.

APPENDIX 5: SEMI-STRUCTURED INTERVIEW

Knowledge and use of codes of ethics

- Are you familiar with the organisational and/or industry code of ethics?
- Do you make use of the organisational code of ethics in solving the ethical issues?
- What kind of practices or tools do you use to enforce the codes and to implement them?

General client relations

- How would you describe your relationships with your clients?
- Did you face any ethical problems or dilemmas when working with your clients?
- When you initiate a contract with a client, do you discuss with them about the rights and obligations of both parties?
- How would you describe the level of trust between you and your clients?
- Would you say that trust and credibility is affected by the affiliation to MRSNZ or not?
- Do you use MRSNZ as a proof of accreditation in marketing research industry?

Personal ethical values

- At what extent do you trust your personal values in your relationships with the clients?
- Is common sense used in dealing with customers rather than a code of ethics?
- Have you been in a situation of conflict between your personal principles/values and the corporate values? How did you manage to solve this?
- Are the organisational positions and views on ethical values, stated within the codes of ethics, similar to your individual positions and views?

Incidents and resolutions

- Can you describe an incident between you and your client(s) in which you faced ethical problems to be considered and solved?
- How you react when some ethical problems appear in the relationship?
- What measures you take to solve ethical problems?
- Do you refer to the code of ethics when crisis situations occur in the relation with the clients?

Other questions and themes to discuss will arise as a result of the responses to the questions above. The questions will be naturally tailored to suit the individual interview subjects.

APPENDIX 6: CONFIDENTIALITY AGREEMENT

Project title: The Use of Codes of Ethics in New Zealand Marketing Research and Effects on Ethical Behaviour

Project Supervisor: Dr Simon Mowatt

Researcher: Anca Muresan (Yallop)

- I understand that all the material I will be asked to transcribe is confidential.
- I understand that the contents of the tapes or recordings can only be discussed with the researchers.
- I will not keep any copies of the transcripts nor allow third parties access to them.

Transcriber's signature:

.....

Transcriber's name:

.....

Transcriber's Contact Details (if appropriate):

.....
.....
.....
.....

Date:

Approved by the Auckland University of Technology Ethics Committee on September 19 2005 *AUTEC Reference number* 05/175

APPENDIX 7: ETHICAL PRINCIPLES / GUIDELINES IN THE MRSNZ CODE

Ethical principle/guideline	1994 MRSNZ Code	2008 MRSNZ Code
Honesty	<p>MENTIONED</p> <p>‘[Marketing] research depends upon public confidence: confidence that is carried out honestly...’</p>	<p>EMPHASISED</p> <p>‘Market research shall be legal, honest, truthful...’ ...</p> <p>‘Market research shall not abuse the trust of respondents or exploit their lack of experience or knowledge.’</p> <p>‘Researchers shall not make false statements about their skills, experience or activities, or about those of their organisation.’</p>
Scientific rigor	<p>MENTIONED</p> <p>‘Marketing research must always be carried out objectively and in accordance with established scientific principles.’</p>	<p>MENTIONED</p> <p>‘Market research shall be ... objective and be carried out in accordance with appropriate scientific principles.’</p>
Professional responsibility	<p>EMPHASISED</p> <p>‘Researchers must not knowingly or negligently act in any way which could bring discredit on the Marketing Research profession or lead to a loss of public confidence in it.’</p> <p>‘Researchers must not make false claims about their skills and experience or about those of their organisation.’</p> <p>‘Researchers must not unjustifiably criticise or disparage other Researchers.’</p>	<p>EMPHASISED</p> <p>‘Researchers shall not act in any way that could bring discredit on the market research profession or lead to a loss of public confidence in it. Market research shall be conducted with professional responsibility and conform to the principles of fair competition, as generally accepted in business. ... Researchers shall not unjustifiably criticise other researchers.’</p>
Voluntary participation	<p>EMPHASISED</p> <p>‘Respondents’ cooperation in a Marketing Research project is entirely voluntary at all stages. ... further interviews within the context of a particular research project or survey with the same Respondents shall be carried out only if the Respondent’s permission has already been obtained at a previous interview; or it is pointed out to Respondents at the time they are re-contacted that this interview is consequent upon one they have previously given and</p>	<p>EMPHASISED</p> <p>‘Respondents’ cooperation in a market research project is entirely voluntary at all stages. ...</p> <p>‘Appropriate measures shall be taken to ensure that respondents understand and can exercise their rights not to participate in a market research project; to withdraw from the market research interview at any time.’</p>

	they then give their permission before the collection of further data.’	
Informed consent	<p>MENTIONED</p> <p>Respondents must be told at the time of the interview when observation or recording techniques are to be used...’ ...</p> <p>‘The informed consent of the parent or responsible adult must first be obtained for interviews with children. In obtaining this permission, the Interviewer shall describe the nature of the interview in sufficient detail to enable the responsible person to reach an informed decision. The responsible person shall also be specifically informed if it is intended to ask children to test any products or samples.’</p>	<p>EMPHASISED</p> <p>‘Researchers shall promptly identify themselves and unambiguously state the purpose of the research.’ ...</p> <p>‘Respondents shall be informed before observation techniques or recording equipment are used for research purposes...’ ...</p> <p>‘When collecting personal information from respondents researchers shall ensure that: respondents are aware of the purpose of the collection; and respondents are aware of any quality control activity involving re-contact.’ ...</p> <p>‘The informed consent of the parent or responsible adult shall first be obtained before interviewing children aged under 15 years. Informed consent implies that they are provided with information about (a) the nature of the research; (b) whether the child will be asked to test any products or samples (c) the nature of any incentive offered to the child.’</p>
Harm to respondents	<p>MENTIONED</p> <p>‘The Researcher must take all reasonable precautions to ensure that Respondents are in no way directly harmed or adversely affected as a result of their participation in a research project.’</p>	<p>MENTIONED</p> <p>‘Researchers shall take all reasonable precautions to ensure that respondents are in no way harmed or adversely affected as a direct result of their participation in a market research project.’</p>
Anonymity	<p>EMPHASISED</p> <p>‘[Marketing research] is based on preserving the complete anonymity of the respondent.’ ...</p> <p>‘Article 7: Respondents’ anonymity must always be strictly preserved unless they have explicitly agreed to the contrary. The Researcher must ensure that the information they provide cannot be linked to specific individuals or organisations without such permission. It is the Researcher’s responsibility to inform Clients of Respondents’ anonymity rights.’ ...</p> <p>‘Respondents’ anonymity must not be infringed by the use of [observation and recording] methods.’ ...</p>	<p>MENTIONED</p> <p>‘On request, Researchers shall supply the Client with duplicate copies of interview records, provided these do not breach anonymity and confidentiality requirement of the Privacy Act 1993.’</p>

	<p>‘On request the Researcher must supply the Client with duplicate copies of such records provided that such duplicates do not breach anonymity and confidentiality requirements’...</p> <p>‘[Client] checks [on the quality of the fieldwork and data preparation] must conform to Respondent anonymity requirements of Article 7.’</p>	
Misleading	<p>MENTIONED</p> <p>‘[Respondents] must not be misled when being asked for their cooperation.’</p>	<p>MENTIONED</p> <p>‘Respondents’ cooperation is voluntary and must be based on adequate, and not misleading, information about the general purpose and nature of the project when their agreement to participate is being obtained and all such statements shall be honoured.’</p>
Misrepresentation	<p>MENTIONED</p> <p>‘No activity shall be deliberately or inadvertently misrepresented as Marketing Research.’</p>	<p>MENTIONED</p> <p>‘Researchers shall not make false statements about their skills, experience or activities, or about those of their organization.’</p>
Transparency	<p>EMPHASISED</p> <p>‘Respondents must be able to check without difficulty the identity and bona fides of the Researcher and to obtain an answer to any reasonable query about the purposes and content of the research.’</p> <p>‘Each interviewer must be able to be identified in a way that specifies his or her name and organisation. The name and address/telephone number of the Research Company must be made available to the Respondent at the time of the interview.’</p>	<p>EMPHASISED</p> <p>‘Researchers shall promptly identify themselves’</p> <p>Respondents shall be able to check the identity and bona fides of the researcher without difficulty.’</p>
Privacy	<p>MENTIONED</p> <p>‘The Researcher must avoid unnecessary intrusions on Respondents’ privacy.’</p>	<p>MENTIONED</p> <p>‘Researchers shall have a privacy policy which is readily accessible to respondents from whom they are collecting data.’</p>
Confidentiality	<p>EMPHASISED</p> <p>‘The report shall not enable any particular piece of information to be related to any particular organisation or person, except with prior explicit permission from the relevant Respondent, who shall be told of the extent to which it will be communicated.’...</p>	<p>MENTIONED</p> <p>‘On request, Researchers shall supply the Client with duplicate copies of interview records, provided these do not breach anonymity and confidentiality requirement of the Privacy Act 1993.’...</p> <p>‘Researchers shall ensure that respondents’ personal identity is</p>

	<p>‘The Client has no right to know the names or addresses of Respondents unless the latter’s explicit permission for this has first been obtained by the Researcher.’...</p> <p>‘The Researcher must not disclose the identity of the Client, or any confidential information about the latter’s business to any third party without the Client’s permission.’</p> <p>‘On request the Researcher must supply the Client with duplicate copies of such records provided that such duplicates do not breach anonymity and confidentiality requirements...’</p>	<p>withheld from the client.’...</p> <p>‘[Respondents] can exercise their rights to require that their personal data are not made available to others.’</p>
Data usage and storage	<p>EMPHASISED</p> <p>‘Researchers must at all times ensure the security of all research records in their possession.’...</p> <p>‘The Researcher must conform to currently agreed professional practice relating to the keeping of such Records for an appropriate period of time after the end of the project.’ ... ‘Original records must be kept for a minimum of six months and secondary records/stored research data for a minimum of two years after completion of the study, unless explicitly agreed with the Client. If no secondary records exist, then the original records must be kept for a minimum of two years, unless explicitly agreed with the Client.’</p>	<p>EMPHASISED</p> <p>‘Secondary research records and stored research data excluding personal identifiers shall be kept for a minimum of two years unless explicitly agreed with the Client.’...</p> <p>‘Personal information collected and held in accordance with this Code shall be: - collected for specified research purposes and not used in any manner incompatible with these purposes; - adequate, relevant and not excessive in relation to the purpose of the research for which they are collected and/or further processed; and; - preserved no longer than is required for the purpose for which the information was collected or further processed.’...</p> <p>‘Researchers shall ensure that adequate security measures are employed in order to prevent unauthorised access, manipulation to or disclosure of the personal data.</p> <p>If personal data are transferred to third parties, it shall be established that they employ at least an equivalent level of security measures.’</p>
Ownership	<p>EMPHASISED</p> <p>‘The following Records remain the property of the Client and the Researcher may not disclose (unless required to do so under the Privacy Act 1993) such data or findings to any third party without Client permission: (a) Marketing Research briefs, specifications and other information provided by the Client; (b) the research data and</p>	<p>EMPHASISED</p> <p>‘Unless otherwise agreed between the Client and Researcher in writing, the following ownership principles apply. (a) Market research briefs, and research data and findings from a marketing research project (except in the case of syndicated or multi-client projects) remain the property of the Client, and may not be disclosed</p>

	<p>findings from a Marketing Research project (except in the case of syndicated or multi-Client projects or services where the same data are available to more than one Client).</p> <p>Respondents have a right of access, under the Privacy Act 1993, to personal information held about them. This refers to identifiable individuals and Researchers must disclose this information to Respondents who make a proper access request. Respondents must also be allowed to correct identifiable information if they so desire.</p> <p>The Client has however no right to know the names or addresses of Respondents unless the latter's explicit permission for this has first been obtained by the Researcher (this particular requirement cannot be altered under Article 20).'</p> <p>'The research techniques and methods used in a Marketing Research project do not become the property of the Client, who has no exclusive right to their use. The following Records remain the property of the Researcher:</p> <p>(a) Marketing Research proposals, discussion papers and quotations (unless these have been paid for by the Client). They must not be disclosed by the Client to any third party, other than to a consultant working for the Client on that project (with the exception of any consultant working also for a competitor of the researcher). In particular, they must not be used by the Client to influence proposals or cost quotations from other Researchers.</p> <p>(b) the contents of a report in the case of syndicated or multi-Client projects or services where the same data are available to more than one Client and where it is clearly understood that the resulting reports are available for general purchase or subscription. The Client may not disclose the findings of such research to any third party (other than to his own consultants and advisers for use in connection with his business) without the permission of the Researcher.</p>	<p>by the Researcher to any third party.</p> <p>(b) The following records remain the property of the Researcher, and may not be disclosed by the Client to third parties: (i) The research techniques and methods used in the marketing research project. (ii) Marketing research proposals, discussion papers and quotations, unless these have been paid for by the Client. (iii) The contents of a report in the case of syndicated or multi-client projects, where it is clearly understood that the resulting reports are available for general purchase or subscription. In these cases, the Client may not disclose the findings to any third party other than in direct connection with their own business.'</p>
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	(c) all research records prepared by the Researcher (with the exception of the report to the Client in the case of non-syndicated projects and also the research design and questionnaire where the costs of developing these are covered by the charges paid by the Client).	
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APPENDIX 8: CLIENT RELATED STATEMENTS IN THE MRSNZ CODE

Ethical principle/guideline	1994 MRSNZ Code	2008 MRSNZ Code
Written contract	<p>MENTIONED</p> <p>‘These rights and responsibilities will normally be governed by a written contract between the Researcher and the Client. By prior written agreement the parties may amend the provisions of Articles 23-27 below but the other requirements of this Code may not be altered in this way.’</p>	NOT MENTIONED
Syndicated research	<p>MENTIONED</p> <p>‘The Researcher must inform the Client in advance if the work to be carried out for that Client is to be combined or syndicated in the same project with work for other Clients, but does not disclose the identity of such clients. The Client shall not give any of the results of a multiclient study to other potential purchasers of the study unless the Researcher’s permission to do this has first been obtained.’</p>	<p>MENTIONED</p> <p>‘Researchers shall inform clients if the work to be carried out for them is to be combined or syndicated in the same project with work for other clients, without disclosing the identity of such clients without their permission.’</p>
Subcontracting	<p>MENTIONED</p> <p>‘The Researcher must inform the Client as soon as possible in advance when any part of the work for that Client is to be subcontracted outside the Researcher’s own organisation (including the use of any outside consultants). On request the Client must be told the identity of any such subcontractor.’</p>	<p>MENTIONED</p> <p>‘Researchers shall inform clients, prior to work commencing, when any part of the work for them is to be subcontracted outside the researchers’ own organisation (including the use of any outside consultants). On request clients shall be told the identity of any such subcontractor.’</p>
Exclusive use of researcher’s services	<p>MENTIONED</p> <p>‘The Client does not have the right, without prior arrangement between the parties involved, to exclusive use of the Researcher’s services or those of his organisation, whether in whole or in part.’</p>	NOT MENTIONED

Client's identity	MENTIONED ‘The Researcher must not disclose the identity of any Client, or any confidential information about the latter’s business to any third party without the Client’s permission.’	NOT MENTIONED
Respondents’ identity	MENTIONED ‘The Client has no right to know the names or addresses of Respondents unless the latter’s explicit permission for this has first been obtained by the Researcher.’	EMPHASISED ‘Researchers shall ensure that respondents’ personal identity is withheld from the client. The researcher may, communicate the respondent’s identifiable personal information to the client, unless national provisions require stricter regulations, under the following conditions: i) the respondent has explicitly expressed this wish and/or; ii) the respondent has given their explicit consent; and iii) on the understanding that no commercial activity (as defined in Article 1d) will be directed at them as a direct result of their having provided information.’
Property of client	MENTIONED ‘The following Records remain the property of the Client and the Researcher may not disclose (unless required to do so under the Privacy Act 1993) such data or findings to any third party without Client permission: (a) Marketing Research briefs, specifications and other information provided by the Client; (b) the research data and findings from a Marketing Research project (except in the case of syndicated or multi-Client projects or services where the same data are available to more than one Client). The research techniques and methods used in a Marketing Research project do not become the property of the Client, who has no exclusive right to their use.’	MENTIONED ‘Unless otherwise agreed between the Client and Researcher in writing, the following ownership principles apply: Market research briefs, and research data and findings from a marketing research project (except in the case of syndicated or multi-client projects) remain the property of the Client, and may not be disclosed by the Researcher to any third party.’
Property of researcher	EMPHASISED ‘The research techniques and methods used in a Marketing Research project do not become the property of the Client, who has no exclusive right to their use. The following Records remain the property of the Researcher: (a) Marketing Research proposals,	EMPHASISED ‘The following records remain the property of the Researcher, and may not be disclosed by the Client to third parties: (i) The research techniques and methods used in the marketing research project. (ii) Marketing research proposals, discussion papers and quotations,

	<p>discussion papers and quotations (unless these have been paid for by the Client). They must not be disclosed by the Client to any third party, other than to a consultant working for the Client on that project (with the exception of any consultant working also for a competitor of the researcher). In particular, they must not be used by the Client to influence proposals or cost quotations from other Researchers. (b) the contents of a report in the case of syndicated or multi-Client projects or services where the same data are available to more than one Client and where it is clearly understood that the resulting reports are available for general purchase or subscription. The Client may not disclose the findings of such research to any third party (other than to his own consultants and advisers for use in connection with his business) without the permission of the Researcher. (c) all research records prepared by the Researcher (with the exception of the report to the Client in the case of non-syndicated projects and also the research design and questionnaire where the costs of developing these are covered by the charges paid by the Client).’</p>	<p>unless these have been paid for by the Client. (iii) The contents of a report in the case of syndicated or multi-client projects, where it is clearly understood that the resulting reports are available for general purchase or subscription. In these cases, the Client may not disclose the findings to any third party other than in direct connection with their own business.’</p>
<p>Storage and duplication of records</p>	<p>EMPHASISED ‘The Researcher must conform to currently agreed professional practice relating to the keeping of such Records for an appropriate period of time after the end of the project. The requirements of the Privacy Act 1993 that personal information not be kept longer than is properly required should be borne in mind. On request the Researcher must supply the Client with duplicate copies of such records provided that such duplicates do not breach anonymity and confidentiality requirements; that the request is made within the agreed time limit for keeping the records; and that the Client pays the reasonable costs of providing the duplicates. (The provision of duplicate records does not apply in the case of a project or service where it is clearly understood that the resulting reports are to be</p>	<p>MENTIONED ‘On request, Researchers shall supply the Client with duplicate copies of interview records, provided these do not breach anonymity and confidentiality requirement of the Privacy Act 1993. (The provision does not apply where resulting reports are available for general purchase on a syndicated basis.) Secondary research records and stored research data excluding personal identifiers shall be kept for a minimum of two years unless explicitly agreed with the Client.’</p>

	<p>available for general purchase on a syndicated or subscription basis). Original records must be kept for a minimum of six months and secondary records/stored research data for a minimum of two years after completion of the study, unless explicitly agreed with the Client. If no secondary records exist, then the original records must be kept for a minimum of two years, unless explicitly agreed with the Client.’</p>	
Checks on data	<p>EMPHASISED ‘The Researcher must on request allow the Client to arrange for checks on the quality of the fieldwork and data preparation, provided that the Client pays any additional costs involved in this. Any such checks must conform to Respondent anonymity requirements of Article 7. In the case of a multi-client study, the Researcher may require that the observer in charge of checking the quality of fieldwork (and/or data preparation) is independent of any of the Clients.’</p>	<p>MENTIONED ‘Researchers shall on request allow the client to arrange for checks on the quality of data collection and data preparation.’</p>
Technical details	<p>EMPHASISED ‘The Researcher must always provide the Client with all appropriate technical details of any research project carried out for that Client. The Client is entitled to the following information about any Marketing Research project to which they have subscribed: (1) Background: - organisation for whom and organisation by whom the study was conducted; - the purpose of the study; - names of subcontractors and consultants performing any substantial part of the work. (2) Sample: - a description of the intended and actual universe covered; - the size, nature and geographical distribution of the sample (both planned and achieved); and where relevant, the extent to which any of the data collected were obtained from any part of the sample; - details of the sampling method, any weighting methods used and/or quota sampling used; - where technically relevant, a statement of response rates and a discussion of any possible bias due</p>	<p>MENTIONED ‘Researchers shall provide their clients with appropriate technical details of any research project carried out for the clients.’</p>

	<p>to non-response. (3) Data collection: - a description of the method by which the information was collected; - a description of the field staff, briefing and field quality control methods used; - the method of recruiting Respondents; and the general nature of any defrayment of expenses offered to secure their cooperation; - when the fieldwork was carried out; - (in the case of "desk research") a clear statement of the sources of the information and their likely reliability. (4) Presentation of results: - the relevant factual findings obtained; - bases of percentages (both weighted and unweighted, unless the results of weighting is referred to elsewhere in the report); - general indications of the probable statistical margins of error to be attached to the main findings, and of the levels of statistical significance of differences between key figures; - questionnaires and other relevant documents and materials used (or, in the case of a shared project, that portion relating to the matter reported on). The report on a project should normally cover the above points or provide a reference to a readily available separate document which contains the information. An exception to this Article is in the case where it is agreed in advance between the Client and the Researcher that it is unnecessary to include all the listed information in the formal report or other document. Any such agreement shall in no way remove the entitlement of the Client to receive any and all of the information freely upon request. Also this exception shall not apply in the case where any or all of the research report of findings are to be published or made available to recipients in addition to the original Client.'</p>	
Reporting on results	<p>MENTIONED 'When reporting on the results of a Marketing Research project the Researcher must make a clear distinction between the findings as such, the Researcher's interpretation of these and any recommendations based on them.'</p>	<p>MENTIONED 'When reporting on the results of a market research project, researchers shall make a clear distinction between the findings, the researchers' interpretation of these findings, and any recommendations based on them.'</p>

Publishing of findings	<p>EMPHASISED</p> <p>‘Where any of the findings of a research project are published by the Client the latter has a responsibility to ensure these are not misleading. The Researcher must be consulted and agree in advance the form and content for publication. Where this does not happen the Researcher is entitled to: (a) refuse permission for his/her name to be used in connection with the published findings; (b) publish the appropriate technical details of the project; (c) correct any misleading aspects of the published presentation of the findings.’</p>	<p>EMPHASISED</p> <p>‘Where any of the findings of a research project are published by the client, the latter shall be asked to consult with the researcher as to the form and content of publication of the findings. Both the client and the researcher have a responsibility to ensure that published results are not misleading. Researchers shall always be prepared to make available the technical information necessary to assess the validity of any published findings. Researchers shall not allow their name to be associated with the dissemination of conclusions from a market research project unless they are adequately supported by the data.’</p>
Use of researcher’s name	<p>MENTIONED</p> <p>‘Researchers must not allow their names to be used in connection with any research project, as an assurance that the latter has been carried out in conformity with this Code, unless they are confident that the project has in all respects met the Code’s requirements.’</p>	<p>NOT MENTIONED</p>
Code awareness	<p>MENTIONED</p> <p>‘Researchers must ensure that Clients are fully aware of the existence of this Code and of the need to comply with its requirements.’</p>	<p>MENTIONED</p> <p>‘Researchers have overall responsibility for ensuring that research is carried out in accordance with this Code, and for ensuring that clients and other parties to the research agree to comply with its requirements.’</p>