

Marketing Ethics & Social Responsibility



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GREEN
is not a Color
GREEN is a
STAT OF MIND



Going Green means Taking actions

Not just Cosmetic Change into your brand colour and look

Making cosmetic changes instead of systematic improvements to your business practices won't fool any consumer to buy your product or service.... Anything less than a sustainability ,may leave you open to questions, criticism and charges of
“greenwashing.”



It will take more than promises
and glossy marketing campaigns
to convince consumers that Your
company is Green....





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Even GUM
Turned Green



is it Green -
washing?





NAD (National Advertising Division of the Better Business Bureaus)
EXAMINES CLAIMS FOR CLOROX "GREEN WORKS".

<http://greenworldads.blogspot.com/search/label/FALSE%20GREEN%20CLAIMS>

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How do companies turn Green?

1. UNDERSTAND the environmental and social implications of your company's actions.
2. EXPRESS your company's dedication to improving its positive impact on the global environment.
3. MAKE – and FULFILL – commitments to improve your company's social and environmental performance.
4. BUILD TRUST in your corporate efforts. And over time, that trust leads to a reputation for sustainable corporate action.



Business WAKE-UP CALL

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Turn GREEN

to GOLD



- Whether you have a large factory with hundreds of employees, or a two-person office, there are many ways to save money, energy and resources by implementing these simple practices.

**Who won't love to Save Money
and save the environment?**



- If you decided to Go Green , make sure your Business green message won't stick
- address its sustainability problems from the ground up. Corporate transparency, employee friendliness, and fair and sustainable product sourcing ; which are necessary parts of the modern responsible corporation.



- Assess your business path towards environmental responsibility and its impact onto your company's bottom line, customers, suppliers and reputation.



u may spend millions on marketing campaigns , you better use this money and effort on making holistic changes to its business model.





Beyond Petroleum



- BP launched an ambitious re-branding effort in 2000 called “**Beyond Petroleum.**”
- As the name says, BP was casting itself as a different kind of oil company, looking ahead to a cleaner future after oil. The company spent upwards of half-a-billion dollars changing its logo to a sunflower and putting solar panels on its service stations. It also invested in renewable energy companies. But critics cried “**greenwashing,**” pointing out that over 90 percent of the company’s revenues continued to come from its oil business.



Is Marketing ethical? Is marketing socially responsible? What is the philosophy of marketing

- Marketing creates partial truths about products and services.
- That said marketing is commonly understood to be in the **persuasion** business, and in doing that it naturally presents a biased version of products and services



...by consumers, for consumers

Ripoff Report®

Don't let them get away with it...scams, consumer complaints, and frauds reported. File a report, post your review or experience!

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Consumer Resources

Consumers Say Thank You

Legal Directory

Ripoff Report is all new! Now with new features to better serve you, if you experience any trouble at all please contact using our [support form](#)

Beware! Don't pay upfront fees to modify a delinquent mortgage loan

Millions of Americans are behind or facing problems with their mortgages. Companies offering help but, sometimes, for a fee. Mortgage modification ads appear all over TV & the internet but are the services helpful? If they are asking for a fee up front, ..walk away! ..hand up the phone!



Questionable pyramid scheme takes advantage of consumers.

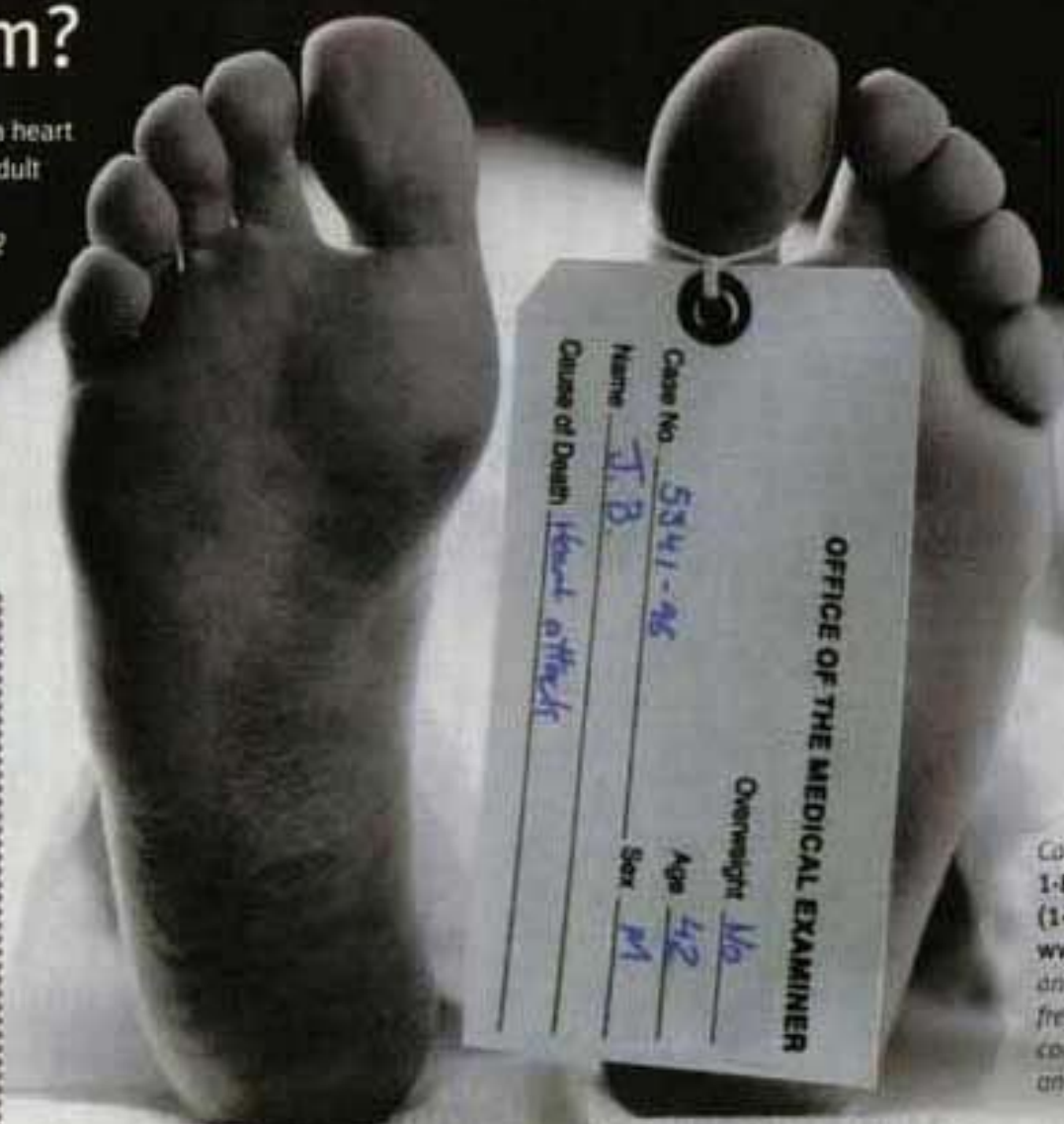


Companies steal from your bank account. Find out how.

Consumer Alert

Which would you rather have, a **cholesterol** test or a final exam?

For many, the first sign of heart disease is a heart attack. Did you know that one out of two adult Canadians is at risk of developing heart disease because they have high cholesterol? And that cardiovascular disease IS the leading cause of death in Canada? High cholesterol is a major risk factor for heart disease but managing your cholesterol can be quite simple.



If any of these apply to you, cut this screening test out and ask your doctor about getting your cholesterol tested:

- Woman 50 years or older
- Man 40 years or older
- Heart disease (angina, heart attack, coronary bypass, stroke, angioplasty)
- Diabetes
- Family history (mother, father, sister, brother or grandparent) of heart disease or high cholesterol
- Two or more of the following:
 - Overweight
 - Physically inactive
 - Smoker
 - High blood pressure

Call toll-free at **1-877-4-LOW-LDL** (1-877-456-9535) or visit www.makingtheconnection.ca and you will receive this free booklet describing the connection between cholesterol and heart disease.



The Canadian Diabetes Association has licensed the "Making the Connection" program to its member and affiliate provinces. The Canadian Diabetes Association does not endorse the program if any pharmaceutical company sponsored by the Canadian Diabetes Association is mentioned.



What is the meaning of ETHICS?

- Ethics are the moral principles and values that govern the actions and decisions of an individual or group.
- They serve as guidelines on how to act rightly and justly when faced with moral dilemmas.



A. Ethical/Legal Framework in Marketing

Ethicality

Ethical

**Ethical &
Legal**

**Ethical &
illegal**

Unethical

**Unethical
& legal**

**Unethical
& illegal**

Legal

Legality

Illegal

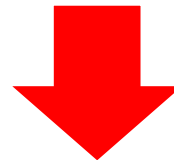
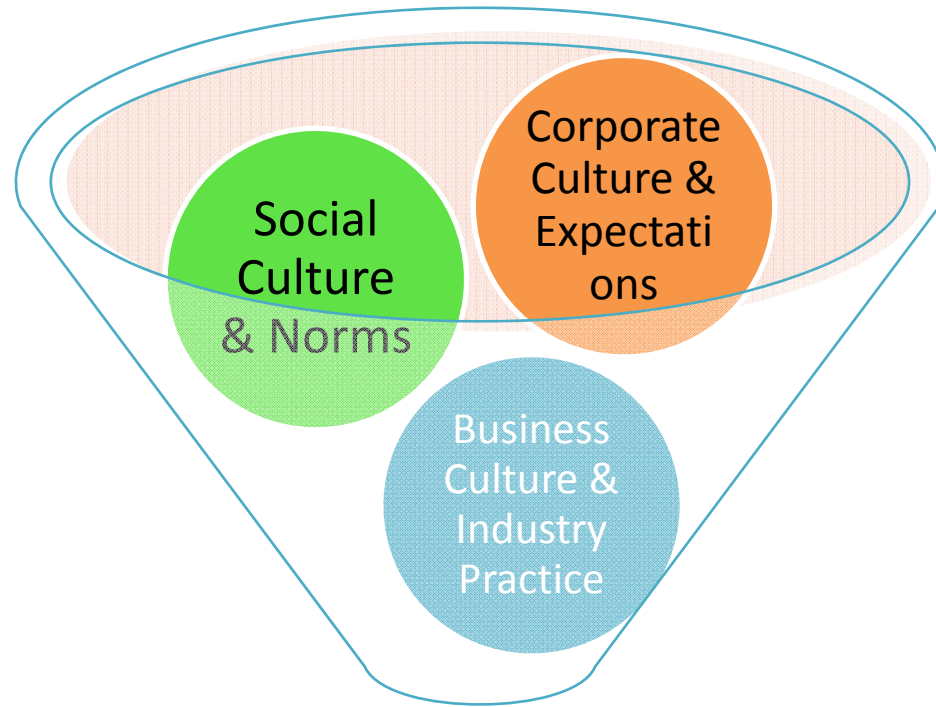


II. UNDERSTANDING ETHICAL MARKETING BEHAVIOR

The factors that influence ethical behavior:

1. societal culture and norms
2. business culture and industry practices
3. corporate culture and expectations
4. personal moral philosophy and ethical behavior.





Personal Morals, philosophy &
Ethical Behavior



Industry Self Regulation



A. Societal Culture and Norms

- Culture refers to the set of values, ideas, and attitudes of a homogeneous group of people that are transmitted from one generation to the next.
- This means that moral standards are relative to particular societies, often reflecting the laws and regulations that affect social and economic behavior, including marketing practices.



- Societal values affect business practices regarding the use of another's ideas, copyright, trademark, or patent.
- These are viewed as intellectual property, and unauthorized use is deemed unethical and illegal



B. Business Culture and Industry Practices

Business cultures

1. Ethics of Exchange

2. Ethics of Competition



1. Ethics of Exchange

- Ethical exchanges between buyer and seller should result in both parties being better off after a transaction.
- Before the 1960s, the legal concept of caveat emptor—let the buyer beware—was pervasive in the American business culture.



Kennedy's Consumer Bill of Rights (1962):

- Right to safety.
- Right to be informed.
- Right to choose.
- Right to be heard.



2. Ethics of Competition

- **most common unethical competitive behavior**
- [Economic espionage](#) - the clandestine collection of trade secrets or proprietary information about a company's competitors.
- [Bribery](#) - often disguised as gifts, consulting fees, and favors. This practice is more common in business-to-business and government marketing than in consumer marketing.



C. Corporate Culture and Expectations

- Corporate culture
 - reflects the shared values, beliefs, and purposes of employees that affect individual and group behavior
- Corporate ethical culture manifests itself in
 - codes of ethics and the
 - ethical actions of top management and co-workers.



2. Ethical Behavior of Top Management and Co-Workers

- A second reason for violating ethics codes rests in the perceived behavior of top management and co-workers.
- Observing their behavior and gauging responses to unethical behavior may influence individual actions more than a written code of ethics.
- Ethical dilemmas often bring personal and professional conflict.



D. Personal Moral Philosophy and Ethical Behavior

- Ultimately, ethical choices are based on the personal moral philosophy of the decision maker.



Two personal moral philosophies have direct bearing on marketing practice:

- **Moral Idealism.**

- A personal moral philosophy that considers certain individual rights or duties as universal, regardless of the outcome.
- This philosophy exists in the Consumer Bill of Rights and is favored by moral philosophers and consumer interest groups.

- **Utilitarianism.**

- A personal moral philosophy that focuses on "the greatest good for the greatest number" by assessing the costs and benefits of the consequences of ethical behavior.
- This philosophy underlies the economic tenets of capitalism.



III. UNDERSTANDING SOCIAL RESPONSIBILITY IN MARKETING



- **Social responsibility means that**
 - Organizations are part of a larger society
 - Are accountable to that society for their actions.



A. Concepts of Social Responsibility



Three Concepts of Social Responsibility

- 1. Profit Responsibility
- 2. Stakeholder Responsibility
- 3. Societal Responsibility



1. Profit Responsibility

- Companies have a duty to maximize profits for their owners or stockholders.



2. Stakeholder Responsibility

- Focuses on the obligations an organization has to those who can affect achievement of its objectives.
- These constituencies include
 - customers,
 - employees,
 - suppliers
 - distributors.



3. Societal Responsibility

- Societal responsibility refers to obligations that organizations have to the
 - preservation of the ecological environment and
 - general public.



Companies have responded to this concern with two marketing practices that reflect socially responsible behavior

- Green marketing

- Marketing efforts to produce, promote, and reclaim environmentally sensitive products.
- ISO 14000 consists of worldwide standards for environmental quality and green marketing practices. These standards are embraced by 84 countries.

- Cause-related marketing

- Charitable contributions of a firm are tied directly to the customer revenues produced through the promotion of one of its products.



B. Social Audit: Doing Well by Doing Good

- A social audit is
 - Systematic assessment regarding the social responsibility of a firm's
 - objectives,
 - strategies, and
 - performance .



Five steps of a social audit

- Recognition of a firm's social expectations and the rationale for engaging in social responsibility endeavors.
- Identification of social responsibility causes or programs consistent with the company's mission.
- Determination of organizational objectives and priorities for programs and activities it will undertake.
- Specification of the type and amount of resources necessary to achieve social responsibility objectives.
- Evaluation of social responsibility programs and activities undertaken and assessment of future involvement.



Sustainable development

- conducting business in a way that protects the natural environment while making economic progress.
- Green marketing is an example of one such ecologically responsible initiative.



C. Turning the Table: Consumer Ethics and Social Responsibility

- Consumers also have an obligation To act ethically and responsibly
 - In the exchange process
 - In the use and disposition of products.



In the exchange process

- Unethical practices of consumers
 - filing warranty claims after the claim period
 - misredeeming coupons
 - making fraudulent returns of merchandise
 - providing inaccurate information on credit applications
 - many other kinds of fraud.



In the use and disposition of products.

- Research shows that consumers
 - May be unwilling to sacrifice convenience and pay potentially higher prices to protect the environment
 - Lack the knowledge to make informed decisions dealing with the purchase, use, and disposition of products.



GE Genral Electric Award Winning "Clouds" Commercial

- VIDEO
- <http://www.youtube.com/watch?v=SWJ7iVbKRj8>



Thank you
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