

# TEACHING MARKETING ETHICS: ADVANCING A NEW PARADIGM\*

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# INTRODUCTION

The Association to Advance Collegiate  
Schools of Business – International  
("AACSB")

Combining ethics education in business  
curriculum:

- Stand alone ethics course
- Integrate into each business course
- Both approaches

# NEXT STEP:

- The time has come to move past that debate.
- Rather than viewing ethics as a disassociated part of marketing coursework, it is time to make it part of the fiber of the coursework.

# Why Marketing Ethics?

- Importance of marketing to the overall business structure.
- Marketing is the first aspect that the consumer sees before making a purchasing decision.
- Because of the prominence of marketing, ethical failures in marketing can cause significant damage to the organization.

# This Presentation:

- Identify specific marketing ethics topics.
- Propose that these topics should be included in the standard requirements for a degree in marketing.
- Some of the specific topics include ethical aspects of general marketing, advertising, sales force management and consumer relations.

# OBJECTIVE

- Identify a reasoned approach that will equip the students with a reasonable “toolbox” of approaches, theories, considerations and industry codes.
- Students capable of identifying ethical concerns in marketing and making reasonable and defensible decisions.
- The intent is to open the subject for expanded discussion and innovation and not to present this analysis as the definitive word on the subject.

# Material Available?

- Recent survey of articles on marketing ethics from 1960 to 2008 found nearly 1,000 articles.
- The Hunt-Vitell General Theory of Marketing Ethics (“HVGTE”)
  - Formal debut in 1986
  - Widely discussed and researched
  - Hunt and Vitell updated in '93 and '06

# HVGTME BASICS:

- Marketing professionals use a formula to make ethical decisions Each decision maker is influenced by their cultural, industry and organizational environment and by personal experiences.
- They must perceive that an ethical situation exists.
- Determine that there are alternative approaches to that ethical situation.



# HVGTME BASICS:

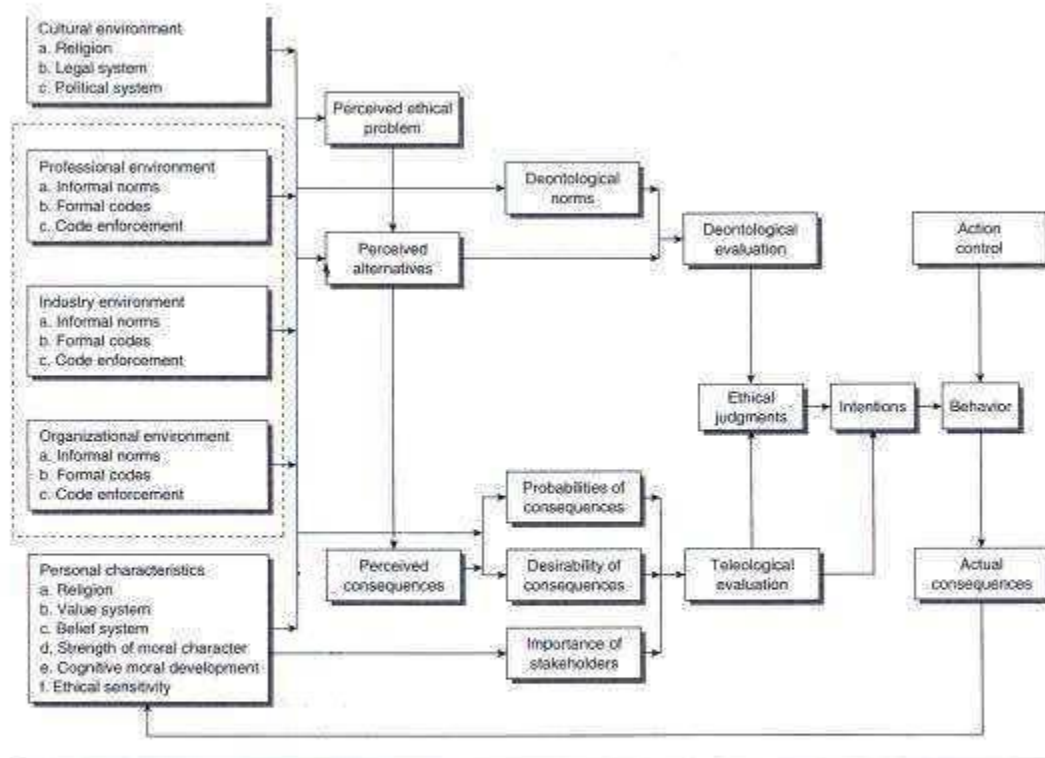
There are two general approaches to ethical analysis:

- Deontological, or driven by duty and not based on the consequences of the action taken.
- Teleological, which is based on the consequences of the action under consideration.

# HVGTME BASICS:

- Positive theory - structured to describe how decisions are actually made.
- Not a normative theory - attempting to define how decisions should be made.
- Process Model – describing how ethical marketing decisions are evaluated.
- Not a causal model - numerous identified components lead to certain conclusions or actions.

# HUNT-VITELL THEORY OF ETHICS



**FIGURE 1 HUNT-VITELL THEORY OF ETHICS**

SOURCE: Hunt and Vitell (1986, 1993). Copyright © 1991 by Shelby D. Hunt and Scott J. Vitell.

NOTE: The portion of the model outside the dashed lines constitutes the general theory. The portion inside the dashed lines individualizes the general model for professional and managerial contexts.

# Industry and Professional Environment:

Codes of ethics of appropriate industry associations:

- American Marketing Association , “AMA”
- Marketing Research Association, “MRA”
- Council of the American Survey Research Organizations, “CASRO”
- Qualitative Research Consultants Association, “QRCA”
- American Association for Public Opinion Research, “AAPOR”
- Direct Marketing Association, “DMA”

# Organizational Environment:

Organizational environment should not be a choice of ethics or profits - profits require ethics today.

- Therefore ethics should be an integral part of a marketing education.
- Top management creates an ethical environment in an organization.

# Cultural Environment:

- Increasing multi-cultural aspects of life
- Internationalization

# Personal Characteristics:

Examining two constructs:

- Power-distance is the extent to which persons will accept social inequalities.
- Individualism is a focus on the self, while collectivism focuses on the larger community.
- Larger power-distance and individualism are associated with the United States and countries with similar cultural orientation.
- Low power-distance and collectivism are associated with Asian countries.

# METHODOLOGY

- Examine schedules of undergraduate marketing courses.
- Convenience Sample:
  - Frostburg State AACSB-accredited business school
  - University of Maryland AACSB-accredited business school
  - University of Maryland University College business school
- Ten courses with similar content which were common to all three business schools.



# RESULTS OF SURVEY:

- None of the identified course descriptions contained any reference to ethical issues related to the subject matter of the courses.
- In some cases, there were references to legal aspects.
- Survey does not preclude the fact that such material might be covered in the courses examined.

# Suggested Ethics Inserts into Marketing Curriculum:

- Principles of Marketing – Introduction of the Hunt-Vitell General Theory of Marketing Ethics and discussion of personal characteristics related to ethical considerations in marketing.
- Marketing Research – Study of codes of ethics for MRA, CASRO, AAPOR and QRCA.
- Marketing Strategies – Study of AMA Code of Ethics, information related to the organizational and professional environment, including professional values

# Suggested Ethics Inserts into Marketing Curriculum:

- Consumer Behavior – Examination of consumers and cultural environment of marketing including analysis of consumer needs and impact of unethical conduct by marketing companies.
- Customer Relationships – Examination of the ethical considerations of relationship marketing, including distributorships and relevant stakeholders.
- Advertising – DMA Code of Ethics, consumer protection statutes of host country, consideration of mass marketing and ethical issues related to packaging.

# Suggested Ethics Inserts into Marketing Curriculum:

- Internet Marketing – Consumer privacy issues and the importance of trust in website marketing.
- International Marketing – Cultural environment and personal cultural issues.
- Sales Management – Ethical aspects of compensation and sales force management, see for instance discussion of product specific sales incentives.
- Internship – Require an ethics component in each internship report.

# CONCLUSION

- Advances the discussion by specifically proposing integration of marketing ethics into the marketing curriculum, identifies common marketing courses and specific ethics materials for those courses.
- Providing a more inclusive marketing education is a worthwhile objective that will enhance the value of a school's graduates not just to society, but to business and non-profit organizations.