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Introduction

An emerging trend in business education is the teaching of ethics either in an ethics class or as an integral of several classes. There are some separate issues for business students who major in marketing. Some of the topics that constitute a marketing education create a unique set of ethical problems. For marketing students some marketing practices seem unethical but acceptable to many practitioners. A common concern for students who plan on becoming marketing professionals is what behavior is ethical and whose standard of ethics should the student incorporate or internalize as his ethical standard. What is ethical behavior and who determines it is a complex issue for marketing students.

An issue for some students is what are the reasons for being ethical.

For many marketing students the reasoning that “It’s what most people think is right” or “It’s best for society” is often not enough of a reason to avoid unethical behavior. In addition, marketing students often find that their personal ethics differ from those of their manager or the ethical standard established in the companies’ codes of conduct. Students need to understand how they might reconcile these differing ethical codes. Finally, almost all marketing classes have maximizing of profit as the main criterion in decision making. Other objectives are viewed as inferior. The philosophy of maximum profit is often inconsistent with use of an ethical standard for decision making.

Ethical Issues in Marketing

Marketing academics have mostly written about three major areas of marketing in which ethical problems often arise: (1) sales efforts of sales representatives (2) distortion of marketing research data by marketing researchers, and (3) deceptive advertising.

John (1984) discussed some additional ethical problems with channels of distribution. Also, product offerings have received some ethical consideration Lacziak (1983). Early works by Alderson (1964) and Bartels (1967) dealt with the
problems of ethics in marketing. Such questions were asked as, "Do you want your daughter to marry a marketing man?" Farmer (1967), "Would you want your son to marry a marketing lady?" Farmer (1977). Authors of recent papers on marketing ethics are Hunt and Vitell (1986) and Robin and Reidenbach (1987).

Research that focused on ethics in selling have been provided by Davis et al. (1979), Levy and Dubinsky et al. (1983), Mayer (1970). Papers dealing with marketing research ethical problems have been developed by Ferrell and Skinner (1988), Tybout and Zaltman (1974), Hunt et al. (1984), and Tull and Hawkins (1987). Much has been written about ethical practices in advertising in both the popular and academic literature. Galbraith (1956), Ford and Calfee (1986), Turk (1979), Greyser and Reece (1971) and Arrington (1982) have all addressed the many ethical issues in advertising.

Meaning of the Term Ethics

The term ethics has different meanings in its use in marketing settings. Much of the usage in business is with the word unethical rather than ethical. In a business setting unethical denotes behavior that is legal but socially or environmentally inappropriate to a large number of individuals. There are many synonyms for ethical: fair, socially acceptable, honest, just, right, appropriate, good, socially responsible, Christian, moral, honorable, correct, admirable, high, wholesome, square, admirable, good. It would be instructive to explore the differences in meaning of these many terms as they are used in marketing.

In teaching ethics, many authors go to great lengths to define what ethics means by comparing it with one of these terms. Robin and Reidenbach (1987) do this with ethics and social responsibility. They see ethics as "rules of moral philosophy," and social responsibility as "a social contract between business and society."

Martin (1986) sees ethics and justice as "almost synonymous." Ferrell and Skinner (1988) use Taylor's (1975) definition of ethics as "inquiry into the nature and grounds of morality, where the term morality is taken to mean moral judgments, standards, and rules of conduct." Hunt and Vitell (1986) use this same definition. In general, almost all definitions take the term ethics to mean behavior that is "moral"—something not prohibited by the law, but which perhaps should be or will be in the near future. The term ethics is often used disparagingly to describe a competitor's successful tactics, such
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as "My competitor’s actions are successful, but unethical."

An interesting question from marketing students in ethics classes might be, "If it is wrong, why not make it illegal?" Just what is illegal has been defined and debated for centuries. The concept of ethical behavior changes from culture to culture and even within a culture over time. Bartels (1967) examined such cultural impact on ethics. The U.S. culture has changed in its view of smoking in public places over time, and on the ethics of working for cigarette-producing firms. Indeed, ethics extend beyond what is legal. Law enumerates a minimum level of acceptable behavior for business. Ethics defines what society views as acceptable behavior. While there is no legal recourse for an unethical act, society does mete out its own form of punishment.

Issues in Teaching Ethics in the Classroom

There are many who want professors to teach ethics courses in business schools or to integrate ethics into marketing classes (Hunt and Vitell (1986)). Since many people who engage in marketing activities studied marketing in college, the classroom would seem to be the ideal place to teach ethics. Rest (1988) cites research that indicates that individuals establish their ethical code between the ages of 20 and 30—the ideal age group to expose to ethical teachings.

Ethics deal with behavior as well as cognition. Most of what goes on in marketing classes is cognitive, not affective. Students do not necessarily internalize what they learn to be ethical behavior. They may learn it but not believe it; they may not be willing to behave in ethical ways just because they have been told what is ethical. Some students may view ethics classes as they view the content of a class in Greek mythology—something interesting to learn about, but not to believe in.

Another side of the argument is that marketing education is not just teaching students terms and concepts, but teaching students to think like “business professionals.” Students prepare marketing cases in which they are asked to immerse themselves into the case and “act out the role” of the business professional. If students learn to think like business professionals by using the case methods, why can’t cases be used to teach students to behave ethically. In teaching ethics in a marketing class, cases perhaps are important to assure affective education. Many who write and research ethics use “scenarios” (see Hunt and Vitell [1986] and Lacziak [1983]). These scenarios are mini-cases that allow the reader/discussant to feel
or empathize with the ethical dilemma. Some casebooks on business ethics have been written, for instance Garrett, et al. (1968).

One consideration--perhaps an objection to teaching ethics in a university setting--is the behavior of the professors. Few students go through the university without seeing some unethical behavior on the part of professors: unfair grading, unprepared lectures, missed classes, tardiness, sexual exploitation, plagiarism, and ego satisfaction occur at universities. (Cahn [1986] explores the many forms of unethical behavior in academia.) Students may view the teaching of ethics by some university professors as hypocritical, arguing that many professors behave in ways that would get them fired or penalized in other organizations. The lack of accountability among professors may foster a standard of ethics that is different from that of the business professionals.

The ethical standard of business professionals may well be quite different from the ethical standard of other segments of society. Sturdivant and Coganougher (1973) found in their study that blue-collar workers, housewives and students had very different ethical standards, as compared to those of business professionals. So it may follow that marketing professors have a very different view of what is ethical, compared to the view of business professionals.

Student Resentment and Reluctance

One problem of professors who teach ethics is that the topic is personal and emotional. Students may see the professor’s standard as reflecting the philosophy of the establishment; the professor is a tool of business, being used to exploit students. Students may respond to the requirement to take a marketing ethics class with the feeling, “If I wanted Sunday School, I would go on my own.” The teaching of “how you ought to think” can cause resentment in students. In entering such a class, students may feel they are about to be “brainwashed.”

Many college students see the ethical behavior standards as being established by the generation that gave them Watergate and Vietnam. They see the system as seriously flawed and point out the stupidity of outlawing drugs, but not tobacco and alcohol. Many marketing students are particularly disturbed by puffery wondering why marketers can legally lie. They see politicians and business leaders engaging in illegal and unethical behavior. As a result, it is difficult for some students to let the
older generation determine their personal behavior codes.

**Ethical Philosophies**

Two philosophical ideas are used to describe reasons for ethical behavior: deontology and teleology. Deontology says that some actions like shoplifting are inherently always bad. Teleology says that what is ethical is determined by the outcome. Shoplifting medicine to save a dying baby may raise the overall level of human satisfaction and be viewed as ethical.

**Ethics and Profit Maximization**

Most marketing classes focus on profit maximization. When there are alternatives in a case, students learn that they should use profit maximization as a major criterion in determining the best alternative.

One method of evaluating alternatives is to calculate the expected value of each alternative and choose the alternative with the highest expected value. Expected value is calculated by assessing the dollar value of each alternative, multiplied by the probability of the expected alternative occurring, given that a particular choice is taken.

Stressing profit maximization in marketing classes can conflict with what is taught in an ethics class. Instead of pricing to maximize profits, ethics may call for pricing to maximize satisfaction in the system (teleological values). Some professors may feel that pricing at less or more than profit maximization "leaves money on the table"; it is unethical to stockholders.

In doing a case analysis, it is very difficult for a student to justify a decision that generates inferior profits. The assumption is that people buy stock (become owners of a company) to make money. The owners want to make as much as possible, and employees of the firm should do everything legally possible to maximize the profits that flow to the shareholders.

The difficulty occurs when a profitable action is legal, but possibly unethical.

If management fail to follow a course of profit maximization, they are viewed as not fulfilling their fiduciary role and may be sued or fired.

Given the long tradition and legal obligation of managers to maximize profits, it becomes difficult to tell students to look at ethical considerations in profit maximization. It seems inconsistent with what is taught in most marketing classes to tell students to maximize profits depending on whether the action is ethical.
Reasons for Ethical Behavior

It is often pointed out to students that undesirable penalties can occur to individuals who engage in unlawful business activities. Large fines and imprisonment are often the lot of those who violate the law. The threat of prison and fines does not exist for unethical behavior that is legal. Professors who teach ethics need to develop logical reasons other than the fear of going to prison for teaching students to behave ethically.

In many situations, unfavorable results occur when a person is unethical. These can serve to deter unethical actions. Some which marketing students understand are discussed below.

Public Relations

Corporations spend enormous amounts of money to develop a good image. Corporations want to be viewed as a good citizen who customers can trust. Good image sells products. Unethical behavior can result in a bad image for a firm and its products. It may cost large sums of money on advertising to counteract negative communication caused by an unethical act.

Personal Reputation

A maxim in marketing is that "people buy from whom they know." Sales representatives join the Elks, churches, and the Chamber of Commerce to become known, so as to be able to sell more products. A sales representative with a reputation for unethical behavior is likely to be unsuccessful in selling.

A second marketing maxim is that a product is a "bundle of services," not just a physical good. How a person feels about using the product (psychic satisfaction) is as important as the physical good. If the marketing students see themselves as a product, then they see their reputation as a large part of their bundle of services that they are offering to employers.

Generally, people do not like to hire individuals they can't trust. If individuals are unethical with customers, it may be that they will be unethical with employers. Likewise, an employee who sees the employer deal unethically with suppliers and customers wonders if the employer might also deal unethetically with employees. When the environment between employer and employee or sales representative and client is laden with distrust, it may result in lower productivity.

Societal Pressure
The recipients of unethical behavior often become angry and seek vengeance. It may be that over time, vengeful individuals or those sympathetic to them may have an opportunity to get even and take it. Individuals often have a vigilante attitude of correcting those who behave in legal but socially inappropriate ways.

People who are unethical often find that public officials are slower to respond to requests for community services; community members are unsympathetic to their wants and views; they receive fewer awards, honors, and invitations; there is a higher expectation for them to contribute to atone for the unethical behavior. Those who are unethical often find that they must meet requirements at a more stringent level. Inspectors may come around more often. Media may appear to be unsympathetic or hostile. Plumbers and lawyers may charge more. They may have a higher vandalism rate or shoplifting rate. Individuals they may want to hire become less disposed to accept employment, and ordinances and laws seem to be passed that impede their efforts.

Difficulty in Employment

Corporations often fire unethical salesmen to protect themselves. They are also reluctant to hire people who are viewed as having engaged in unethical behavior. Community and media outrages are often satisfied only with a firing. Marketing students should be aware that their unethical behavior can seriously cripple their employment career.

Religion

Some individuals have formalized religious beliefs. Those who follow the teachings of the Bible cite numerous scriptures that God will deal harshly with unethical behavior. For example, 1 Thessalonians 4:6 says, "That no man go beyond and defraud his brother in any matter: because that the Lord is the avenger of all such, as we have forewarned you and testified." This seems to mean that the Lord will punish unethical behavior.

Social Improvement

Some individuals may not have a religious orientation, yet still have a high social conscience. With such individuals a call to ethical behavior may be successful in inducing ethical behavior if it is pointed out that ethical behavior will enrich or improve society as a whole.

Self-Confidence

Negative social pressure is exerted on those who engage in unethical conduct. This can cause some
people who engage in unethical behavior to lack self-confidence. Eventually, it becomes more difficult to make sales calls, and the sales calls that are made may be less effective. Unethical behavior can cause the offenders to lose time and energy worrying about what they have done and how to rationalize the behavior.

If a salesperson follows the advice of the marketing concept to focus on the needs, wants, and preferences of his buyers, he is forced to posture himself as ethical. All buyers want to deal with the ethical salesperson.

If a salesperson is what his clients want, he will be what his clients define as ethical. This may be a different ethical standard than he personally feels is correct; it may also be very different from what his employer or boss feels is ethical. On occasion, the boss's ethical standard may be very different from the corporation's ethical standard—this further compounds the sales representative's dilemma.

**Ethics in a Profession/Role Ethics**

Professional or role ethics are problems for a marketing person. Whether a salesman should follow his personal ethics or the ethical standard of the company is often a dilemma. It's interesting to look at how the legal and medical profession deal with the role ethics problem. A lawyer is to put aside his personal feelings of whether a person is guilty or not, or whether the person deserves to be punished. If his role is defense attorney, it is unethical for the lawyer to give anything less than his best effort to see that the individual receives an acquittal or the smallest penalty possible. If the lawyer is in the prosecuting role, he seeks the maximum penalty and tries his best for a conviction.

A physician who serves in a hospital emergency room may be called on to treat a patient he knows and perhaps hates. Yet professional ethics dictates that the doctor do all that can be done to save the life of the individual. Anything less is unethical.

In both these situations, professionals are expected to follow the ethics established by the organization that allows them to practice or engage in their profession. The state, the medical board, or the bar all can take away the right to practice if the professional performs in a manner that it deems inappropriate or unethical. The ethics of the role may be very different from the professionals' personal ethics or their clients' or patients' ethics. When a conflict exists, the professionals are expected to comply with the role ethics.
The salesperson does not face a state or other regulatory organization that defines what is ethical. The salesperson often faces the dilemma, "Do I do what I think my employer would want me to do in this situation, what I feel is right, or what I think the customer feels is right?"

Perhaps part of the problem is caused by the different ethical standards for the sales situation. Salespersons are boundary spanners; They negotiate and administer an exchange between seller and buyer. If they produce more good for the buyer, they often produce less good for the seller, and vice versa. The salesperson may do more good for himself by doing less good for the buyer. He may split his commission with a client, thereby increasing the good to the client, but reducing the good to himself and his family.

The topic of role ethics becomes important for students who are going into marketing. Should they impose their personal ethics on their role of salesperson, representing a firm, or assume the ethics outlined by the company? Many companies have a code of ethics and expect their employees to follow the company's ethics rather than their own. Should students, in practicing their marketing profession, follow a role ethic that replaces their personal ethic? If they are personally opposed to lying, can they put their personal ethic aside and follow the ethic of puffing—exaggerating the benefits and features of the product they sell?

The problem is compounded by the fact that marketing professionals may be influenced by the ethic of their boss, competition, or client, in addition to the ethic outlined by the company.

Conclusions

This paper has explored some of the problems of teaching ethics to marketing students, such as what the word ethics means and the problem of getting students to internalize ethical philosophies. The difficulty of getting students to internalize ethical beliefs as a code of conduct is difficult in part because of professors who act unethically, and by emphasizing maximum profit as the principle objective of decision making.

Several factors may induce marketing students to act unethically. There is the conflict of whose ethical standard the student should accept—can the student put aside his ethics and adopt the role ethic, as doctors and lawyers do.

Students in marketing classes cannot be taught a code of ethics, but they can be sensitized to the many ethical dilemmas they will encounter in their future jobs. By being exposed to various possible situations that can occur, students' responses can
be the result of a conscious thought process rather than a hasty reaction. Perhaps this will cause students to regret less their decisions.

Students can be exposed to a number of reasons to behave in an ethical manner. There are both moral reasons and profit-motivated reasons for ethical behavior.

It is important for students to recognize that professions have role ethics that supersede the personal ethics when the professional is functioning in his or her professional role.

References


