

Social Responsibility and Ethics





Marketing and Social Responsibility – What You'll Learn

- The areas in which businesses are thought to have social responsibilities
- The current trends and concerns in the workplace for employees
- The ways that business activities have impacted our environment
- The meaning of consumerism and a brief history of the movement
- The definition of ethics and how marketers can make ethical choices



Should businesses have any social responsibility beyond following the law?

In the Workplace

- Telecommuting
- Flextime
- Extended Family Leave
- On-Site Child Care
- Health Care Benefits
- Time Off With Pay





In the Marketplace

- Providing Information to consumers
 - Example – The FDA creates a public education campaign about the safe and proper use of over-the-counter pain relievers
- Employing Self-Censorship
 - Example -- Broadcast networks review commercials that might be considered controversial.
- Responding to Consumer Concerns
 - Example – U.S. government identified obesity as a major problem prompting many companies to seek solutions.

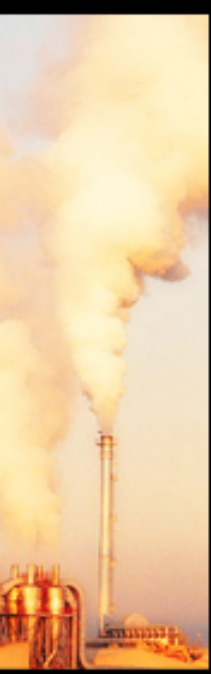
In the Community

- Local Businesses – support community efforts
 - Funds a Little League team
- Large Companies
 - Ben & Jerry's donates 7.5% of pretax earnings to the needy
- International Businesses
 - World Business Council for Sustainable Development (WBCSD)



Environmental Issues

- Air and Water Pollution – Federal government established the Environmental Protection Agency (EPA)



In the Environment

- Cleaner Fuel – Alternatives to traditional transportation fuel of gasoline and diesel fuel are being developed





Conservation and Recycling

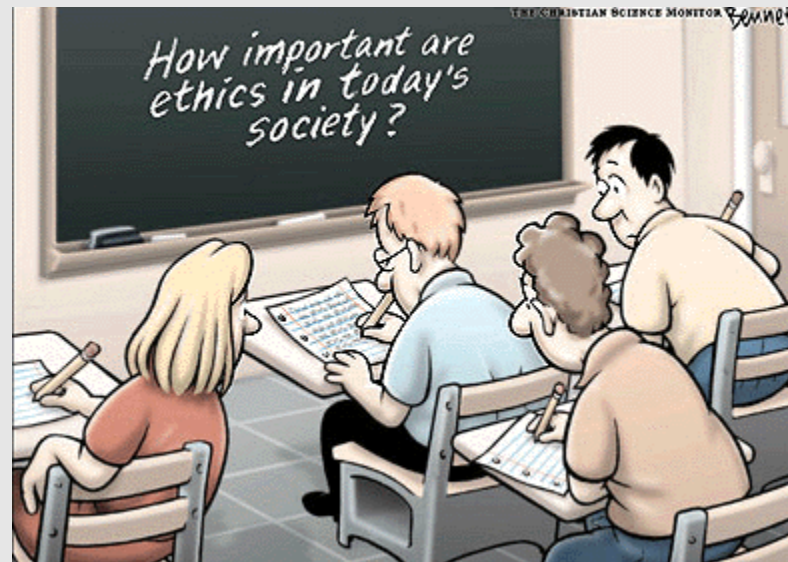


- Green Marketing – Companies make an effort to produce and promote environmentally safe products



Business Ethics – guidelines for good behavior

- Is the practice right, fair, and honest?
- What would happen if the product were marketed differently?
- What practice will result in the greatest good for the greatest number of people?



Ethics and Consumerism

- Societal effort to protect consumer rights by putting legal, moral, and economic pressure on business.
- Beginning in early 1900's
- Greatest growth from 1960's to 1980's. It involved all areas of marketing.



Consumer Bill of Rights

Advocated by President John F. Kennedy

Says that consumers have four basic rights:



- To be informed and protected against fraud, deceit, and misleading statements, and to be educated in the wise use of financial resources.
- To be protected from unsafe products.
- To have a choice of goods and services.
- To have a voice in product and marketing decisions made by government and business.



Ethics in Marketing

- Self-Regulation – ethical companies are proactive. They join organizations that help to create an ethical business environment
 - Better Business Bureau (BBB)
 - Code of Ethics – developed by the American Marketing Association
 - Detailed provisions about the truthfulness and fairness of marketing activities such as advertising, selling, pricing, marketing research, and product development and use.



Other Ethical Issues



- Price gouging – pricing products unreasonably high when the need is great or when consumers do not have other choices.
 - High prices for drugs needed to stay alive
- Whistle-blowing – reporting an illegal action of one’s employer

