



**EVALUATION OF SOCIETAL MARKETING (SUSTAINABLE MARKETING) IN  
MAINTAINING ETHICS IN MARKETING GOODS OR SERVICES TO THE  
CUSTOMERS**

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**ABSTRACT**

Societal Marketing which is now normally called as Sustainable Marketing is important for all types of business establishments irrespective of the fact that the business is service business or manufacturing business. The service providers should be aware of societal marketing concepts which indicates doing business in ethical manner. This research paper has highlighted on the fact that the marketers are faced with several ethical dilemmas which directly or indirectly affect the customers. Therefore, this research has focused on various types of tips to manage the ethical issues faced while marketing goods or services to the customers

**INTRODUCTION**

Marketing has become a very important realm of business which caters to all types of industry including service industry, manufacturing industry, charitable industry etc. However, the marketing concept in this contemporary situation should look for the concept called as societal marketing concept. Societal Marketing is the concept whereby the organisation should determine the needs, wants and interests of target markets and deliver the desired satisfactions more effectively and efficiently than do competitors in a way that maintains or improves the consumer's and society's well being. Societal marketing concept calls on marketers to balance three considerations in setting their marketing policies namely company profits, consumer wants and society's interests.

**OBJECTIVES OF STUDY**

The main objective of this paper is

- To study ethical dilemmas faced by the Marketers
- Tips to manage these ethical issues
- Suggest means for healthy ethical marketing

**SOCIETAL MARKETING CONCEPT**

The societal marketing provides an impetus on the marketers to follow a balance of interest including societal welfare and company welfare and profits. However, society's appreciation

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and well being should be taken into consideration, while doing any type of marketing activities.

Societal marketing is a concept where a company makes marketing decisions by considering consumers' wants, the company's requirements, consumers' long run interests and society's long run interests. Products can be classified according to their degree of immediate consumer satisfaction and long run consumer benefit.

Deficient Products are the products which has neither immediate appeal nor long run benefits. For example bad tasting and ineffective medicine, have neither immediate appeal nor long run benefits. Pleasing products give highest immediate satisfaction but may hurt consumers in the long run such as cigarettes and junk food. Salutary products have low immediate appeal but may benefit consumers in the long run. For example helmets, insurance products etc. Desirable products give both high immediate satisfaction and high long run benefits such as tasty and nutritious breakfast food.

### **Ethical Dilemmas faced by the Marketers**

The American Marketing Association is committed to ethical and professional conduct. This association has chalked out the Code of Ethics for the Marketing Professionals. Marketers must accept the responsibility for the consequences of their activities and make every effort to ensure that their decision, recommendations, and actions function to identify, serve and satisfy all relevant publics namely customers, organizations and society. Marketers' Professional conduct should be guided by :

1. Maintaining basic professional ethics: that is not knowingly to do harm
2. Following all applicable laws and regulations
3. Representing education, training and experience; and
4. Promoting Code of Ethics.

Some of the ethical dilemmas faced by the marketing executives have been illustrated in this research paper.

- Marketing Executives at the Cigarette Company:

“You work for a cigarette company and up to now have not been convinced that cigarettes cause cancer. However, recent public policy debates now leave no doubt in your mind about the link between smoking and cancer. What would you do? (source: Philip Kotler, ). In this case, the marketers, if ethical, will not take up the job of selling cigarettes.

- Advertising campaigns used by the Marketers:

“You have to choose between three ad campaigns outlined by your agency. The first (a) is a soft-sell, honest information campaign. The second (b) uses sex-loaded emotional appeals and exaggerates the product's benefits. The third (c) involves a noisy, irritating commercial that is sure to gain audience attention. Pretest show that the campaigns are effect in the following order: c, b and a. What would you do? (source: Philip Kotler, ) This dilemma leaves the marketer in a fix and has obviously needed to choose the one based on the perception of the people.

- “New and Improved Product:

“Your R & D department has changed one of your products slightly. It is not really “new and improved”, but you know that putting this statement on the package and in advertising will increase sales. What would you do?” (Source: Philip Kotler)

In this case, marketers show a hyped version of the product to the customers.

### **Role of Marketers in managing ethics in Marketing**

The Marlboro man has been successful in implementing a campaign that has influenced the consumers to buy their tobacco product. However, the marketers need to maintain certain standards of conduct. The American Marketing Association (AMA) has enumerated three ethical norms for marketers that can be also be seen as representing their ethical duties:

1. Marketers must do no harm.
2. Marketers must foster trust in the marketing system.
3. Marketers must embrace, communicate and practice the fundamental ethical values that will improve consumer confidence in the integrity of the marketing exchange system. (Source: “Ethical norms and Values for Marketers.” AMA Statement of Ethics, 2007) However, the above norms are not mostly followed by the marketers. Instead of taking care of society, they are worried about meeting their target requirements and also getting their increments, incentives and promotions.

The AMA describes above norms as “established standards of conduct that are expected and maintained by society and/or professional organization.” (“Ethical Norms and values for marketers.”AMA Statement of Ethics.2007). Based on the above norms, one should not act dishonestly in marketing their goods and services to others. However, the marketers fail to understand this.

The Tobacco manufacturer often fails to follow the ethical norms. Approximately one-third of the world’s adult population smokes cigarettes. Of this group of over a billion people, half will die prematurely as a result of smoking. (Source: Snell, Clete.Peddling Poison: The Tobacco Industry and kids, 2005). If the marketer follows the norms, the marketing campaigner could educate the customers.

A Good Marketing campaign may result in not only satisfied customers, but higher profits for the firm and shareholders as well. Marketing in this manner could achieve, a mutually beneficial relationship between a firm and its customers and could avoid doing any harm to the customers.

### **Exposure to Marketing is Not a Choice**

This Product –awareness leads to consumer behavior, which is defined by prentice hall as “The process by which people determine whether, what, when, where, how, from whom, and how often to purchase goods and services” (Source: “Online Glossary.”Pearson Prentice Hall, 2007) Consumer behavior has to be studied and marketers should understand that the marketing is due to a chain of an individual and its campaign. It is the advertisement which makes the individuals to purchase a product.

### Overview of Tobacco Marketing

The tobacco industry in the USA spends almost \$42 billion on advertisements and promotions, and between 2002 and 2003 the industry increased its spending by \$2.7 billion. (Source: Facts A La Carte." Whudafxup with Big Tobacco? 2007). This indicates that maximum amount has been spent on marketing the harmful products like cigar. This is evidenced by the fact that 80,000 to 100,000 children start smoking each day (Ibid) and that 34% of those who do so as a result of tobacco company's promotional activities.(Source: "Tobacco Advertising and Promotion." Greater Dallas Council on alcohol & drug Abuse.2005). Cigar marketing has become popular business. In 1996, Philip Morris, World's largest cigarette company, ranked ninth on the list of the world's largest advertisers, spending more than \$3 billion.(Source: "Global Smoking Statistics."About, 2007). The study conducted by the World Health Organization proved that the efforts of companies such as Philip Morris have not been successful, as 15 billion cigarettes were sold each day. (Ibid)."A survey a few years ago found that nearly 80% of American advertising executives from top agencies believed cigarette advertising does make smoking more appealing or socially acceptable to children. Through advertising, tobacco firms try to link smoking with athletics, sexual attractiveness, success, adult sophistication, adventure and self-fulfillment. (Ibid).

One of the major points in cigar marketing is that once the cigar manufacturer reaches the customers, there is no need for re-advertising as the customer gets addicted to the smoking. The cigar manufacturing company emphasis on targeting young people. Therefore, the cigar product is inducted into the minds of the young people from the very beginning.

The major reasons are that the company provides highly deceptive and misleading marketing campaigns. In an attempt to gain a positive public image, "a tobacco company once gave \$125 thousand worth of food to a charity, according to an estimate given by the Wall Street Journal. Then; they spent well over \$21 million telling people about it."(Source: "Facts A La Carte." Whudafxup with Big Tobacco? 2007). Additionally, "In 1997, a tobacco CEO said that if it was proven to his satisfaction that cigarettes cause cancer, he'd probably shut(the company) down immediately to get a better hold on things. Their web site now admits that cigarettes cause cancer, but they're still open for business."(Ibid).Acts such as these highlight the very prevalent actions by these companies to cloud consumers' minds with deceitful information and then act in ways that satisfy only *their* bottom line.

### SOCIETAL MARKETING - FINDINGS AND DISCUSSIONS

The societal marketing states that marketing strategy should deliver value to customers in order to improve the customer's and society's well being and health. For instance, the bottled water companies are viewed as offering convenient tasty and healthy products. However, this may generate huge amount of carbon dioxide emissions that leads to global warming.

The society's responsibilities are also met by the company through social and environmental activities. Timberland Company practice "caring capitalism" setting themselves apart from civic minded and responsible. For example, Patagonia pledges at least 1 percent of its sales or 10% of its profits whichever is greater, to the protection of natural environment.

The marketers could work ethically and manage the ethical situation very well while marketing their products in the following ways:

**1. Socially responsible behavior:** Some of the enlightened companies encourage their managers to look beyond what the regulatory system allows and simply "do the right thing". This indicates that one need to be simply ethical in dealing with people.

**2. The Cause Related marketing concept is being applied.** One of the companies says, Buy a pink mixer from kitchen and aid and support breast cancer research. Many companies are linking themselves to worthwhile causes. An advertisement of P & G says, Purchase a special edition bottle of Dawn dishwashing detergent and P& G will donate a dollar to help rescue and rehabilitate wildlife affected by oil spills. Some advertisement also states, Pay for the purchases with the right charge card and you can support a local cultural arts group or help fight heart diseases

**3. Some of the companies are founded on concept of "cause related missions".** Under the concept of "value led business" or "caring capitalism", their mission is to use business to make the world a better place. For example, the Masdar Initiative was founded at government level with the concept of CSR to support the cause of environment sustainability. Every year, since 1985, the company has given away 10% of its pretax profits to support environmental causes. Today, it donates its time, services and at least 1 percent of sales or 10 percent pretax profits to hundreds of grassroots environmental groups all over the world who work to help reverse the environmental tide.

**4. Every marketer and its companies should provide desirable products to its customers.** For example the desirable products namely - GE's energy smart fluorescent light bulb, gives long life and energy savings; Neptune washer provides superior cleaning along with water savings and energy efficiency; Haworth's Zody office chair is not only attractive but also environmentally friendly product. It is made without PVC, chlorofluorocarbons (CFCs), or any other toxic materials. 98% of the chair can be recycled. The energy used in the manufacturing process is completely offset by wind power credits. When the chair is ready to be retired, the company will take back and reuse its components.

**5. Idealistic Scientist** - For example, PepsiCo recently hired a team of "idealistic scientist, headed by a former director of the WHO, to help the company create attractive new healthy product option. The group of physicians, PhDs and other health advocates, under the direction of PepsiCo' vice president for global health policy looks for healthier ingredients that can go into multiple products. For example, their efforts led to an all natural zero calorie sweeteners now featured in several new PepsiCo brands. In another instance, Tropicana orange juice variation contains no artificial sweeteners and half the sugar and calories.

**6. Ethics Policies and Philosophies:** - Good ethics are a cornerstone of sustainable marketing. The sustainable marketing goals of long term consumer and business welfare can be achieved only through ethical marketing conduct. Conscientious marketers face many moral dilemmas. The best thing to do is often unclear. Companies need to develop corporate marketing ethics policies - these policies should cover distributor relations, advertising standards, customer service pricing, product development and general ethical standards.



But what principle should guide companies and marketing managers on issues of ethics and social responsibility? One philosophy is the free market and the legal system should decide such issues. Under this principle, companies and their managers are not responsible for making moral judgments. Companies can in good conscience do whatever the market and legal systems allow.

The second philosophy puts responsibility not on the system but in the hands of the individual companies and its managers. This more enlightened philosophy suggests that a company should have a social conscience. Companies and managers should apply high standards of ethics and morality when making corporate decisions regardless of "what the system allows."

Each company and marketing manager must work out a philosophy of socially responsible and ethical behavioral. Under the societal marketing concept, each manager must look beyond what is legal and allowed and develop standards based on personal integrity, corporate conscience and long run consumer welfare.

**7. Transparency:** In 2007, the discovery of lead paint on several of its best selling products forced Mattel to recall millions of toys from worldwide operations. Threatening as this was, rather than hesitating or hiding the incident, the company's brand advisors were up to the challenge. Their quick, decisive response helped to maintain consumer confidence in the Mattel brand, even contributing to a 6% sales increase over the same period from the year before.

**8. Bribing:** - As with environmentalism, the issue of ethics presents special challenges for international marketers. Business standards and practices vary a great deal from one country to the next. For example, bribes and kickbacks are illegal for US firms and a variety of treaties against bribery and corruption have been signed and ratified by more than 60 countries. The world bank estimates that bribes totaling more than \$ 1 trillion per year are paid out worldwide. One study showed that the most flagrant bribe paying firms were from India, Russia and China.

Many industrial and professional associations have suggested codes of ethics and many companies are now adopting their own codes. For Example, the American Marketing Association, an international Association of marketing managers and scholars, developed the code of ethics.

## LESSONS AND IMPLICATIONS

W.D Ross, a Scottish philosopher, amended Immanuel Kant's works by formulating a list of duties in order of importance, which he delivered necessary to live by. Ross believed that, in order to live within a duty-based means, people should:

1. Tell the Truth.
2. Right the wrongs that one has done to others.
3. Act Justly
4. Help others in respect to virtue, intelligence, and happiness.

5. Improve oneself with respect to virtue and intelligence.
6. Give thanks
7. Avoid injury to others.

In conclusion, it is necessary that a list of ethical disciplines should be outlined based on the above points which will help the marketing managers to work ethically. Always be ethical in using the concept namely “doing things right” in all your dealings and activities.

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