

# Marketing planning



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Ethical Marketing Issues with British Petroleum Ethical Marketing with 7 Ps of Marketing Mix The concept of ethical marketing has been defined as an approach to marketing which sets up high ethical standards and they are positively communicated (Lake, 2009). Beamish and Ashford (2007) suggest that should a company be serious about acting responsibly at ethical and social level, then it is highly imperative that there may be the marketing mix adoption. Some examples of ethical marketing include that product should meet safety standards and dangerous products should be removed (Beamish and Ashford, 2007 p. 20). Promotion should be transparent and clear and it should be ethical in practice. For place, environmental issues and transportation concerns are considered (Beamish and Ashford, 2007 p. 21).

Organization British Petroleum (BP) is an oil and gas company who is involved in finding, extracting oil and gas. Besides making fuels and products, BP sells fuels and fuel products in a number of countries. The strength and spread of BP can be understood from the fact that it employs 83, 400 employees as at 31 December 2011 (British Petroleum, 2012).

Ethical Issues The BP's Baku-Tbilisi-Ceyhan (BTC) oil and gas pipeline project did not give sufficient compensation to Azeri, Georgian and Kurdish local people who were affected by the project and while promoting the BTC project, the BP did not clearly inform to the International Finance Corporation (IFC) (Hopkins, 2012). Many NGOs accused BP of violating dozens of the principles including human rights, ethical, environmental and legal standards. BP did not give adequate compensation to the local people. As a result, it was considered to be a socially and ethically irresponsible act on the part of BP. As the BTC project was going to directly affect the local people of these regions, BP should have considered them while acting upon

seven Ps of marketing mix. Moreover, BP did not act ethically while promoting the project with the financiers and other regulatory bodies instead BP misled them. It was the consequence of unethical marketing practices that led to hearings by a special committee in the UK parliament on the issues of the BTC funding (Hopkins, 2012). As a result, BP's Ethics and Compliance team developed and organized the creation, publication and distribution of code of conduct in 2005 (Ferrell and Hartline, 2005 p. 556). Also, the BTC project utilized IFC's public consultation Good Practice Manual (IFC, 2012). Both steps were taken and incorporated into the marketing strategy by BP.

**Research Method** The secondary research method was employed to complete the paper requirements. First, the concept of ethical marketing was researched through online and offline sources. A particular focus was given on the 7 Ps of marketing mix. After completing research on marketing mix, the researcher used British Petroleum and its unethical marketing practices related to marketing mix. For this information, the researcher went through different sources to understand the ethical marketing issues faced by BP.

**Reasons for Selecting the Ethical Issue** The highlighted ethical issue affects almost everyone. The unclear BTC project description and its legal, ethical and environmental issues were not only taking away the rights of the local people, but they were also harming the physical environment.

**Reflective Review General Overview** Business and marketing ethics have obtained a central importance in the corporate world. Many events have indicated that unethical marketing have very severe repercussions not only for the marketers but also for the customers. For example, if a company sells a product more than its standard market price, this act is not only unethical but it has long term business ramifications. The

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customers, who purchased the product from the company, may decide to avoid purchasing from the company as it does not apply standard market price. As a result, the company will continue losing its customers if it continues to sell the product more than the standard selling price.

**Research Method** The secondary research method has many limitations. The researcher is required to rely on the pre-existing information and the chances of bias cannot be ruled out as many companies prefer to use display their positive image instead of real image. The preference should be given to primary research which gives first hand information.

**Ethical Marketing- Reflection** Ethical marketing brings durability in the customer-business relationship. The customers know that the company is charging a standard selling price and strictly follows the norms of ethical marketing.

**Future of Ethical Marketing** The future of ethical marketing is promising. The recent trend indicates that marketing ethics are spreading globally. Customers, suppliers, producers and manufacturers are realizing that their individual stakes can only be served when the ethics are applied to the marketing activity.

**References** Beamish, K, Ashford, R 2007, Marketing Planning, Butterworth-Heinemann, Oxford British Petroleum, 2012, BP at a glance, British Petroleum, viewed 3 July, 2012 Ferrell, OC, Hartline, MD 2005, Marketing Strategy, 5th edn, South-Western Cengage, Ohio. Hopkins, M, 2012. Corporate Social Responsibility and International Development: Is Business the Solution? Earthscan, London IFC, 2012, Environmental and Social Issues, International Finance Corporation, viewed 3 July, 2012 Lake, LA 2009, Consumer Behavior for Dummies, Wiley, Indiana