

Is marketing ethical

[Business](#), [Marketing](#)



I also certify that I prepared this paper specifically for this course and have not borrowed any material from any paper previously submitted in another course at Longwinded University. Student's Signature: John W. Plunked

Michelle Grimes Essay #1 - Is Marketing Ethical? July 27, 2015

Is Marketing Ethical? The purpose of this paper is to discuss whether or not Marketing is ethical. The flow of this paper will present a brief discussion on the definition of marketing, a brief discussion on the definition of ethics, and overview of the marketing process, and finally a narrative that discusses my view on whether or not marketing is ethical.

WHAT IS MARKETING? According to the Kettle text, marketing is the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return (Kettle and Armstrong 5). This definition extends marketing beyond advertising, promotion and selling. Marketing is used to create value for customers and building strong relationships with those customers. If a company is successful in creating value and building strong customer relationships, the company will be able to capture value from customers.

WHAT IS ETHICS? According to Brown and Suture, ethics are the moral principles and values that govern the way an individual or a group conducts its activities (Brown and Suture 10). Based on the definition provided by Brown and Suture, ethics go beyond whether something is legally or socially correct. It is based on a set of principles and values. The principles and values employed by a company will drive the overall marketing process of that company.

WHAT IS THE MARKETING PROCESS?

Since marketing goes beyond the advertising, promotion and selling of a product, a company's ethical approach to marketing would need to extend to all five steps in the marketing process. The five steps of the marketing process are as follows: 1. Understanding the customer's needs 2. Designing customer driven marketing strategies 3. Integrated marketing programs 4. Building customer relationships 5. Capturing value for the company (Kotler and Armstrong 4). The first stage of the marketing process pertains to understanding the customer's needs.

This step includes the marketing research process. Marketing research begins well before the advertising and promotion phase of marketing. The American Marketing Association defines marketing research as the function that links the consumer, customer, and public to the marketer through information-information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process.

Marketing research specifies the information required to address these issues, designs the method for collecting information, manages and implements the data collection process, analyzes the results, and communicates the findings and their implications (American Marketing Association Publishing). The second step of the marketing process entails designing customer driven marketing strategies. In order to design an effective customer driven marketing strategy, the company must ask itself two questions. First, what customers will we serve (target market)?

Second, how can we best serve those customers (value proposition) (Kettle and Armstrong 8)? These questions will provide an insight into who the company should target distribution and how to promote value to the customer. The third part of the marketing process is to develop an integrated marketing program. This step consists of the marketing mix. The marketing mix consists of product, price, place, and promotion. The firm must blend each marketing mix tool into a comprehensive integrated marketing program that communicates and delivers the intended value to chosen customers (Kettle and Armstrong 12).

The fourth step of the marketing process is to build customer relationships. Building customer relationships is an integral part of the marketing process. Without strong customer relationships, a company and its product offerings would not survive. Therefore, this part of the marketing process is often called customer relationship management. According to the American Marketing Association, customer relationship management (or CRM) seeks to create more meaningful one-on-one communications with the customer by applying customer data (demographic, industry, buying history, etc. To every communications vehicle (American Marketing Association). The final phase of the marketing process is to capture value for the company. This phase represents the value a company receives by creating satisfied customers who stay loyal to the brands offered by the company. However, a company can fail to capture value if it fails to successfully implement the first four phases of the marketing process or if it uses unethical approaches during those phases. IS MARKETING ETHICAL? By understanding the marketing

process and knowing the definitions of marketing and ethics, we can ascertain whether or not marketing is ethical.

Marketing and ethics go hand-in-hand. In order to create value for customers and build a strong customer relationship (as Kettle suggests), a company should look at its core moral principles and values to ensure that they align. Marketing (by itself) is not unethical. What makes marketing unethical is utilizing methods that don't create value for customers, don't build strong customer relationships, and can't capture value from customers in return. Additionally, unethical marketing includes practices that do not adhere to the principles and values that govern the way a company operates.

The following are three examples of unethical marketing practices: 1.

Nonconforming products 2. Price-fixing or price collusion 3. False product advertising Nonconforming products would include advertising a product that does not live up to the expectation of the end user. For example, a customer is looking for a type of paint that will eliminate the need to apply more than one coat. The sales representative directs the customer to a particular brand that includes a primer, but fails to tell the customer that he/she will need to apply two or more coats of paint in order to cover the area being painted.

The sales representative sold the customer a nonconforming item due to the lack of information provided to the customer. Price fixing or price collusion includes setting prices that are not in line with the benefit that a customer will obtain. An example would be when two companies work together to artificially inflate prices, or if a company advertises a discount on suggested manufacture prices when that company usually charges less than the

suggested manufacture price. False product advertising would include false statements about a product that would compel potential and existing customers to buy their products or services.

These statements could include false statements, exaggerated benefits, or make unverifiable claims about their offers. This is common in the weight loss industry, where marketers convince potential buyers that a particular product can help them shed so-and-so pounds within two weeks without exercise or dieting (Martins).