

Based on: "Wrestling with Ethics" by Philip Kotler

Competition is a fact of life for marketers. It is both a challenge that cannot be avoided and a great source of adrenaline and the desire to succeed in an increasingly global and information-oriented marketplace. Consumers have easy access to tons of information, allowing for quick comparisons of products and services to suit their specific needs.

Executives are commonly concerned with the results their companies are getting, whether it is in terms of customer service, number of orders, or simply the bottom line. Marketers, on the other hand, while paying attention to these statistics, also face the challenge of increasing the 'good' numbers (for example, sales, satisfaction ratings, number of consumers who purchase the company's products or services more than once) and decreasing the 'bad' ones (for example, number of clients who are not completely satisfied, or amount of pollution caused by the company during the process of providing its products or services). Marketing is not just about informing the right people about the right products and making a sale; it is about gradually penetrating the psyches of a company's target market and convincing the people that the products the marketers are promoting are worth the buyer's time and attention. The marketer's job is to build a positive image of trust between the company and each individual consumer. This generally happens over time, and conforming to ethical standards certainly helps a company to live up to the image it wishes to portray. In fact, companies that do not give an appropriate weight to ethics in their marketing and general behavior have been known to fall apart, with obvious examples of this type of situation being Enron, Worldcom, and other well-publicized scandals (Boone and Kurtz, 98).

Publicity is a sensitive issue for such companies because they cannot possibly tell the entire story of their activities without fear that someone will figure out what is really going on, whether it is the sharing of too much insider information or a case of someone balancing the books to generate a false positive image and increase the company's shareholder base. Even the most carefully cultivated brand image can be instantly turned to ashes in the face of a negative media frenzy caused by a wide range of ethical dilemmas in which the 'wrong' decision was made. However, for companies that confine their behavior to what their conscience tells them is right---assuming most companies have people with consciences---any publicity is bound to have positive effects for the proliferation of consumer awareness of their brand.

As the saying goes, "what goes around comes around." It is simply not worth it to cheat and steal in the hopes of turning one's company into a mint, while at the same time knowing that each additional dime collected via unethical means increases the chances of ridicule, should the media smell blood. There might even be the very bright prospect of eating jail food for a couple of years and getting a few black eyes.

There are, in fact, more reasons to set and achieve a high bar in terms of ethics than punishment and a jail sentence. If a positive outward company image is mirrored in the work environment, employees will happily work harder, making sure that the quality of products and services offered by the company is unmatched. This, of course, is the ethical way of obtaining success, and the success usually becomes a constant when the company has nothing to hide behind closed doors.

Another advantage of creating a positive image for the general public is the fact that more consumers tend to gravitate toward firms when they know a portion of the money they are spending is headed for a good cause. For example, the Boone and Kurtz text gives an example of a company with very high ethical standards in Video Case 3.2. Green Mountain Coffee is a company that “is well known for its ethical business practices and its commitment to social responsibility,” and its project of Rain Forest Nut coffee, which was intended to increase public awareness of the depletion of rain forests, as well as raising money for Rainforest Alliance and Conservation International, has been a huge success. “Consumers loved the taste of the Rain Forest Nut coffee, as well as the philosophy behind it, and sales took off.” (Boone and Kurtz, VC-4)

Green Mountain Coffee has been ranked fifth overall in *Business Ethics*, and Boone and Kurtz write that “all the good business ethics and social responsibility in the world wouldn’t amount to a hill of coffee beans if Green Mountain weren’t a great place to work.” (VC-5) But the fact is that the company’s emphasis on changing the world for the better by protecting rain forests and buying coffee from socially responsible suppliers undoubtedly has a positive impact on the minds of its employees. They have to feel good about the company they work for, and they are not forced into positions where they have to say or do things that go against their instincts.

But this is not to say that all companies see the many benefits of being in the ethical ‘right,’ or perhaps they simply cannot reap these benefits because of the nature of their industries or products. In “Wrestling with Ethics,” Philip Kotler provides the example of the tobacco companies, who, “if unchecked, will try to get everyone who comes of age to start smoking cigarettes.” Kotler goes on to describe why tobacco companies have a competitive advantage not seen in other industries: given the addictive nature of their products, once someone is hooked, they are “customers for life.” (Richardson 73)

Every company dreams of having just that: customers that will keep coming back to purchase their products year after year. But smokers usually don’t have a choice unless their willpower can overcome the extremely strong addiction that tobacco companies have, some accuse, intentionally caused. It is widely believed that these companies keep nicotine levels high even though it may be possible to provide the same amount of ‘satisfaction’ to consumers with lower levels. The tobacco companies, however, are satisfied with an ever-increasing consumer base, virtually all of which begins smoking during their teenage years.

This, of course, brings up another ethical argument: should tobacco companies be allowed to market to teenagers, their target market for all practical purposes but nonetheless the population that is forbidden by law from responding to this marketing? The courts have decided not to allow tobacco companies to advertise near schools or on television. But the lesson learned from the Prohibition era is quite relevant to this situation, that the more the government outlaws something, the more consumers will fight to get their hands on it. So in order to combat any (ironic) unintended side effects from a lack of advertising, the “sin” taxes have been increased, forcing “smokers [to] pay hefty government taxes for cigarettes.” (Richardson 75)

Additionally, given the greatly hazardous nature of items such as cigarettes to the health of the general public, which includes nonsmokers who are exposed to secondhand smoke and may even contract diseases like lung cancer as a result, countries have taken

steps to provide their citizens with the information they need to take a stand against harmful habits. For example, “Sweden [has] developed a social policy to use public education to raise a nation of non-smokers and non-drinkers. Children from the first grade up were educated to understand the ill effects of tobacco and alcohol.” (Richardson 75) Many scientific research studies show that habits acquired during the earliest years of human life tend to stay with people throughout life, and this is a very effective approach to the problems of addiction. It makes ethical sense to expose people to the dangers, not the advertisements, of smoking, drinking, and doing drugs from a very young age, before children feel pressured by their peers to try something they will live (and possibly even die) to regret.

An obvious example of advertising to children that is still legal is that by fast-food restaurants such as McDonald’s. Although the dangers of their “value meals” and other offerings are quite well documented, and although there have been protests via movies such as “Supersize Me,” these companies are allowed to advertise on the basis that it is ultimately a choice of the parents whether to take their children to eat in a fast-food restaurant. Freedom of choice is argument also used by the tobacco companies, and yet what choice does an addict have but to give in to his or her addiction, especially if he or she has tried to quit and has given up just like millions of the tobacco industry’s consumers? Likewise, once a child is psychologically programmed to think of a visit to McDonald’s as a reward, he or she will want even more. The difference between these industries is the tobacco companies addict physically, whereas fast-food can be viewed as psychologically addictive.

McDonald’s has taken the initiative, whether in response to protest or be listening to its conscience, to introduce a healthier array of choices for its consumers. The tobacco industry has simply been forced to cut advertising in certain places in order for it to ‘obey’ the standards of society.

There are many ethics-based questions that need to be answered on a regular basis, and the answers of people in charge have the potential to influence millions of lives. Some of these questions are being responded to by government intervention, as in the case of advertising for cigarettes and alcohol. Some ethical decisions are made by top management in companies, from the suppliers they choose to work with to the ingredients in their products, and how well they educate their consumers of the health effects of using their products, both positive and adverse. In the end, there is no real right or wrong ethical decision; it is purely a matter of the conscience. And as far as marketing and brand image is concerned, the more a company’s decisions are in agreement with its common conscience, the more successful it will be. In effect, a company certainly should not feel pressured to engage in morally inappropriate behavior, nor make its consumers feel that way.