

# Ethics and Marketing

by Sophia



## WHAT'S COVERED

What is ethical marketing? Have you ever heard the term "snake oil salesmen," referring to people who sold a product that supposedly cured everything in the world, but was really just whiskey? That's not a very ethical business practice, is it? This tutorial will cover the role of ethics in marketing. Our discussion breaks down as follows:

1. [Ethical Responsibility of Businesses](#)
2. [Four Stances on Social Responsibility](#)

## 1. Ethical Responsibility of Businesses

Businesses have a responsibility to be ethical in their marketing practices to their stakeholders or customers, employees, suppliers, the local community, and investors. Therefore, businesses can't go around claiming that products do things that they don't, or outright lying in other ways. Doing so hurts the business, which in turn hurts the stakeholders.

Businesses also have a responsibility to the environment, and how they impact the environment as a whole. Damaging the environment around the business can have far-reaching effects not only on investors and employees in the business itself, but also on the local community in which that business lives. Being a bad neighbor is never a good idea.

Businesses also have a responsibility to the consumer; however, not every business is going to be pro-social responsibility. You can make an argument that a business's primary responsibility is to make money, which in turn employs people. That provides business to suppliers, a return on investment, and it generally brings money into the local economy, which are all good things. The argument would then follow that it is the government's responsibility to set safe guidelines.

There are two different ways to view this issue:

- Businesses have a responsibility to the stakeholders, the environment, and the customer
- Businesses have a responsibility to themselves, and the benefits that the stakeholders, environment, and customers get are simply by-products of the business looking out for itself.

## 2. Four Stances on Social Responsibility

When applying social responsibility to marketing as it relates to business, businesses basically have four choices or stances:

- Obstructionist stance
- Defensive stance
- Accommodative stance
- Proactive stance

You'll notice that as we take a closer look at each of these stances in order, the constraints on marketing for a business are going to lessen with each stance.

Stance on Social Responsibility	Description	Example
<b>Obstructionist Stance</b>	An approach to social responsibility in which the organization actively tries to avoid, slow, or stop social responsibility. Companies with an obstructionist stance will have the most constraints regarding what they can do with marketing.	Enron marketed itself as an honest company. It actually told its employees to buy its stock to fund their retirement plans. The entire time that the company was selling its products in an honest and straightforward way, it was also working behind the backs of the stakeholders, customers, and environment to make sure that its only goal was making money for the owners.
<b>Defensive Stance</b>	An approach to social responsibility in which the organization will fight allegations of social irresponsibility, including through their use of marketing.	Tobacco companies will market their product as cool or hip while also claiming that it isn't really that addictive.
<b>Accommodative Stance</b>	An approach to social responsibility in which the organization goes beyond the minimal standards of social responsibility, but does not necessarily seek to make major changes.	Suppose there is a store that is honest in its advertising and gives its customers good prices. The store doesn't purposely mislead customers, but it also doesn't go out of its way to make major changes in the social responsibility scene.
<b>Proactive Stance</b>	An approach to social responsibility in which the organization goes beyond the minimal standards of social responsibility by actively anticipating future needs. This is the stance with the least amount of constraints placed on a	Companies that make biodegradable packaging are marketing a solution for today's issues of social responsibility, but they're also looking long-term by thinking, "How will this impact society as a whole in the future?"

	business as far as marketing its products.	
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## TERMS TO KNOW

### Obstructionist Stance

An approach to social responsibility in which the organization actively tries to avoid, slow, or stop social responsibility.

### Defensive Stance

An approach to social responsibility in which the organization will fight any allegations of social irresponsibility.

### Accommodative Stance

An approach to social responsibility in which the organization goes beyond the minimal standards of social responsibility but does not necessary seek to make major changes.

### Proactive Stance

An approach to social responsibility in which the organization goes beyond the minimal standards of social responsibility by actively anticipating future issues.



## SUMMARY

Today we learned about the **ethical responsibility of businesses** in their marketing. We examined the **four stances on social responsibility** as it applies to marketing: the obstructionist stance, the defensive stance, the accommodative stance, and the proactive stance.

Good luck!

Source: adapted from sophia instructor james howard



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### Accommodative Stance

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### Defensive Stance

An approach to social responsibility in which the organization will fight any allegations of social irresponsibility.

### Obstructionist Stance

An approach to social responsibility in which the organization actively tries to avoid, slow, or stop social responsibility.

**Proactive Stance**

An approach to social responsibility in which the organization goes beyond the minimal standards of social responsibility by actively anticipating future issues.