



RAMA UNIVERSITY

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E-Content BBA402- Marketing Management

Lecture 7- Ethics and Social Responsibility, Norms and Values

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Ethics

Ethics is the set of moral principles or values that guides behavior

If a company acts unethically, it risks damaging its reputation and its customers' trust—worse, it can face lawsuits and criminal prosecution





Norms and Values

- Norms are established standards of conduct that are expected and maintained by society and/or professional organizations
- Values represent the collective conception of what communities find desirable, important, and morally proper

Common Ethical Issues in Marketing

- 15% of marketing professionals say bribery is the most difficult ethical issue
- 14% of marketing professionals say fairness is the most difficult ethical issue
- 12% of marketing professionals say honesty is the most difficult ethical issue
- 12% of marketing professionals say price is the most difficult ethical issue
- 11% of marketing professionals say product is the most difficult ethical issue
- 10% of marketing professionals say personnel is the most difficult ethical issue
- 5% of marketing professionals say confidentiality is the most difficult ethical issue
- 4% of marketing professionals say advertising is the most difficult ethical issue
- 4% of marketing professionals say manipulation of data is the most difficult ethical issue

Brand Management

What does the product and brand imagery of the post on the right add (if anything) to the sincerity of the gratitude compared to the simple text version?

What is the difference between the post on the left (which was not made) and the one on the right (which was)?



To the first responders of Boston:
Thank you. You are true
American heroes.

Like · Comment · Share



Corporate Social Responsibility

- Corporate social responsibility is the ethical behavior of a company toward society
- It means acting responsibly toward the stakeholders—not just the shareholders—who have a legitimate interest in the business



Product Liability: Marketing Defects

- Marketing defects result from flaws in the way a product is marketed
- Examples include improper labeling, poor or incomplete instructions, or inadequate safety warnings





Privacy

- Do-Not-Call Implementation Act of 2003
- The Controlling the Assault of Non-Solicited Pornography and Marketing (CAN-SPAM) Act

Keep Customer Information Secure

- Start with security: only collect customer data when necessary; be transparent; and treat the data with extreme care
- Control and restrict access to sensitive data
- Make sure your service providers implement reasonable security measures: write security into contracts and verify compliance
- Establish procedures to keep your security current and address vulnerabilities that may arise; heed credible security warnings
- Secure paper, physical media, and devices —not all data are stored digitally

Fair Information Practice Principles.

The Federal Trade Commission recommends that companies follow these guidelines:

- **Notice:** Consumers should be given notice before any personal information is collected from them.
- **Choice:** Consumers can control how their data is used.
 - Opt in or opt out models
- **Access:** The consumer's ability to view the data collected and also to verify and contest its accuracy.
- **Security:** Information collectors should ensure that the data they collect is accurate and secure.

Fraud

The Federal Trade Commission has determined that a representation, omission, or practice is deceptive if it is likely to:

- Mislead consumers and
- Affect consumers' behavior or decisions about the product or service.

When it comes to marketing fraud, the two key words are *deliberate deception*

Trust

- The goal of marketing is not to deceive

