

*it's good and  
good for you*

# Chapter Twenty

## Sustainable Marketing Social Responsibility and Ethics

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# Sustainable Marketing Social Responsibility and Ethics

## Topic Outline

- Sustainable Marketing
- Social Criticisms of Marketing
- Consumer Actions to Promote Sustainable Marketing
- Business Actions Toward Sustainable Marketing
- Marketing Ethics
- The Sustainable Company



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## Sustainable Marketing

Meeting needs of consumers while preserving the ability of future generations to meet their needs

Needs of Consumers	Now	Marketing concept	Strategic planning concept
	Future	Societal marketing concept	<b>Sustainable marketing concept</b>
		Now	Future
		Needs of Business	



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## Social Criticisms of Marketing

### Marketing's Impact on Individual Consumers

- High Prices
- Deceptive Practices
- High-Pressure Selling
- Shoddy, Harmful or Unsafe Products
- Planned Obsolescence
- Poor Service to Disadvantaged Consumers



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## Social Criticisms of Marketing

### Marketing's Impact on Individual Consumers High Cost of Distribution

#### Complaint:

- Prices are too high due to high costs of:
  - Distribution
  - Advertising and promotion
  - Excessive mark-ups

#### Response:

- Intermediaries are important and offer value
- Advertising informs buyers of availability and merits of a brand
- Consumer's don't understand the cost of doing business



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## Social Criticisms of Marketing

### Marketing's Impact on Individual Consumers Deceptive Practices

Complaint: Companies use deceptive practices that lead customers to believe they will get more value than they actually do. These practices fall into three categories:

- Deceptive pricing
- Deceptive promotion
- Deceptive packaging



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## Social Criticisms of Marketing

### Marketing's Impact on Individual Consumers Deceptive Practices

Response:

Support Legislation to protect consumers from deceptive practices

Make lines clear—Is it deception, alluring, or puffery that is just an exaggeration for effect?

- Products that are harmful
- Products that provide little benefit
- Products that are not made well



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## Social Criticisms of Marketing

### Marketing's Impact on Individual Consumers

#### High-Pressure Selling

##### Complaint:

- Salespeople use high-pressure selling that persuade people to buy goods they had no intention of buying.

##### Response:

- Most selling involves building long-term relationships and valued customers. High-pressure or deceptive selling can damage these relationships.



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## Social Criticisms of Marketing

### Marketing's Impact on Individual Consumers

#### Deceptive Practices

#### Shoddy, Harmful, or Unsafe Products

##### Complaint:

- Products have poor quality, provide little benefit, and can be harmful.

##### Response:

- Good marketers realize there is no value in marketing shoddy, harmful, or unsafe products.



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## Social Criticisms of Marketing

### Marketing's Impact on Individual Consumers

#### Planned Obsolescence

#### Planned Obsolescence

##### Complaint:

- Producers cause their products to become obsolete and change consumers' concepts of acceptable styles to encourage more and earlier buying.

##### Response:

- Planned obsolescence is really the result of competitive market forces leading to ever-improving goods and services.
- Customer customers like style changes and want the latest innovations



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## Social Criticisms of Marketing

### Marketing's Impact on Individual Consumers

#### Poor Service to Disadvantaged Consumers

##### Complaint:

- American marketers serve disadvantaged customers poorly. Some retail companies "redline" poor neighborhoods and avoid placing stores there.

##### Response:

- Some marketers profitably target these customers and the FTC has taken action against marketers that do advertise false values, wrongfully deny service, or charge disadvantaged customers too much.



## Social Criticisms of Marketing

### Marketing's Impact on Society as a Whole

*False wants and too much materialism*

*Too few social goods*

*Cultural pollution*



## Social Criticisms of Marketing

### Marketing's Impact on Society as a Whole

#### False Wants and Too Much Materialism

##### Complaint:

- The marketing system urges too much interest in material possessions. People are judged by what they own rather than who they are, creating false wants that benefit industry more than they benefit consumers.

##### Response:

- People do have strong defenses against advertising and other marketing tools. Marketers are most effective when they appeal to existing wants rather than creating new ones. The high failure rate of new products shows that companies cannot control demand.



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## Social Criticisms of Marketing

### Marketing's Impact on Society as a Whole

#### Too Few Social Goods

##### Complaint:

- Businesses oversell private goods at the expense of public goods and require more public goods to support them

##### Response:

- There needs to be a balance between private and public goods
- Producers should bear full social costs of their operations
- Consumers should pay the social costs of their purchases



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# Social Criticisms of Marketing

## Marketing's Impact on Society as a Whole

### Cultural Pollution

#### Complaint:

- Marketing and advertising create cultural pollution

#### Response:

- Marketing and advertising are planned to reach only a target audience, and advertising makes radio and television free to users and helps to keep down the costs of newspapers and magazines. Today's consumers have alternatives to avoid marketing and advertising from technology.



# Social Criticisms of Marketing

## Marketing's Impact on Other Businesses

- Acquisition of competitors
- Unfair competitive marketing practices





## Consumer Actions to Promote Sustainable Marketing

**Consumerism** is the organized movement of citizens and government agencies to improve the rights and power of buyers in relation to sellers



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## Consumer Actions to Promote Sustainable Marketing

### Consumerism

**Traditional buyers' rights** include:

- The right not to buy a product that is offered for sale
- The right to expect the product to be safe
- The right to expect the product to perform as claimed
- Comparing these rights, many believe that the balance of power lies on the seller's side



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## Consumer Actions to Promote Sustainable Marketing

### Consumerism

#### Advocates call for:

- The right to be well informed about important aspects of the product
- The right to be protected against questionable products and marketing practices
- The right to influence products and marketing practices in ways that will improve the “quality of life”
- The right to consume now in a way that will preserve the world for future generations of consumers



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## Consumer Actions to Promote Sustainable Marketing

**Environmentalism** is an organized movement of concerned citizens, businesses, and government agencies to protect and improve people’s living environment



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## Consumer Actions to Promote Sustainable Marketing

### Environmentalism

- Environmental sustainability is getting profits while helping to save the planet



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## Consumer Actions to Promote Sustainable Marketing

### Environmentalism Environmental Sustainability

- Pollution prevention
- Product stewardship
- Design for environment (DFE)
- New clean technologies
- Sustainability vision



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## Consumer Actions to Promote Sustainable Marketing

### Environmentalism Environmental Sustainability

**Pollution prevention** involves not just cleaning up waste but also eliminating or minimizing waste before it is created

**Product stewardship** involves minimizing the pollution from production and all environmental impact throughout the full product life cycle



**Design for environment (DFE)** involves thinking ahead to design products that are easier to recover, reuse, or recycle

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## Consumer Actions to Promote Sustainable Marketing

### Environmentalism Environmental Sustainability

**New clean technologies** involve looking ahead and planning new technologies for competitive advantage

**Sustainability vision** is a guide to the future that shows the company that the company's products, process, and policies must evolve and what is needed to get there



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# Consumer Actions to Promote Sustainable Marketing

## Public Actions to Regulate marketing

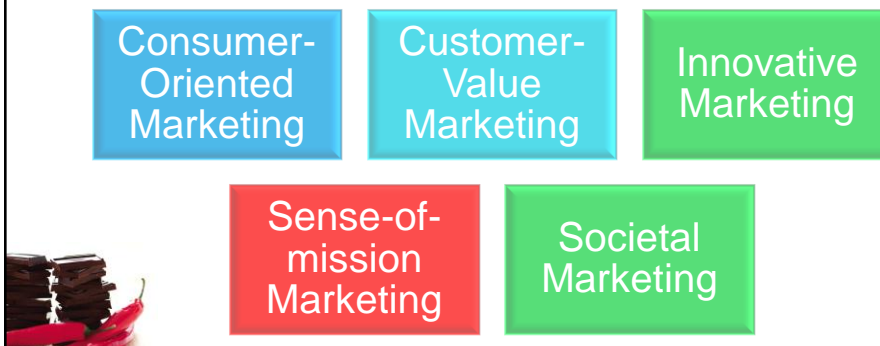


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# Business Actions Toward Sustainable Marketing

## Sustainable Marketing Principles



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## Business Actions Toward Sustainable Marketing

### Consumer-Oriented Marketing

- View marketing activities from the consumer's point of view
- Deliver superior value



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## Business Actions Toward Sustainable Marketing

### Customer-Value Marketing

- Invest in customer-value building marketing
- Create value FOR customers



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## Business Actions Toward Sustainable Marketing

### Innovative Marketing

- Company seeks real product and marketing improvements



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## Business Actions Toward Sustainable Marketing

### Sense-of-Mission Marketing

- Define mission in broad social terms rather than narrow product terms



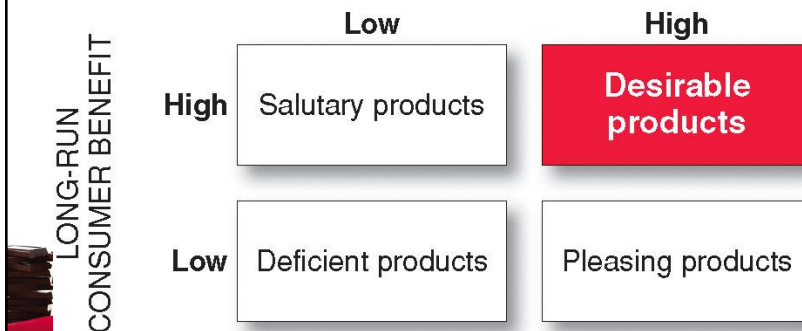
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## Business Actions Toward Sustainable Marketing

### Societal Marketing

IMMEDIATE SATISFACTION



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## Business Actions Toward Socially Responsible Marketing

### Marketing Ethics

**Corporate marketing ethics** are broad guidelines that everyone in the organization must follow that cover distributor relations, advertising standards, customer service, pricing, product development, and general ethical standards

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## **Business Actions Toward Socially Responsible Marketing**

### **Marketing Ethics**

- Who should guide companies?
- The free market and the legal system?
- Individual companies and managers?



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## **Business Actions Toward Socially Responsible Marketing**

### **The Sustainable Company**

- Goes beyond caring for the needs of today's customers and has concern for tomorrow's customers and the broader world



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