

Social Responsibility and Ethics in Marketing

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Abstract

This Paper explains the concept of Corporate Social Responsibility (CSR) and Ethics in Marketing and Identifies and Analyses the points such as 1) To what extent the academicians in the B-Schools are imparting to their budding marketing managers, the importance of Social responsibility and Ethics in their marketing subject or as a separate course. 2) How far the practicing marketing managers in India giving importance to the ethical aspects and 3) To what extent MNCs operating in the developing countries like India taking care of the ethical and social responsibility aspects while operating their business.

Keywords: Conflict, Stakeholders, Corporate Citizenship, Ethnic marketing, Green marketing, Social marketing, Ethical Values.

Introduction

There is a growing trend among academicians and professionals (Indian Marketers and MNCs operating in India started realizing the importance of CSR and ethics in marketing and their role in conducting the business which takes care of the society's interest at the same time **optimizing the profit** of their organizations.

Corporate social responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large". Here society meaning customers and people at large. It is an expression used to describe what some see as a company's obligation to be sensitive to the needs of all the stakeholders in its business operations. A company's stakeholders are all those who are influenced by, or can be influenced by, or can influence, a company's decisions and actions. These can include (but are not limited to): employees, customers, suppliers, community organizations, subsidiaries and affiliates, joint venture partners, local neighborhoods, investors and shareholders (or a sole owner), Government and Media as per the Diagram-1. A variety of terms are used – sometimes interchangeably – to talk about corporate social responsibility (CSR): business ethics, corporate citizenship, corporate accountability, sustainability. In its simplest terms it is: "what you do, how you do it, and when and what you say. Social responsibility and ethics are blended together and applied in various discipline of management such as HR, Finance, computer etc. Here the author is concentrating on CSR and marketing ethics and its impact on the society.

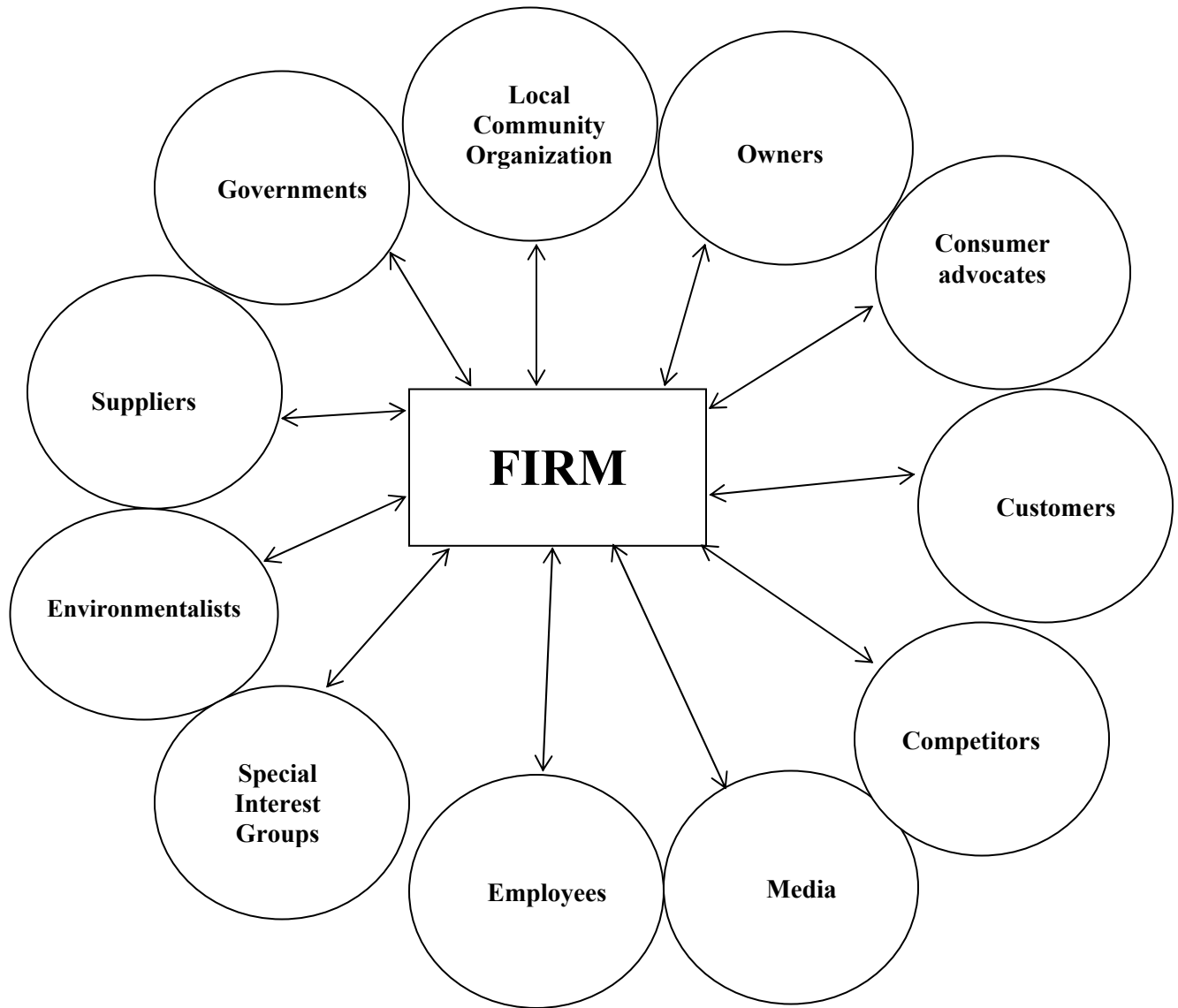


Diagram-1 STAKEHOLDERS OF A FIRM

Source: Freeman Edward R (1984)

Literature Review

When we start talking about Social Responsibility or Corporate Social Responsibility (CSR) and Ethics in marketing the marketer needs to know the concepts of Corporate Social Responsibility, how is it applicable in the field of marketing and ethical conflicts faced by the marketers, the concepts of Consumerism, Social responsibility and ethics in Marketing. The Natural Environment, Green Marketing, Cause Related Marketing, Social Marketing, Ethnic Marketing and its relationships in Marketing Ethics. In the following paragraphs the author explains about each aspect in length. As Weeden has noted, the relationship for social marketers has shifted from *begging* to *partnering* (Weeden 1998, p. 14). However, this shift is not without its perils for both sides. Businesses find that venturing into social enterprise can pose important risks to the firm's reputation when it is found to step over ethical bounds (Sarner and Anderson 1996). At the same time, non-profits organizations have found themselves in new partnerships and networks where

the norms of behavior are unclear and the non-profits are at risk of being exploited intentionally or unintentionally by more powerful and more sophisticated commercial partners. In this context, we need to identify the need for ethics and social responsibility in the Marketing field.

In this article, the author outlines -- with examples -- the motivations and character of what Drumwright, Cunningham and Berger (2000) have called "social alliances," partnerships between for-profit and non-profit organizations and distinguish them from strategic alliances among purely for-profit organizations. We then discuss ways in which social alliances can present ethical challenges for one or both partners. Finally, we discuss the alternatives available to social marketers to both detect and resolve ethical dilemmas in social alliances. Therefore, social responsibility and ethics in marketing is more relevant with motivations and partnerships.

Marketing Alliances

At the outset, it is critical that we define what we mean by "marketing alliances." A marketing alliance is a formal or informal arrangement between organizations where each seeks through marketing activities gains that would not be available to either without such an alliance. In our view, the term alliances encompass two of the three types of marketing exchange characterized by Gundlach and Murphy (1993). Also the concept of ethics and social responsibility in marketing should be understood by the institutions in the field of academic as well as industry. These authors distinguish among transactional, contractual and relational exchanges. A typical *transactional exchange* is a one-time event where, for example, A sells to B. A *contractual exchange* is where A and B agree to a joint undertaking for some fixed period of time, for example, where A and B agree to carry out a six-month promotion of complementary product lines. A *relational exchange* is one that theoretically has no limits, as when A and B conduct a joint venture to market Product Y in Country Z. The last two may be considered "alliances," differing mainly in their time frame and, by extension, the attitudes, intentions and behaviors of the parties. In the commercial sector and academic sector also such alliances may involve equity investments by one or -- more typically --- all parties (cf. Varadarajan and Cunningham 1995).

The concepts of Corporate Social Responsibility (CSR)

CSR is viewed as a comprehensive set of policies, practices and programs that are integrated into business operations, supply chains, and decision-making processes throughout the company – wherever the company does business – and includes responsibility for current and past actions as well as future impacts. The issues that represent a company's CSR focus vary by business, by size, by sector and even by geographic region. In its broadest categories, CSR typically includes issues related to : business ethics, community investment, environment, governances, human rights, market place and workplace .CSR goes beyond charity and requires that a responsible company take into full account of the impact on all stakeholders and on the environment when making decisions. This requires them to balance the needs of all stake holders with their need to make a profit and reward their shareholders adequately.

For the new generation of corporate leaders, **optimization of profits** is the key, rather than the **maximization of profit**. Hence, there is a shift from accountability to share holders to social responsibility to customers and other stake holders.

In today's competitive global marketing, ethics play a vital role, because we are dealing with human values and beliefs. Business spreads beyond boundaries. The marketer has to deal with cross country culture. Many MNC'S like Mc Donald and Nestle had faced lot of problems because of neglecting ethical issues in their marketing practices. They have incurred billions of dollars in monetary values and above all losing thousands of valuable hybrid customers due to the adaptation of unethical advertising & promotional strategies.

According to experts, marketing is viewed as human conduct and is subject to academic analysis and public scrutiny. Ethics is the study of the moral principles that guide the conduct. Historically, there have been two points of view on the study on ethics in marketing. The first is “

Let the buyer beware”. From these points of view, the rights of the seller are central. A company has little regard for customer’s needs and wants. The other point of view is “ let the seller beware”. Here, customer satisfaction is taken to an extreme. No matter what the customer does, it is ok. Which position is correct? How do we resolve the **inevitable conflicts** brought by these competing viewpoints?

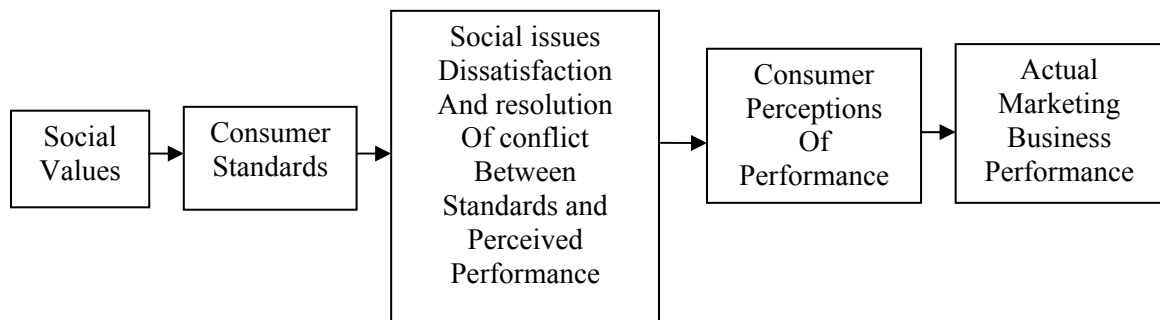
Corporate Social Responsibility (CSR) and Ethics in Marketing:

Kotler and Levy, in their book, Corporate Social Responsibility define corporate social responsibility as “a **commitment to improve community well-being through discretionary business practices and contributions of corporate resources**”.

Some of the benefits of being socially responsible include (a) enhanced company and brand image (b) easier to attract and retain employees (c) increased market share (d) lower operating costs and (e) easier to attract investors. A socially – responsible firm will care about customers, employees, suppliers, the local community, society, and the environment. CSR can be described as an approach by which a company (a) recognizes that its activities have a wide impact on the society and that development in society, in turn supports the company to pursue its business successfully and (b) actively manages the economic, social, environmental and human rights. This approach is derived from the principles of sustainable development and good corporate governance.

Marketing managers within different firms will see some social issues as more relevant than others. The relevance of a given social issue is determined by the company’s products, promotional efforts, and pricing and distribution policies but also by its philosophy of social responsibility.

Flow chart-1



- Focus entirely in profits (and profitable firms typically serve society well)
- Explicitly incorporate social responsibility into its day-today marketing decisions to minimize negative effects on society and enhance positive effects
- Go even further and engage in social projects that are unrelated to the corporate mission and even detrimental to profits (which could net out to be socially undesirable)
- The Success strategies of a Business formed out of abundance and grounded in ethics and cooperation are powerful and long-lasting and they help you feel good about yourself even while bringing in profits (Shel Horowitz)

Management must decide which of these three levels of social responsibility to adopt and which social issues are relevant to its business.

Ethical Conflict faced by the Marketers:

Marketers must be aware of ethical standards and acceptable behavior. This awareness means that marketers must recognize the viewpoints of three key players: the company, the industry, and society. Since these three groups almost always have different needs and wants, ethical conflicts are likely to arise. Ethical conflicts in marketing arise in two contexts : First, when there is a

difference between the needs of the three aforementioned groups (the company, the industry, and society) a conflict may arise. Second and ethical conflict may arise when one's personal values conflict with the organization. In either case, a **conflict of interest** is a possible outcome.

An example of the first type of conflict is the tobacco industry. Cigarettes have for many decades been a lucrative business. So, cigarette and tobacco marketing have been for companies and good for the tobacco industry. Many thousands of people around the world are employed in the tobacco industry. So, the world economy has been somewhat dependent on cigarettes and tobacco. However, cigarettes are harmful to society. There is documented proof that cigarette smoking is harmful to health. This is an ethical conflict for cigarette marketers.

An example of the second type of conflict, when one's personal values conflict with the organizations occurs when a leader in the company seeks personal gain (usually financial profit) from **false advertising**. "Cures" for fatal diseases are one type of product that falls into this category of ethical conflict: In their greed to make a profit, a marketer convinces those who may be dying from an incurable disease to buy a product that may not be a cure, but which a desperately ill person (or members of his or her family) may choose to purchase in an effort to save the dying family member suffering. Promoting and marketing such products violates rules of marketing ethics.

Ethical dilemmas facing marketing professionals today fall into one of three categories: tobacco and alcohol promoting, **consumer privacy**, and **green marketing**. Standards for ethical marketing guide business in efforts to do the right thing. Such standards have four functions: to help identify acceptable practices, foster internal control, avoid confusion, and facilitate a basis for discussion.

Consumerism

Consumerism is concerned with broadening the rights of consumers. The concepts of social responsibility and consumerism go hand-in-hand. If every organization practiced a high level of social responsibility the consumer movement might never have begun. Consumerism is a struggle for power between buyers and sellers; specifically, it is a social movement seeking to increase the rights and powers of buyers in relation to sellers.

Seller's rights and powers are presented in the following list:

- To introduce any product in any size and style they wish into the marketplace, so long as it is not hazardous to personal health or safety or if it is hazardous, to introduce it with the proper warnings and controls
- To price the product at any level they wish, provided there is no discrimination among similar classes of buyers
- To spend any amount of money they wish to promote the product, so long as the promotion is not defined as unfair competition
- To formulate any message they wish about the product provided that it is misleading or dishonest in content or execution
- To introduce any buying – incentive schemes they wish

In contrast, here are buyers' rights and power:

- To refuse to buy a product that is offered to them
- To expect the product to be safe
- To expect the product to essentially match how the seller represented it
- To receive adequate information about the product

It is in the best interest of marketers to understand the level of consumer standards and the nature of consumer perceptions, as well as what is required to foster realism and accuracy among consumers.

Marketing and the Natural Environment

Another significant area of social concern is the environment. Marketing is ultimately dependent on the use of scarce resources to fulfill human needs, without harming or unnecessarily using scarce resources.

Marketing managers should help to determine which products are produced, and which products are indirectly affecting the environment:

- ❖ The natural resources and materials used
- ❖ The amount of energy required in the production process
- ❖ The residuals (e.g., waste water) that result from production
- ❖ The consumption of resources and energy that is required to use products (cars, air conditioners)
- ❖ The generation of pollutants (e.g., exhaust fumes) in using products
- ❖ The amount of packaging material that may have to be discarded. (packaging comprises less than 14 percent of collectible solid waste, but consumers often estimate its share of that waste at 40 to 80 percent)

Relationship Marketing and Ethics

Nowadays, most ethicists believe that Relationship Marketing is a reasonable practice leading to positive relationships between buyers and sellers. Relationship marketing requires that rules are not necessarily contractual.

Relationship marketing allows buyers and sellers to work together. However, there are disadvantages to this approach- relationship marketing requires time to develop a list of expected conduct or “rules of behavior.” According to a recently published book on this subject, a shift in emphasis in marketing ethics – towards buyers interests and away from seller’s interests – characterizes the new country.

If this is true, new challenges are presented for marketing ethics and professionals in the field of marketing who want to conduct business in an ethical way.

Green Marketing and Ethical Issues

The next important area the marketer need to know about what is the relevance of Social Marketing in order to protect the environment and to improve the quality of life and are concerned with issues that include conservation of natural resources, reducing environmental pollution, protecting endangered species, and control of land use. The three Rs of environmentalism are Reduce, Reuse, and Recycle. Many companies are finding that consumers are willing to pay more for a green product. Toyota has become quite successful with their hybrid cars.

Green marketing refers to the development and distribution of ecologically-safe products.

It refers to products and packages that have one or more of the following characteristics: (1) are less toxic, (2) are more durable, (3) contain reusable materials, or (4) are made of recyclable material. In short, these are products considered “environmentally responsible”.

To sight an example One Canadian Executive stated that “ Any marketing executive who does not put a ‘green’ filter on their strategies is looking at losing market share. The whole idea of disposal is going to become unacceptable”. In West Germany and Canada, Procter & Gamble has found high consumer acceptance of pouches of liquid detergents and fabric softeners so consumers can refill rather than discard large plastic bottles.

Cause – Related Marketing and Ethics

Cause-related marketing should not be confused with social marketing. A key difference is that a major purpose of cause-related marketing is to help a business. It might be used to improve the image of the firm or to increase market share. The technique involves associating a business with

a cause. Social marketing, on the other hand, is generally not associated with any company and issued solely to help society by dealing with a social problem.

Cause-related marketing has to be done correctly or it can hurt a company. A firm may look like it is exploiting a charity. It is important for the firm to be transparent and honest about what it is doing. There should also be a fit between the company and the cause. A good fit would be, for example, might be a bottled water company and a cause, it deals with providing clean water for poor people in Asia and Africa.

Social Marketing and Ethics

Social Marketing is defined as the use of marketing principles and techniques to influence a target audience to voluntarily accept, reject, modify, or abandon a behaviour for the benefit of individuals, groups or society as a whole.

Social marketing is usually done by a non-profit organization, government, or quasi-government agency. The goal is either to steer the public away from products that are harmful to them and / or society (e.g., illegal drugs, tobacco, alcohol, etc.) or to direct them towards behaviors or products that are helpful to them and / or society (e.g., having family meals, praying together, etc.).

Ethnic Marketing and Ethics

Another aspect the marketer has to know about Ethnic Issues while going for global marketing and still take care of Ethics. Culture plays an important role in defining ethical standards because dissimilar cultures socialize their people differently, according to what is acceptable behavior. The potential significance of ethnic groups for marketing justifies inquiry into the moral judgments, standards, and rules of conduct exercised in marketing decisions and situations arising from decisions whether or not to focus on individual ethnic groups within an economy. Identifying and targeting ethnic groups for marketing purposes are tasks fraught with many ethical difficulties. In a multicultural society consisting of a dominant group and many diverse, minority groups defined by ethnicity, these problems can be expected to increase substantially. Consequently, marketers may include minority ethnic consumers in their mainstream marketing programs. In itself, this has ethical consequences. Alternatively, if marketers seek to target individual minority ethnic groups within the same economy a further set of ethical consequences needs to be considered.

The international environment is recognized as attracting more difficulties for marketers (Kotler et al., 1998, p. 833) because their “ethics” parameters may not match the notion of “good” in the foreign country where they wish to operate. This is a problem because it may compromise successful international market penetration, that is, a firm’s ability to compete in the international market. To the extent that international operations are part of an overall competitive strategy (either because of a firm’s need to have a presence where its main customers operate, or because the firm must/needs to follow its competitors) this also can influence a firm’s ultimate survival in its domestic market. Ethical concerns are thus clearly important both in the parent country and also in the host country..

One possible approach to ethnic marketing ethics within one country, understood as ethics applied to marketing practice targeting minority ethnic groups, is to apply the same procedures that firms use to deal with ethics problems in the international context (Kotler et al., 1998).

Ethnic minority consumers, particularly in their first time of settlement in a new country, may be inexperienced in relation to what is available, where, and for how much, as well as being unaware of market dos and don’ts. This justifies their possible reliance on referral or recommendation by others they trust, eventually their minority ethnic group of affiliation, particularly when communication difficulties limit the number and range of accessible secondary sources. Within such a scenario, ethnic minority consumers may be perceived as disadvantaged because they are

arguably more vulnerable to be taken advantage of through deceptive practices (Kotler et al., 1998).

Targeting of minority ethnic consumers with ethically unsound strategies may lead to alienation of the ethnic markets. Careful consideration needs to be exercised before ethnic marketing strategies are developed and implemented.

Ethical Norms and Values for Marketers

Professional associations and accrediting bodies have identified guidelines for ethics in marketing. According to one of those associations, the American Marketing Association, the following rules guide marketing behavior. The American Marketing Association commits itself to promoting the highest standard of professional ethical norms and values for its members. Norms are established standards of conduct that are expected and maintained by society and / or professional organizations. Values represent the collective conception of what people find desirable, important and morally proper. Values serve as the criteria for evaluating the actions of others. Marketing practitioners must recognize that they not only serve their enterprises but also act as stewards of society in creating, facilitating and executing the efficient and effective transactions that are part of the greater economy. In this role Marketers should embrace the highest ethical norms of practicing professionals and the ethical values implied by their responsibility toward stakeholders (e.g., customers, employees, investors, channel members, regulators and the host community).

1. Responsibility of the marketer. Marketers must accept responsibility for the consequences of their activities and make every effort to ensure that their decisions, recommendations, and actions function to identify, serve, and satisfy all relevant publics: customers, organizations and society
2. Honesty, Integrity and Quality are far more important than quick profits (Shel Horowitz)
3. Rights and duties in the marketing exchange process: - Participants should be able to expect that products and services are safe and fit for intended uses; that communications about offered products and services are not **deceptive**; that all parties intend to discharge their obligations, financial and otherwise, in **good faith**; and that appropriate internal methods exist for equitable adjustment and / or redress of grievances concerning purchases
4. Organizational relationships: - Marketers should be aware of how their behavior influences the behavior of others in organizational relationships. They should not demand, encourage, or apply coercion to encourage unethical behavior in their relationships with others.
5. Conduct your business so as to build long term loyalty. When you get a customer, you want to keep that customer and build a sales relationship that can not only last years, but also create a stream of referral business. (Shel Horowitz)
6. Marketers must do no harm. This means doing work for which they are appropriately trained or experienced so that they can actively add value to their organizations and customers. It also means adhering to all applicable laws and regulations and embodying high ethical standards in the choices they make.
7. Marketers must foster trust in the marketing system. This means that products are appropriate for their intended and promoted uses. It requires that marketing communications about goods and services are not intentionally deceptive or misleading. It suggests building relationships that provide for the equitable adjustment and / or redress of customer grievances. It implies striving for good faith and fair dealing so as to contribute toward the efficacy of the exchange process.
8. Marketers must embrace, communicate and practice the fundamental ethical values that will improve consumer confidence in the integrity of the marketing exchange system. These basic values are intentionally aspiration and include honesty, responsibility, fairness, respect, openness and citizenship.

Education and Ethics

Ethics and values become an important concern in the US in the 80's. In US there are about 500 courses offered in the field of Ethics by various universities. Hayward Business School earmarked USD 30 Million in 1987 to focus on teaching Business ethics to MBAs. In India AICTE (The All India Council for Technical Education) recommended the inclusion of Business ethics as a course in MBA curriculum in 1995. The aim of teaching Ethics or Ethics in marketing particular is to provide the budding marketing managers / managers to

- a) Share knowledge, build skills and develop minds of the young entrepreneurial managers of tomorrow
- b) To provide and clarify and insights into concepts of business so that young managers avoid business misconduct, when they really go and conduct the business.
- c) To create High level of integrity moral and social awareness so that they can decide when faced with business dilemma. (These points substantiated researcher's first objective).

IIM Lucknow has started a course that seeks to provide students with an understanding of changing relationship between business and environmental management (As per February 2007, Economic Times). The budding managers should be imparted with the knowledge of social responsibility and ethics. IIM-C is already having a Management centre for Human Values, and they are publishing a journal on Human values. They are also offering a course on Ethics and Values in Business.

Role of Social Responsibility in Indian companies:

In a global CSR study undertaken in 7 countries (viz. India, South Korea, Thailand, Singapore, Malaysia, The Philippines and Indonesia) by the U.K. based International Centre for CSR in 2003, India has been ranked second in the list. This ideally shows the value that is important to customers in India. Bharat Petroleum and Maruthi Udyog have been ranked as the best companies in the country. The next comes in the list are Tata Motors and Hero Honda.

Canara Bank, Indal, Gujarat Ambuja and Wipro are involved in community development work of building roads, running schools and hospitals. ACC has been rendering social service for over Five decades. They are setting up schools, health centers, agro-based industries and improving the quality of rural life. BHEL is actively involved in the Welfare of the surrounding communities is helping the organization to earn good will of the local people BHEL is also providing drinking water facilities, construction of roads and culverts, provision of health facilities, educational facilities, and so on companies like ONGCs are encouraging sports by placing good players on their pay rolls. TISCO, TELCO and HINDALCO won the award for excelling in CSR, jointly given by FICCI and Business world for the 2003.

ONGC has also committed resources by adopting a few villages to implement president Dr. Abdul Kalam's idea of PURA (Provision of Urban Amenities in Rural Areas). NTPC has established a trust to work for the cause of the physically challenged people. Similarly in the private sectors like Infosys, Wipro and Reliance are believed to be most socially responsible corporations.

In 1999 Kofi Annan of the United Nations invited corporate leaders for a **Global Compact** to promote nine principles covering three areas: human rights, labor rights, and sustainable development. Today, India can be legitimately proud to have had the second largest number of companies from any country subscribing to the **Global Compact**. Several public sector companies have joined together to form the Global Compact Society of India.

SOCIAL RESPONSIBILITY OF BUSINESS BY MULTINATIONAL COMPANIES IN INDIA

In the last twenty years, MNCs have played a key role in defining markets and influencing the behaviour of a large number of consumers. Globalization and liberalization have provided a great

opportunity for corporations to be globally competitive by expanding their production base and market share.

Recent years have seen many progressive organizations in our country keenly playing a social role. In some of these organizations the approach has been to take up only business-centric activities, i.e., Which are directly relevant to their business. The guiding philosophy in these organizations is that social reasonability is good only if it pays.

This approach benefits both the organization and the stake-holder. Thus, ITC has been afforesting private degraded land to augment the supply of raw material for its paper factory. Similarly, Hindustan Lever which requires good quality water for the manufacture of its food products has been improving the quality of water in many communities. Companies like Cadbury India, Glaxo and Richardson Hindustan are helping farmers to grow crops which serve as raw materials for them. Lipton in Eath district of Uttar Pradesh has started veterinary hospitals in the region from where it buys milk. British Gas (which sells compressed natural gas to India) has recently started teaching unemployed youngsters how to become mechanics for gas-based auto-rickshaws in Delhi. In some other organizations the approach has been to take up such philanthropic activities in which they can make a difference.

Coca – Cola

As one of the largest and most global companies in the world, Coca – Cola took seriously its ability and responsibility to positively affect the communities in which it operated. The company’s mission statement, called the Coca-Cola Promise, stated: “The Coca-Cola Company exists to benefit and refresh everyone who is touched by our business.” The Company has made efforts towards good citizenship in the areas of community, by improving the quality of life in the communities in which they operate, and the environment, by addressing water, climate change and waste management initiatives. Their activities also included The Coca – Cola Africa Foundation created to combat the spread of HIV / AIDS through partnership with governments, UNAIDS, and other NGOs, and The Coca – Cola Foundation, focused on higher education as a vehicle to build strong communities and enhance individual opportunity

Coca – Cola’s footprint in India was significant as well. The Company employed 7000 citizens and believed that for every direct job, 30 – 40 more were created in the supply chain. Like its parent, Coke India’s Corporate Social Responsibility (CSR) initiatives were both community and environment – focused. Priorities included education, where primary education projects had been set up to benefit children in slums and villages, water conservation, where the Company supported community – based rainwater harvesting projects to restore water levels and promote conservation education, and health..

PepsiCo

Pepsi Cola is also helping in rural areas in their economic development. It further offered to transfer food-processing, packaging, and water-treatment technology to India. Pepsi’s bundle of benefits won four Ps for entering a market, Pepsi added two additional Ps, namely, politics and public opinion.

Similarly almost all MNCs like Microsoft, Mc Donald, Nokia, Unilever, ITC are also adopting social responsibility of business in order to have sustainable market development and growth not only in their countries but also in the host countries.

Conclusion

Several forces are driving companies to practice a higher level of corporate social responsibility: rising customer expectations, changing employee expectations, government legislation and pressure, the inclusion of social criteria by investors, and changing business procurement practices. Companies need to evaluate whether they are truly practicing ethical and socially responsible marketing. Business success and continually satisfying the customer and other stakeholders are closely tied to adoption and implementation of high standards of business and

marketing conduct. The most admired companies in the world abide by a code of serving people's interests, not only their own. The following are the suggestions that the society must use the law to define, as clearly as possible, those practices that are illegal, anti-social, or anticompetitive. Next, companies must adopt and disseminate a written code of ethics, build a company tradition of ethical behavior, and hold its people fully responsible for observing ethical and legal guidelines. And, individual marketers must practice a "social conscience" in their specific dealings with customers and various stakeholders.

The future holds a wealth of opportunities for companies. Technological advances in solar energy, online networks, cable and satellite television, biotechnology, and telecommunications promise to change the world as we know it. As the same time, forces in the socioeconomic, cultural, and natural environments will impose new limits on marketing and business practices. Companies that are able to innovate new solutions and values in a socially responsible way are the most likely to succeed.

It is my belief that good marketing is ethical marketing. Good marketing is about satisfying and developing a long-term relationship with our customers. Caring about your customers not only results in profits (or achieving your organization's objectives if an organization is not-for-profit), it is the ethical thing to do. Deceiving customers may help a firm's profits in the short-run, but is not the way to build a successful business. The same goes for social responsibility. A firm has to care about all stakeholders: customers, employees, suppliers and distributors, local communities in which they do business, society, and the environment.

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