

Agribusiness: An Ethical Approach to Marketing

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Abstract Price skimming practices, false claim on products, false information/communication, marketing overseas, and deception on products in marketing have received significant attention by the researchers of ethics in marketing studies. This research considers these phenomena as marketing instruments that grossly violate the practice of ethics in this domain. The two most crucial parts in marketing that have received greater attention are product safety and advertising. The paper also examines Ethical Marketing as the ability to make marketing decisions that are morally right and acceptable to all. In other words, ethics in marketing explains how moral standards can be applied in marketing decisions. It seeks to answer the research question by looking at some fundamental business ethics theories, namely, Virtue ethics, Utilitarian, and Deontological approaches to business ethics. Nevertheless, ethics in business is very controversial as many hold different views about what makes up the standard morals that corporations should take and so it is necessary for any organization to formulate its ethical codes to follow.

Keywords Ethics, Marketing, Utilitarian tradition, Deontological tradition, Virtue ethics tradition, Altruism, Egoism, Stakeholders, Price, Placement, Promotion, Products, Kantian tradition.

1 Introduction

Price skimming practices, false claim on products, false information/communication, deception on products, and marketing overseas have been a serious issue for discussion among researchers in business ethics. Apart from that, there have been a significant number of studies about the effects of these marketing concepts on individuals and the society. Many researchers have criticized these concepts because they render customers vulnerable to manipulations. To date, the marketing sector of most business corporations has received strong critiques from not only researchers but also from other units in the society. There have been growing concerns about and critics towards the practice of disclosing false information on product contents to consumers. Therefore, considering the marketing sector as part of a business entity, we may argue that they are supposed to function in compatible with business ethics principles. However, this paper seeks to answer the research question by looking at some fundamental business ethics theories, namely, Virtue ethics, Utilitarian, and Deontological approaches to business ethics. In addition, the paper aims at introducing a framework for the evaluation of controversial issues in marketing practices in terms of ethics in marketing. It also provides strategies as well as case studies for companies to emulate in a bit to lessen unethical behaviors.

Burkhardt (1986, p1), an assistant professor of the University of Florida, argues that “the ethical issues involved in agriculture are numerous and complex and this has a moral reflection to the economics, politics and ecology of food production.” Meaning that if agribusiness managers do not address the issues of ethics correctly, it may affect the present and future generation and to some extent it may even threaten the survival of plants and animal species. However, business organization comprises of different departments such as purchasing, production, accounting, finance, human resource, sales and marketing department which are all organized to meet the goals of that organization collectively. For example; purchasing department purchases raw materi-

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als needed for production after which the finished product is then marketed. Collectively, these departments work together to meet the organizational goals, making profits to support growth and longevity of the organization while obeying the law. As much as many organizations will want to obey the norms and values in business so to in achieving their set goals may call for them to take unethical decisions. Business ethics is generally associated with moral issues in business. These are attitudes or behavior considered as proper and encompasses truthfulness and integrity that benefits not only stockholders but also consumers, employees, and the local environment as well (DesJardins, 2011). Still, ethics in business is very controversial as many hold different view about what makes up the standard morals that corporations should take and so it is necessary for any organization to formulate its ethical codes to follow. As mentioned above, in reality these rules are usually put in place maybe in paper work, but some organizations in order to meet their goals engage in unethical practices such as bribery, corruption, backdating contracts, and manipulating profit as well as loss accounts. You find managers giving stockholders only the type of information that they expect to hear and use of substandard raw materials in other to make product less expensive and make higher profits. This is so because marketing as well as marketing communication are built on activities that encourages overconsumption by cultivating greed and materialism (Hackley, Tiwsakul, and Preuss, 2008).

2 Literature review

As it turns out, Ethics looks for prescribe standards on how people and business corporations should live, act and do for what is generally considered as “right”. In this regards, the paper will focus on three ethical traditions and how they shape the way we make decisions based on the overall consequences of our acts. These Ethical traditions includes: 1) Utilitarian tradition, 2) Deontological tradition, and 3) Virtue ethics tradition.

2.1 Utilitarian tradition

This tradition argues that every decision we make either in the business milieu or in our daily lives affects the overall consequences of what we do. As a means of achieving the specified aim, DesJardins (2011, p.29) pointed out that the policy of Utilitarian tradition is to “maximize the overall good”. That is to say the acts that fulfill this aim are good, while those that do not are bad. For better understand let’s consider the case of American International Group, Inc. (AIG) Executives requesting for more bonus paid as argued

by Emily and Corbett (Washington, 2009). In this case, the act of saying that executive compensation is acceptable because it gives incentive for future work is a typical Utilitarian approach. Therefore, from every indication happiness is the success story or the utmost good when considering utilitarian tradition. The use of animals in agriculture also raises many ethical issues related to Utilitarian tradition. Many questions have been asked with regards to the practice(s) of producing animals for food. Rollin (1995, pp. 192-193), argues that “As demand for meat increases, will animal scientists genetically alter animals for “happiness” so the animals will be able to live in close confinement that their ancestors would have found intolerable?” Also, in an online magazine of the American Enterprise Institute (AEI), Black et al (Monday, July 19, 2013), mentioned that, “Today’s battles are waged over genetically modified seeds, gestation crates for raising pigs, and the size of chicken cages for the egg industry.” From the above statements, one may ponder whether factory farmers can ever truly measure up to the standard of the agricultural methods demanded of them. It is worth mentioned that, if these factory farmers are pressed on this issue, I guess their response will be that the market drives their decisions.

2.2 Deontological tradition

With regards to Deontological tradition, the core value is base on the moral principles which includes, keeping promises, fulfilling obligations and give to others what they deserve. For instance, when a company makes a promise either to its employees, shareholders, customers, distributors or other stakeholders, it must make sure that it meets up with its obligation and vice versa. It is worth noted that the concept of Deontology focuses more on personal morality and of public policy, while reiterating that certain duties (or obligations, or commitments, or better still responsibility, if you like) find the right path but consequences do not. Therefore as oppose to Utilitarian tradition, Deontological tradition argues that there are certain things we should or shouldn’t do irrespective of the consequences. That notwithstanding, as we start thinking of the best strategies on how to market our brand name products, we should also consider the fact that every stakeholder has right and it’s not advisable that such right be miss-used because one is only thinking of how to out-smart the other by producing a net increase in the collective good.

2.3 Virtue ethics

The tradition of Virtue ethics takes an important look at individual’s moral character and how the different character traits influence individual’s happiness as well as the meaning of life. For example, virtue ethics criticizes executive

compensation which is attributed to over-price commodities by marketers as greedy, distasteful, and all these are motivated by self-interest. DesJardins (2011, p.24) figured out that “the implication of a greedy person who does distasteful and selfish things will not lead a fulfilling human life.” However, as many fingers are pointing towards the CEO’s excessive compensation package, the fundamental debates about ethics revolve around questions like: “What produces beneficial overall consequences? What is one’s duty as a marketer? What is fair or unfair, or unjust? What is wrong with being greedy? And what do people deserve?” Therefore as we begin to ponder about the type of person we hope or expect to become, it is worth important to consider virtue ethics since many have argued that it constitute the right foundation for a good human behavior. This is true because if we consider the problem of egoism where “people act only out of self-interest” as oppose to altruism where “people act for the well-being of others”, we can actually observe that the gap of “egoism” is growing wider and wider whereas the gap of “altruism” is getting smaller every day.

That notwithstanding, looking at Solomon Asch’s conformity experiment; a majority group against a minority were chosen to match length of lines on which a standard line was placed and three other lines compared to each to know which matches perfectly. The majority were asked to deliberately contradict their judgments unanimously while the minority innocently reacted based on his personal judgment and observation. At the end, the minority subject was placed in a confused state by either choosing to stand by what he knows was right (ethical) or try to follow the majority by suppressing the truth (unethical). Same situation in “An Auditor’s Dilemma”; should Ms Lloyd stand by the Institute of Internal Auditor’s (IIA) code of ethics that requires her to exercise honesty, objectivity and diligence in performing her duty but also be loyal to the employer or should she conceal the malpractices of the managers at the Gem Packing organization? It should be noted that unethical behavior will in the long run ruin company goals and objectives. It is equally difficult to impose ethics upon an individual or organization; therefore, ethics sometimes has to come from within. Furthermore, in Zimbardo’s Stanford prison experiment where volunteer prisoners suffered physical and psychological abuse from volunteer guards who abused power by making these prisoners suffer, it was realized that situation can also shape human behavior. For example it could be seen how power can change someone’s behavior and how middle class law abiding citizens changed in just a week. Similarly when one moves from one social standing or level to another, that individual turns to demand more respect than usual.

3 The overall view of marketing

Marketing is a very important sector in any business organization and also an area in which many believe ethical practices are grossly violated. The two most crucial parts in marketing that have received greater attention are product safety and advertising. Whereas areas such as pricing, marketing research, sales, and target marketing have received lesser attention. Traditionally, marketing is always defined in terms of the Four P’s: product, pricing, promotion, and placement (or distribution). In general, marketing involves all the processes beginning from developing a product or services and taking it to the market where it can be sold to make profit for the company. The core ideas behind marketing exist at the point where the buyer and the seller are trying to exchange hands. To keep the ever lasting relationship between the buyer and the seller, marketers have invented a new approach called the “outside-in” strategy to get to know those interested in purchasing the product, and their expectation from the product. Immediately the product is ready to be sold, the marketer comes up with a price that he thinks is mutually acceptable. Based on the business stand point, the minimal asking price is set up to cover the production cost, marketing research cost, tax, advertising cost plus some appreciable amount of profit. While setting up the asking price, the company might as well consider “how price might influence future purchases, how the price might affect distributors and retailers, and what competitors are charging before setting on a price.” Apart from the general advertising campaign, the company might also consider offering discounts, coupons, free samples in order to promote its products to both new and old customers. Lost production resulting from the trip to the market might be taking into account as well. Therefore, all these factors combined with the decisions made throughout the entire process constitute an element of marketing. Looking at all these, DesJardins (2011, p.180, 181) argues that the big question remains: “What, how, why, and under what conditions is something produced? What price is acceptable, reasonable, or fair? How can the product be promoted to support and increase sales? Where, when, and under what conditions should the product be placed in the marketplace?” Other relevant ethical questions drawn from each of the Four P’s as stipulated by DesJardins includes: “What responsibilities do producers have for the quality and safety of their products? Who is responsible for harms caused by a product? Are deceptive or misleading ads ethical? Is it ethical to target vulnerable populations such as children or elderly people? What ethical constraints should be placed on sales promotions? What privacy protections should be offered for marketing data?”

4 Ethics in Marketing

By definition, Ethical Marketing is the ability to make marketing decisions that are morally right and acceptable to all. In other words, ethics in marketing explains how moral standards can be applied in marketing decisions. This involves transparency, trustworthiness and fairness to customers and other stakeholders. It is important to note that ethics in marketing involves lots of controversies since many hold different views as to what constitutes ethics in marketing. For example, if in an organization, the marketing department has to be transparent to its customers; does it mean no trade secrets allowed? Or in the case of fairness; should the department cut down prices at its own detriment in order to woo more customers? Nevertheless, the purpose of marketing is to sell goods, services or ideas to people and this can be done through a variety of ways which may be ethical and also unethical. The question here is: what global ethical standard(s) is required for all business corporations to ensure that all the players involved in the marketing teams are playing by the rules so that the market should be free from fraud and deception? Making sure that these ethical conditions are met is of paramount importance for market-based economics systems.

In general, a fair and clear marketing approach in agribusiness or any other businesses should establish an agreement that results from an informed and voluntary consent with no fraud, deception, or coercion incurred. In a situation where any of the above conditions is undermined, the autonomy or respect for individuals to get their own ends is no longer respected; hence the mutual benefit is not attained. Most at times, it is not that simple to ascertain if a person is being treated with respect in marketing situations. This is common especially in a situation where price-fixing, price gouging, and monopolistic pricing clearly raise the issue of freedom in marketing. As mentioned above, the major concern of ethics in marketing is that individuals must freely consent to the transaction and that the said transaction must be voluntary, if not, then the entire process is unethical. For example, a consumer sitting in a car and asking for the price of oranges is not in the best position to get the best quality. Nowadays, the complexity of many consumer products (like eco-friendly apples, 100% organic grapes etc) is already a wrong signal that consumers may not fully understand what they are purchasing, thus the problem of uninformed consent. Therefore, it is high time we start looking at ethical responsibility as a way forward for making better ethical decisions in marketing our products. Being as it may, there is some common sense of ethical responsibility when we try to examine a company's responsibility of its products failure and that includes; who or what caused this accident to occur? Who is responsible?

And finally who is accountable? Most at times, companies with egoistic culture do not take social responsibility after selling their products to customers. The case of Snow Brand Milk Products Co. Ltd in Japan is a clear example. This company was one of the largest meat processing and food products manufacturers but after a food poisoning incident that occurred in 2000, the company losses heavily and had to close some of its dairy factories due to a massive decline in sales of milk products. Even at that, Snow Brand wasn't ready to take any ethical responsibility and because of its unethical behavior, the company was forced to liquidate its subsidiary (Snow Brand Milk Co. Ltd) come 2002. In as much as the above mentioned senses of responsibility is important to issues of product safety and marketing ethics, one important but difficult questions of product safety concerns determining the cause of any harms. What caused the food poisoning incident in Snow Brand Milk Products Co. Ltd? Was it the marketer's own behavior? Studies have shown that the concept of negligence, which happens to be the core notion in product liability law, is one way in which fault is assigned. Meaning that failure to inspect any products before taking them to the market can be held at fault. In a legal sense, a manufacturer is held accountable (even though not at fault) if a product defect has caused a harm. Many hold the view that companies should be accountable for the entire life cycle of the products they bring to the market, including recycling the product back into the production stream (DesJardins, 2011, p184).

5 The "Big Wrongs" in marketing

Price skimming practices: According to McDaniel, Lamb, and Hair (2011, p665), "Price skimming is sometimes called "market-plus" approach to pricing because it denotes a high price relative to the prices of competing products." Most often, companies usually use the price skimming strategy when they manufacture a new product and when the product is perceived by the target customers as having a unique advantage. Price skimming tactics is employed by companies at the early phase when the new product is released to the market and then lower prices overtime. This strategy is done in order to take advantage of the early adopters. However, this is called "sliding down the demand curve." The question is; what happens if the market perceives a new product price as being too high? To most firms, this question is an easy one to handle because even when the market perceives the price as too high, the managers can easily correct the problem by lowering the price. But then what happens if the target customers tend to lose trust in the near future simply because they perceived the firm as being a price manipulator? Another common prac-

tice is that of false prices in the form of sales. For example a closing store hires a liquidator to sell its products for say 80% to 90% discount. The liquidator may increase the original price of that product before putting on sale at the 80% or 90% discount in order to make some gain. Customers will be very much attracted to that store thinking they are benefiting through the discounts placed wherein in the real sense they are being manipulated and exploited.

False claim on products: Even though a few marketing promotions may be ethically accepted to some targeted customers, some if not, majority of the marketing promotions are less acceptable when targeted to other group of customers. Most at times, sales and advertising practices affects consumers' autonomy by rendering customers vulnerable to manipulations. Studies have shown that many advertising companies have deviated from the normal ethical practices of promotion which includes, asking, informing, persuading, and advising to an unethical means of promotion which involves, threats, coercion, deception, manipulation, and above all lying. Just as DesJardins (2011, p 202) pointed out, "manipulating people is all about working behind the scenes, guiding their behavior without their explicit consent or conscious understanding." Nowadays, marketers rely on emotional factors such as guilt, pity, anxiety, fear, low self-esteem, pride to promote their products. All these are expensive deceptions practiced by marketers. And Kantian tradition in ethic has a strong objection to such manipulation as it emphasizes that when you manipulate someone you are simply treating that person as a means to your ends or better still as an object to be used rather than a person with autonomy in his or her own rights. In recent years, cigarette advertising aimed at children has caused the Tobacco Company to receive a major criticism. However, some businesses make false claims about the products they sell by manipulating the goods to mean something else other than the general notion people have about that product. An advert on TV for example aimed at persuading people to buy a skin care product. The model used for the advert and sometimes the time lag specified for the product to be effective after use may in most cases be very misleading to customers.

False information/communication: Similar to that above is the practice of disclosing false information about products contents to consumers. Most at times marketers use false information to get customers to purchase their products or come visit their store. This is very common when terms that cannot be clearly defined are used; words like "organic" food which people usually understand to mean low calories, limited fat, sugar or salt and so on. In addition, tobacco companies use words like "low tar", "light", or "mild" trying to indicate that products with these labels are not detrimental to consumer's health. More research

has proven that all these terms are misleading guides just to attract more customers. Another misleading tactics that marketers usually use to cajole customers to either buy or visit their store is called "Bait and switch". With "bait and switch" tactics, a seller will advertise a product at a very cheap price with no intension of selling it. The whole idea is that when a customer shows up, they will tell him or her how bad the advertised product is, and how the more expensive product is way better. In which case, the seller "baits" the customer with a sale item in order to get the customer to pay visit to their store. In case the customer visits their store, they will instruct the salesperson to "switch" the product by convincing the buyer to get the better brand that wasn't on sale. Therefore depending on the consequences that may arise as argued by the utilitarian tradition of ethics, such hellacious deception may tend to erode the bond of trust and respect between the salesperson and the customer.

Deception on product labels, sizes and contents: Deception on product size and content is a very common practice amongst marketers. For example, injecting up to 15% of broth in meat before selling it to consumers, and adding peanuts in chocolates to increase quantity are some of the common malpractices of product deception by marketers. As a matter of fact, it is unethical or rather a bad practice to misrepresent the type, kind, grade, quality, quantity, size, weight, color, substance, origin, price, value, preparation, production, distribution, or any other aspect of a company's product. Studies have shown that majority of customers rely on food labels as a firsthand information picturing the authenticity of the food content they wish to buy for themselves and their family. However, it is sad to realize that, according to the latest Health and Diet Survey¹ put forth by the U.S. Food and Drug Administration (FDA), "54 percent of consumers read a product's label before they buy a food product for the first time, and 41 percent of this group believe that most of the claims made -- like "low fat" or "high fiber" are accurate." It is interesting also to know that, "two-thirds of the above group of people uses the label to check for calorie, salt, vitamin and fat content, while 55 percent depend on food labels to give them a "general idea" about the nutritional content of the food", (as argued by the U.S. Food and Drug Administration, 2008). Now, knowing that many food labels are pretty much misleading, the question remains; what is the way forward to put an end to such deceptive practices employed by marketers? In which case, a fair way of preventing deception is that in which labels should be sufficiently clear and prominent.

Marketing overseas: Selling goods that have been banned by the home country to consumers in other countries is also considered as a serious bridge of ethical code in marketing. Most developing countries are seen as dumping grounds for products from developed countries that have

either been banned or expiration dates falsified.

Despite efforts put in place by some international food safety agents in the fight against contaminated food exportation, we still find cases of contaminated food being reported on news papers, television and the like. A fresh incident happens in Britain and Ireland where four of Britain's biggest supermarket chains (Tesco, Iceland, Lidl, and Aldi) were forced to withdraw several meat products after horse meat and pork were found in beef burgers sold by these supermarkets in Britain and Ireland. Report from the Food Safety Authority of Ireland (FSAI) says, "In one sample of Tesco's Everyday Value" beef burgers, it appeared that horsemeat accounted for 29 per cent of the meat." In connection, the FSAI argued that "the level of contamination was even higher for pork, affecting 23 of the burgers tested." This, however, could raise major concern especially among the Muslim and the Jews consumers as it goes contrary to their religion and cultural practices.

6 Recommendation based on some Ethical Review Processes (the "Big Rights" in marketing)

In a bit to minimize unethical behavior in most corporations, it is advisable to build a solid ethical foundation both at the internal and external level of the organization. Internally, it is required to restructure the company with a strong ethical foundation focusing on strategies such as; Mission/Vision, pre-selection test/hiring, orientation/training, managing the 4Ps (Product, Price, Placement, and Promotion), ethical review for each marketing campaign, rewards, and semi-annual ethical workshops. Externally, the institution should focus on the entire Stakeholders (consumers, employees, communities, owners, managers, suppliers and competitors). However, most of the internal issues addressing ethics will be discussed as part of the recommendation below. Nevertheless, ethics should be an everyday affair in any company and to make it more significant an ethical officer has to be put in place to ensure that ethical codes are respected.

Drawing inspiration from Cadbury Schweppes, a Beverage and confection company, it can be seen that good corporate governance and good ethical behavior are the integral parts that keep a company alive. According to Cadbury Schweppes Corporate and Social Responsibility Report 2002;

"Treating stakeholders fairly is seen as an essential part of the company's success, as described here: 'A creative and well managed corporate and social responsibility programme is in the best interests of all our stakeholders - not just our consumers - but also our shareowners, employees, customers, suppliers and other business part-

ners who work together with us"

To ensure that every stakeholder understands the company's corporate values, the following ethical review processes can be taken into consideration;

i. Mission Statement and Core Values: While just having a placard hanging on the wall that espouses an ethical approach to business is borderline useless, it is worth noted that having such statements potentially provides a lodestone upon which the company can rely when navigating difficult ethical terrain. For example, Google's stated core principle of "Do no evil", created pressure for it to withdraw from the potentially huge Chinese market. Now, when Google realized that doing business in china is fraught with danger as it was getting seriously hacked all the times, it didn't take long for Google to say 'enough is enough' as the company could no longer play by the role of censorship as demanded by the Chinese government. This, however, is a clear example to show how a company like Google believes in the doctrine of altruism where "people act for the well-being of others."

In connection with the mission statement, Company's should provide top quality marketing services for producers of products, services and ideas that are in line with the ethical tradition of virtue. This, to a greater extent will enable the company to get, keep and grow high moral standard employees and compensate them in a fair manner, while conducting all aspects of the business in compliance with legal requirements and ethical norms.

ii. Ethics Officer: Having an ethics officer especially in Multinational Corporation could help shape the company's social and environmental policies. In which case, the ethics officer will be in charge of reviewing company policies, procedures, norms, client mix and marketing campaigns. The ethics officer will protect whistle blowers and investigate all claims of unethical behavior. He or she will provide guidance and counseling to employees confronted with ethical dilemmas. The ethics officer will advise top management in regards to ethical aspects of decisions and make management aware of ethical issues arising within the business. Additionally, ethics officer will be in charge of scheduling, organizing and conducting ethics workshops for all employees every 6 months or so. Programs for pre-employment testing, employee orientation and training will all receive input from the ethics officer.

iii. Pre-Hiring: In terms of pre-hiring, advertisements and notices of positions to be filled will include a clear statement that all duties are to be performed in an ethical manner. During interviews, the company should have candidates discuss what they think "in an ethical manner" entails. As part of the company's pre-hiring policies, one interview question will ask candidates to talk what ethical issues are commonly raised in advertising. The company

is required to do background checks on all applicants considered for hiring, to make sure the resume themselves do not contain lies, falsehoods or dubious characterizations. Before being asked back for a final interview, considered candidates will take a computerized integrity test. During the final interview, all candidates will again be advised that the company is committed to conducting its business in an ethical manner, and if they accept a position with the company, they will be expected to act accordingly.

iv. Marketing campaign: Each marketing campaign shall undergo an ethical review before being pitched to the client, and again in its final approved form. This review will consist of a submission to an ethical review team. The team will be comprised of fewer members. Membership will be rotated on a staggered monthly basis so that in every 6 months the team will consist of entirely new members, but during any given month there would be some members who had already been there for at least one month. This rotation will give the review team continuity, innovative ideas and a responsible corporate culture, but also allow it to evolve and include different employees' views. Rotation will also stop one person's strong views from permanently blocking certain projects (if most other employees don't agree with him or her).

v. Orientation/Training: The company should aimed at employing high ethical training programs to meet up with the goal of getting, keeping and growing highly moral standard employees. The goal is to culture and nurture a high moral psychology gene to the employees so through that they will know what is expected of them in the company, their homes and the environment as a whole.

vi. Code of ethics: A code of ethics should be put in place to guide the organization's actions and decision making. This will equally guide employees on how to treat customers, suppliers and even their competitors. These ethical conducts will help employees to be aware of bad practices such as bribery and corruption, backdating contracts, manipulating profit and loss accounts etc.

vii. Stakeholders: Providing customer support that will attend to customers as fast and polite as possible could be an additional advantage and may increase sales in the company. In a situation where customers are looking for a particular product (even though similar to that of the company), employees have to make sure they direct the customers to a competitor whom they believe that the clients will be satisfied with the products. However, the company should also employ the stakeholder theory by making sure that whatever the outcome of the decisions (rational) being made, the responsibility should be shared in an evenly manner.

viii. Compensation: In terms of compensation, the company should look for consultants who are willing to justify

favorable compensation for the top executive client. Nevertheless, Payment should not over-ride the principles of freely given and fully informed consent. Therefore, employees should know, if any, the rules and regulations attached to compensation before they start working in the company.

ix. Product: Companies should make sure that they do not advertise any product that does not meet the company's ethical standards. An example of this might be the pushup bikini top marketed to 7 through 14 year old girls by Abercrombie Kids in spring 2011. Products that target vulnerable groups such as the elderly, children, the poor and the mentally challenged should always get special attention for possible ethical problems. Another factor will be the mix of products, services and ideas that the companies advertise. Some products, such as fast food or snacks, are not particularly bad if consumed occasionally. It's only when they comprise an inordinate amount of one's diet that they become a health concern. However, if marketing junk food constitutes the majority of the company's business, then the organization has to be aware of that and make a concerted effort to attract more clients that are more closely align with its corporate values. One major concern regarding products is that of "strict products liability." Strict products liability takes into account the performance of a given product or products. Some critics hold the view that the manufacturer is responsible for any defective merchandise it provides for sale and should compensate for any injury incurred. At present in the United States, producer accountability is regarded as the strict liability standard. Some scholars argued that whenever there is a harm caused by a product, the manufacturer should be fair enough to assume responsibility.

x. Promotion: When it comes to promotion, the first standard a company needs to apply to all promotions is that it should refrain from lies. This is also a legal requirement, as contained in various truth-in-advertising laws. However, companies should go beyond the legal minimum and not engage in deliberately deceptive advertising practices. For example, companies should not engage in promoting a product called "Vitamin-Boost" that contains no appreciable amount of vitamins. Even though the company would never have explicitly said that the product contains vitamins, the name clearly intends to create that impression. Another example might be "green-washing", where a company may attach a prefix like "Eco-" or a word like "Green" to a product that is not otherwise particularly environmentally conscious. Companies should also eschew the use of deliberately deceptive charts and other graphical depictions of data. In short, corporations should present the product in its best light, using any number of creative, exciting, or even tried and true approaches, but avoid lying, deception, misdirection, myth perpetuation, and other deceptive pro-

motion practices.

xi. Price: With regards to setting up a price for any new product being developed, the company concern should begin by setting up a committee backed by a high ethical standard and moral judgment that will come up with a fair and honest price for the product(s). This committee (either made of 6 members or less) will monitor the market price in order to ensure that they follow the guiding principles and aims of the Code. However, the question remains; what is a fair price? And “what values should determined an ethically legitimate price?” With regards to what a fair price should be, DesJardins (2011, p 191) figure out that “a fair price is a price that both parties to an exchange agree upon.” DesJaedins further argues that “the values of autonomy and mutual benefit to the parties involved underline an ethics of pricing.” However, when formulating a product’s price, care must be taken in order not to affect third parties like the retailers who rely solely on manufacturer’s corporate pricing policies as well as competitors who might be forced out of the competition due to predatory pricing policies. Taking all these into consideration, the values of equal opportunity and fairness must be taken into account in order to establish a good pricing ethics. It should be noted that in a competitive market environment, a fair price is mostly agreed by both the buyers and the marketers. In which case, the marketers and the buyers are both protected by the presence of other marketers and buyers in the same market environment. Here, the presence of other marketers and buyers will cause the price to shift towards an equilibrium position that looks fair to both parties. In this situation, marketers cannot raise the price too high especially when competitors are willing to sell at a lower price. On the other hand, buyers cannot drive price down if other buyers are willing to pay high prices. The case just described above is perhaps considered as an ideal situation. In real life situation consumers are not fully informed neither are they fully free in the marketplace. DesJardins argues that in most real life situation, “informed consent, a necessary condition for respecting autonomy, can be missing in some pricing situations.”

xii. Placement: Generally, Product placement is a kind of marketing communication technique (with no ads involved) where branded products and services are promoted through non-traditional advertising channels such as television (TV) shows, movie, computer game, magazine as well as other media. Kaylene, Alfred, Edward, and Robert, (2011, p18) argued that “many consumers and researchers consider product placements as excessive commercialization of the media and an intrusion into the life of the viewer.” According to Hackley, Tiwsakul, and Preuss, (2008), product placement “has received relatively little attention from business ethicists and such attention is timely because the

UK regulatory framework for television product placement is under review at the time of writing.” Hackley et al (2008) suggested two important points as regards to the ethically principled regulation of product placement which includes: “(1) the extent to which program makers, media owners and brand owners make their product placement strategies explicit to audiences, and (2) the degree of commercial sophistication, which regulators attribute to non-expert entertainment audiences.” Therefore, before any company should carry out product placement, it has to make sure that it obeys the law of human nature which states; “human beings have to grow in their understanding and practice of what is true and good”. In order words, “If the media are to be correctly employed, it is essential that all who use them know the principles of the moral order and apply them faithfully in this domain”.

7 Conclusion

As earlier mentioned, ethics is pretty much concerned about an individual’s judgment with regards to right and wrong. In any firm or organization, the decisions taken may be made by individuals or groups, but whoever makes them will be influenced by the culture of that firm or organization. Knowing that the decision to behave ethically is a moral one; every stakeholder must decide what they think is the right course of action. However, corporate social responsibility and ethical behavior can bring significant benefits to any business operation. On the other hand, unethical behavior and/or lack of social responsibility may cause a great deal to a firm’s reputation and even make it less appealing to stakeholders. To an extreme case, profit may fall as a result. Nevertheless, it is very important for a corporation to have a code of ethics which will guide in the running of its routine affairs without breaking the law. This is because unethical practices may in the long run ruin company goals and objectives by creating legal, financial and marketing risks. In the paragraphs above, different ways in which the code of ethics can be violated in business organizations and in marketing particularly have been examined as well as various proposals through which these flaws can be minimized. It was also realized that ethical issues in business and in marketing could sometimes be controversial, that notwithstanding, it’s very necessary for any corporation to set its own core values. That is, its own beliefs and principles that will aid in its decision making.

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