



ETIKA & TANGGUNG JAWAB SOSIAL

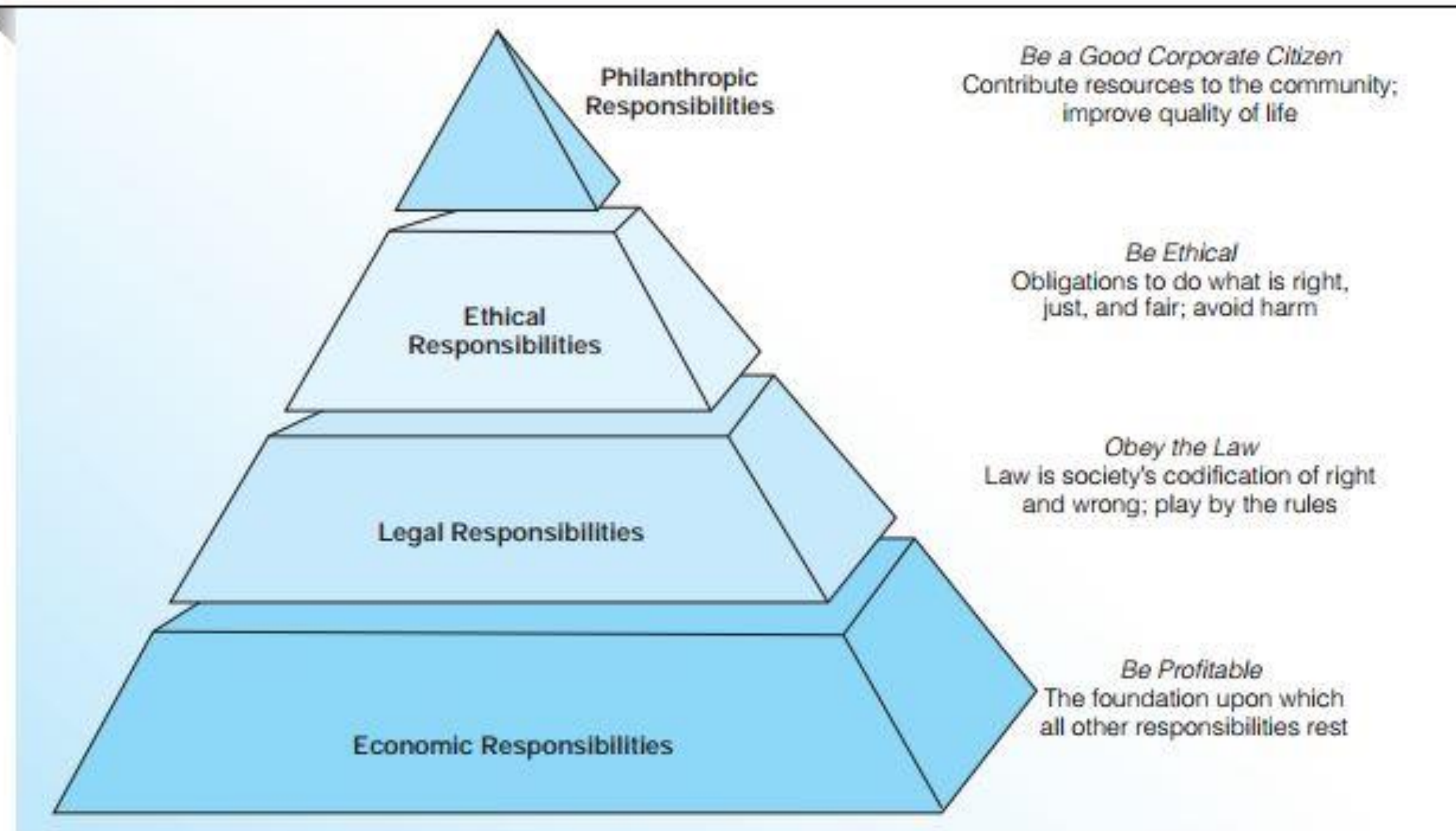
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The importance of marketing ethics and social responsibility has grown in recent years, and their role in the strategic planning process has become increasingly important. Many firms have seen their images, reputations, and marketing efforts destroyed by problems in these areas. The failure to see ethical conduct as part of strategic marketing planning can destroy the trust and customer relationships that are necessary for success. Ethics and social responsibility are also necessary in light of stakeholder demands, and many aspects of ethics can become legal issues. For example, price fixing, bribery, conflicts of interest, fraud, and deceptive advertising and sales practices all have legal implications. Marketing ethics does not just happen by hiring ethical people; it requires strategic decisions that become a part of the overall marketing strategy and culture of the firm.

Ethics and Social Responsibility in Marketing Strategy

EXHIBIT 8.1 The Pyramid of Corporate Social Responsibility



Source: Reprinted from *Business Horizons* 34(4) (July/August 1991), Archie Carroll, "The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders" p. 42, Copyright © 1991, with permission from Elsevier.

Economic and Legal Responsibilities From an economic perspective, firms must be responsible to all stakeholders for financial success. The economic responsibility of making a profit serves employees and the community at large due to its impact on employment and income levels in the area that the firm calls home. Firms also have expectations, at a minimum, to obey laws and regulations. This is a challenge because the legal and regulatory environment is hard to navigate and interpretations of the law change frequently. Laws and regulations are designed to keep U.S. companies' actions within the range of acceptable conduct and fair competition. When customers, interest groups, or competitors become concerned over what they perceive as misconduct on the part of a marketing organization, they may urge their legislators to draft new laws to regulate the behavior or engage in litigation to force the organization to "play by the rules." For example, complaints from merchants about high debit card fees prompted new legislation that capped how much banks can charge for processing debit card transactions.⁷ Economic and legal responsibilities are the most basic levels of social responsibility for a good reason: failure to consider them may mean that a firm is not around long enough to engage in ethical or philanthropic activities.

Ethical Responsibilities At the next level of the pyramid, marketing ethics refers to principles and standards that define acceptable marketing conduct as determined by the public, government regulators, private-interest groups, competitors, and the firm itself. The most basic of these principles have been codified as laws and regulations to induce marketers to conform to society's expectations of conduct. However, it is important to

understand that marketing ethics go beyond legal issues: Ethical marketing decisions foster trust, which helps build long-term marketing relationships. Marketing ethics includes decisions about what is right or wrong in the organizational context of planning and implementing marketing activities in a global business environment to benefit (1) organizational performance, (2) individual achievement in a work group, (3) social acceptance and advancement in the organization, and (4) stakeholders. This definition of marketing ethics recognizes that ethical decisions occur in a complex social network within a marketing organization. Marketers are often asked by upper-level management to help make the numbers by reaching almost impossible sales targets. In fact, most marketing misconduct is done to help the organization. Being a team player and bending the rules to make targets may result in a promotion. On the other hand, it has destroyed the careers of some of those willing to do anything that they are asked to do.

Philanthropic Responsibilities At the top of the pyramid are philanthropic responsibilities. These responsibilities, which go beyond marketing ethics, are not required of a company, but they promote human welfare or goodwill above and beyond the economic, legal, and ethical dimensions of social responsibility. Many companies demonstrate philanthropic responsibility, which is evidenced by the more than \$15 billion in annual corporate donations and contributions to environmental and social causes.⁹ Even small companies participate in philanthropy through donations and volunteer support of local causes and national charities, such as the Red Cross and the United Way. For example, Charlotte Street Computers in Asheville, North Carolina has developed a refurbishing center that refurbishes computers and then donates them to those in need. The small business also sponsors several community events and fundraising for charities.¹⁰

Sustainability

One of the more common ways marketers demonstrate social responsibility is through programs designed to protect and preserve the natural environment. Sustainability includes the assessment and improvement of business strategies, economic sectors, work practices, technologies, and lifestyles—all while maintaining the natural environment. Many companies make contributions to sustainability by adopting more eco-friendly business practices and/or supporting environmental initiatives. For instance, Walmart has taken steps to reduce waste and decrease greenhouse gas emissions in its supply chain. Walmart's example is convincing other large retailers to take similar actions.¹⁶ Another green practice many companies adopt involves building new facilities that adhere to Leadership in Energy and Environmental Design (LEED) standards. These standards provide a framework for incorporating greener building materials and more

efficient operations into construction.¹⁷ Recreation Equipment, Inc. (REI) has built six facilities that are LEED certified.¹⁸ Because buildings produce 40 percent of greenhouse gas emissions, green building construction can have a significant impact toward sustainability. Such efforts generate positive publicity and often increase sales for the companies involved.

Ethical Issues in the Marketing Program

An *ethical issue* is an identifiable problem, situation, or opportunity that requires an individual or organization to choose from among several actions that must be evaluated as right or wrong, ethical or unethical. Any time an activity causes marketing managers or customers to feel manipulated or cheated, an ethical issue exists, regardless of the legality of that activity. It is therefore imperative that firms become familiar with many of the ethical issues that can potentially occur in the marketing program so that these issues can be identified and resolved when they occur. Some examples of potential ethical issues in the marketing program appear in Exhibit 8.4. These and other issues can develop into legal problems if they are not addressed in the strategic planning process.

EXHIBIT 8.4 Potential Ethical Issues in the Marketing Program

Overall

- Misrepresenting the firm's capabilities
- Manipulation or misuse of data or information
- Exploitation of children or disadvantaged groups
- Invasion of privacy
- Anticompetitive activities
- Abusive behavior
- Misuse of firm resources

Product Issues

- Misrepresentation of goods or services
- Failure to disclose product defects
- Counterfeit or gray market products
- Misleading warranties
- Reducing package contents without reducing package size

Pricing Issues

- Price deception
- Reference pricing claims
- Price discrimination
- Predatory pricing
- Fraudulent refund policies

Distribution (Supply Chain) Issues

- Opportunistic behavior among members of the supply chain
- Exclusive distribution arrangements
- Slotting fees
- Tying contracts
- Failure to honor product and promotional support

Promotion Issues

- False or misleading advertising or selling
- Bait-and-switch advertising
- High-pressure sales tactics
- Entertainment and gift giving
- Stereotypical portrayals of women, minorities, or senior citizens
- Failure to honor sales promotion promises

Managing and Controlling Ethical Issues

Given the conflicting priorities among concerned stakeholders and the nature of most marketing decisions, even the best-designed marketing programs will eventually encounter ethical issues. Since ethical issues can never be completely eliminated, most enlightened firms instead take steps to manage and control ethical issues before they arise. In this section, we look at a number of ways that firms can go about this process.

Regulating Marketing Ethics

Many firms attempt to regulate themselves in an effort to demonstrate ethical responsibility and prevent regulation by federal or state governments. In addition to complying with all relevant laws and regulations, many firms choose to join trade associations that have self-regulatory programs. Although such programs are not a direct outgrowth of laws, many became established to stop or delay the development of laws and regulations that would restrict the associations' business practices. Some trade associations establish

codes of conduct by which their members must abide or risk rebuke or expulsion from the association.

Relationship to Marketing and Financial Performance

One of the most powerful arguments for including ethics and social responsibility in the strategic planning process is the evidence of a link between ethics, social responsibility, and financial performance.⁵⁸ An ethical climate calls for organizational members to incorporate the interests of all stakeholders, including customers, in their decisions and actions. Hence, employees working in an ethical climate will make an extra effort to better understand the demands and concerns of customers. One study found that ethical climate is associated with employee commitment to quality and intra-firm trust.⁵⁹ Employee commitment to the firm, customer loyalty, and profitability have also been linked to increased social responsibility. These findings emphasize the role of an ethical climate in building a strong competitive position. For example, Burgerville, a regional fast food chain from Washington State, realized significant cost savings, decreased employee turnover, and higher sales after it began to cover 90 percent of healthcare costs for all employees who work over 20 hours per week. Burgerville has found that, while initial costs can be high, being ethical and taking care of its workers does pay off in the end.⁶⁰

QUESTION

1. Why is marketing ethics a strategic consideration in organizational decisions? Who is most important in managing marketing ethics: the individual or the firm's leadership? Explain your answer.
2. Why have we seen more evidence of widespread ethical marketing dilemmas within firms today? Is it necessary to gain the cooperation of marketing managers to overstate revenue and earnings in a corporation?
3. What is the relationship between marketing ethics and organizational performance? What are the elements of a strong ethical compliance program to support responsible marketing and a successful marketing strategy?



REFLEKSI

1. Informasi penting hari ini
2. Manfaat penting dari informasi penting hari ini
3. Tindak lanjut yang dapat saudara lakukan



That's all. Thank you! 😊

Any Questions?