



*it's good and
good for you*

Chapter Twenty

Sustainable Marketing

Social Responsibility and Ethics

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



Sustainable Marketing

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

Needs of Consumers

		Needs of Business	
		Now	Future
Needs of Consumers	Now	Marketing concept	Strategic planning concept
	Future	Societal marketing concept	Sustainable marketing concept



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



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



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



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



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.



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.



Social Criticisms of Marketing

Marketing's Impact on Individual Consumers

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



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.

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



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



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



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



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



Consumer Actions to Promote Sustainable Marketing

Environmentalism

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



Consumer Actions to Promote Sustainable Marketing

Environmentalism Environmental Sustainability

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



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



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



Consumer Actions to Promote Sustainable Marketing

Public Actions to Regulate marketing



Business Actions Toward Sustainable Marketing

Sustainable Marketing Principles

Consumer-
Oriented
Marketing

Customer-
Value
Marketing

Innovative
Marketing

Sense-of-
mission
Marketing

Societal
Marketing



Business Actions Toward Sustainable Marketing

Consumer-Oriented Marketing

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



Business Actions Toward Sustainable Marketing

Customer-Value Marketing

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



Business Actions Toward Sustainable Marketing

Innovative Marketing

- Company seeks real product and marketing improvements



Business Actions Toward Sustainable Marketing

Sense-of-Mission Marketing

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



Business Actions Toward Sustainable Marketing

Societal Marketing

IMMEDIATE SATISFACTION

LONG-RUN
CONSUMER BENEFIT

		IMMEDIATE SATISFACTION	
		Low	High
LONG-RUN CONSUMER BENEFIT	High	Salutary products	Desirable products
	Low	Deficient products	Pleasing products

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



Business Actions Toward Socially Responsible Marketing

Marketing Ethics

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

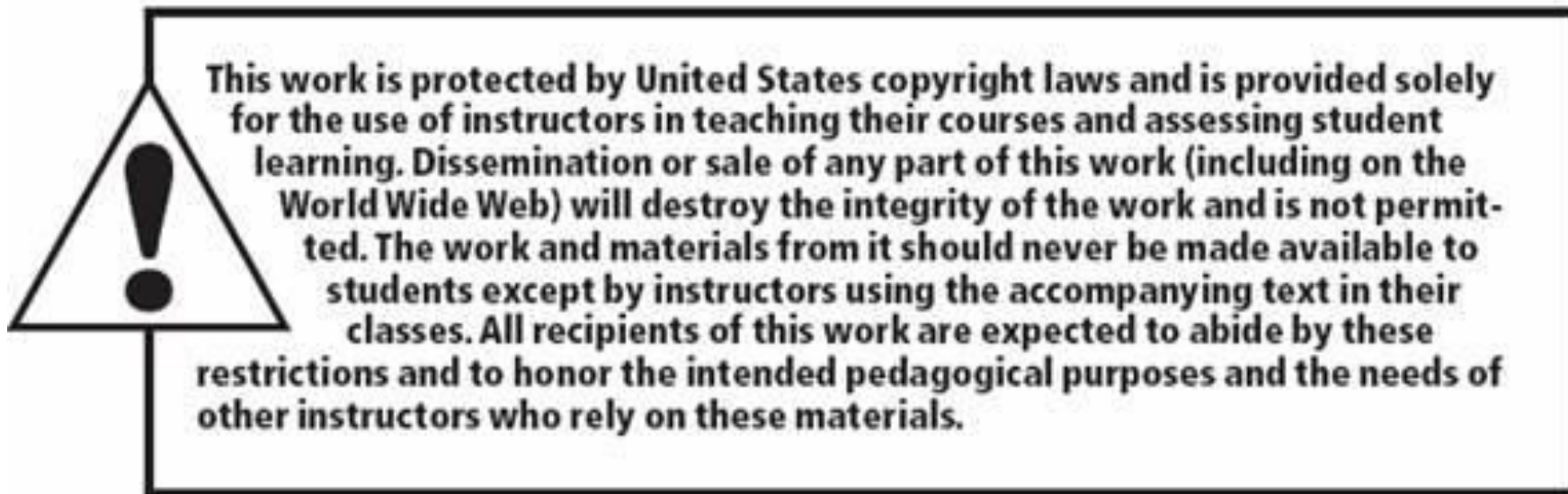


Business Actions Toward Socially Responsible Marketing

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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