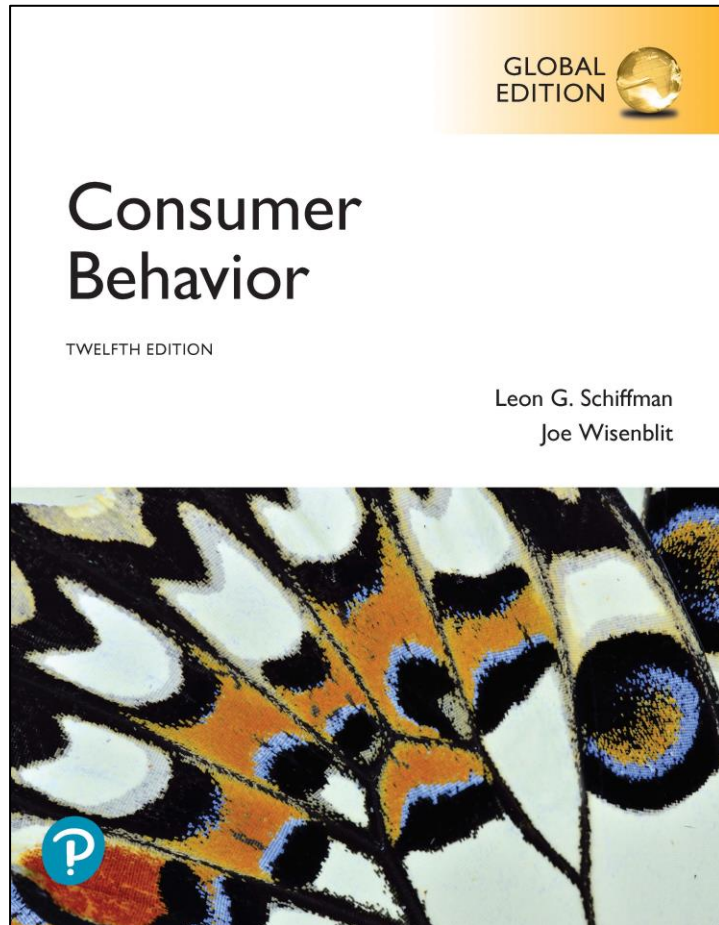


# Consumer Behavior

Twelfth Edition, Global Edition



## Chapter 15

### Marketers' Ethics and Social Responsibility

# Learning Objectives (1 of 2)

**15.1** To understand the importance of marketing ethics and social responsibility.

**15.2** To understand the wide-ranging abuse of consumers' privacy.

**15.3** To understand how marketers exploit and manipulate children and others.

**15.4** To understand the harm caused by misleading labels.

# Learning Objectives (2 of 2)

**15.5** To understand how marketers disguise advertisements.

**15.6** To understand the damage of false and misleading advertising.

**15.7** To understand offensive communications.

**15.8** To understand promoting socially beneficial causes.

**15.9** To understand consumers' ethical obligations.

# Learning Objective 15.1

**15.1** To understand the importance of marketing ethics and social responsibility.

# Societal Marketing Concept

## Defined

A premise that requires marketers to fulfill the needs of the target audience in ways that improve, preserve, and enhance society's well-being, while also meeting their business objectives.

# Example: Fast Food Restaurants

- Should serve foods that contain less fat and sugar
- Marketers should not encourage overeating among young people

# Marketing Ethics

## Defined

Moral principles designed to guide marketers' behavior

# Learning Objective 15.2

**15.2** To understand how marketers abuse consumers' privacy and the measures that can stop such practices.



# Privacy Issues

- Using Wi-Fi signals from smartphones to track consumers in stores
- Smartphone location data
- Smart TVs
- Facebook
  - Emotional contagion
  - Emotional suppression
  - Manipulation of news feeds

# E-Score

## Defined

A digital calculation of people's buying power.

# Privacy Laws

- Federal Trade Commission
- Blocking tracking

# Discussion Questions (1 of 2)

- Should online privacy be self-regulated or governed by legislation? Why or why not?
- Should stores be allowed to track your emotions and behavior using your smartphone? Why or why not?

# Learning Objective 15.3

**15.3** To understand how marketers exploit and manipulate children.

# Consumer Socialization

- Perceptual stage (3-7 years old)
- Analytical stage (7-11 years old)
- Reflective stage (11-16 years old)

Discussion Question:

**At what point is it ethical for marketers to communicate with children? Does it depend on other factors besides age (e.g. socioeconomic status; product category)?**

# Encouraging Overeating

- Concern over link with obesity
- Voluntary restrictions to avoid legislation
- Online targeting may be unethical and illegal

# Packaging to Increase Consumption

- Short, wide glasses
- Clear candy jars
- Transparent sandwich wrap
- Visible, aromatic food
- Organized food presentation
- Multiple offerings
- Minimal variations in serving bowl size
- Not tracking consumption
- Large inventories
- Bundling small packages



# Laws and Regulations

- Children's Advertising Review Unit (CARU)
- Stimulus-response theory
- Marketers routinely violate practices that are forbidden under federal or state regulation

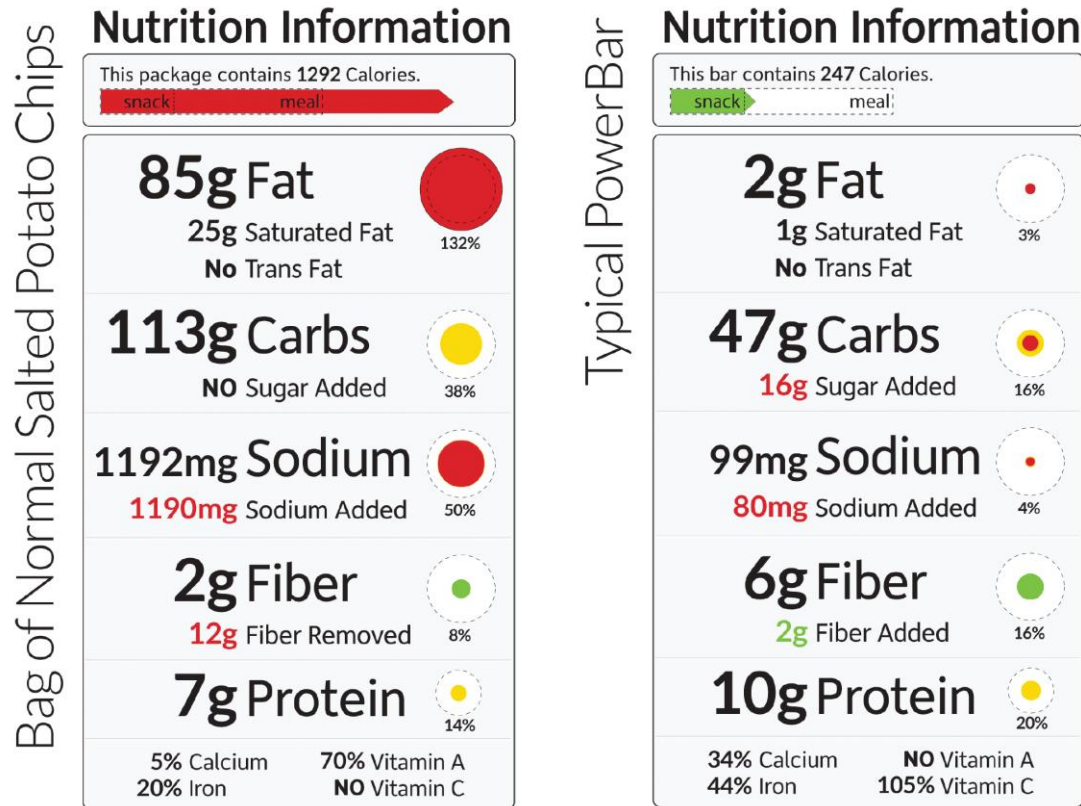
# Encouraging Overspending

- Cold grocery stores
- Moving displays to encourage wandering
- Targeting online shoppers who have been drinking
- Designing foods that encourage overeating
- Granting easy credit

# Learning Objective 15.4

**15.4** To understand the harm caused by misleading labels.

# Nutritional Labeling



**Source:** Creator: Joe Brunelle. Project managers: Lily Mihalik and Diana Jou, University of California, Berkeley School of Journalism.

# Learning Objective 15.5

**15.5** To understand how marketers disguise advertisements.

# Camouflaged Advertising

- Context effects
- Native advertising
- Search engines
- Covert marketing

## Discussion Questions (2 of 2)

- Do you think covert marketing is wrong?
- Why might others have a different opinion from you?

# Learning Objective 15.6

**15.6** To understand the damage of false and misleading advertising.



# False or Misleading Advertising

- Puffery
- Truth-in-advertising laws
- Deceptive advertising; FTC guidelines
- Corrective advertising
- Promotional violations in drug marketing
  - Unsubstantiated effectiveness claims
  - Omitted risk information
  - Unsubstantiated superiority claims

# Learning Objective 15.7

**15.7** To understand offensive communications.

# Offensive Marketing Examples

- Anheuser-Busch: Bud Light “the perfect beer for removing ‘no’ from your vocabulary for the night”
- Blast by Colt 45: “cocktails on training wheels”
- Four Loko: Fruit-flavored malt beverage with 12% alcohol and caffeine
- National Mutual Insurance: “Boy” ad featured dead child
- Groupon made fun of abused people in Tibet and endangered species

# Learning Objective 15.8

**15.8** To understand promoting socially beneficial causes.

# Think before You Speak



**Source:** GLSEN, Inc.

# Advocating Beneficial Conduct



**Source:** Print advertisement created by the Vidal Partnership, United States for FEMA.

# Cause-Related Marketing

## Defined

Firms contribute a portion of the revenues they receive from selling certain products to causes that are socially desirable and supported by the American public.

# Cause-Related Marketing Example



**Source:** The Hertz Corporation, a subsidiary of Hertz Global Holdings Inc.



# Shocking Images



Source: Children's Defense Fund (CDF)

# Learning Objective 15.9

**15.9** To understand consumers' ethical obligations.

# Consumer Ethics

- Consumer returns
- Software piracy

Discussion Question:

**Do you think creative consumer practices that avoid baggage fees and charge airlines falsely are ethical? Why or why not?**