Communication and Marketing: Toward a Responsive Ethical Framework

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Ethics in marketing, up to this point, has been largely prescriptive. Violations continue to garner headlines, and those engaged in violations find justification. This work extends the literature in marketing ethics by moving past prescription and exploring a responsive ethic. It looks to Levinas, considering acknowledgement of the other to provide an ethical marketing framework that is responsive.

INTRODUCTION

The relationship of ethics in marketing is not a new topic of discussion. Reidenbach and Robin (1988) suggested that ethical issues were approaching the level of managerial and strategic concerns in marketing inquiry, and ethics as an important consideration in the operation of an economy in general was noted in Takala and Uusitalo (1995). Marketing ethics has been defined as "inquiry into the nature and grounds of moral judgments, standards, and rules of conduct relating to marketing decisions and marketing situations" (Taylor, 1975, p. 1).

Recognition that market actions have potential long-term consequences that extend beyond the organization and its consumers (Mitterlstaedt, Kilbourne, & Mitterlstaedt 2007), along with high profile incidents of unethical and even unlawful behavior in the public sphere (i.e. Wells Fargo retail bank account fraud, AstraZeneca bribery in China and Russia), it is a strategic concern. In fact, the Sarbanes-Oxley Act of 2002, in addition to requiring penalties for securities violations, audit certification, and increased disclosure of financial information, requires public companies to disclose codes of ethics for senior officers, specifically, Section 406, "which directs us to adopt rules requiring a company to disclose whether it has adopted a code of ethics for its senior financial officers, and if not, the reasons therefore, as well as any changes to, or waiver of any provision of, that code of ethics." (Securities and Exchange Commission, http:// www.sec.gov/rules/final/33-8177.htm). This work extends the literature in marketing ethics by moving past prescription and exploring a responsive ethic.

Business organizations are critical in the continuation of a modern economic system, and marketing plays a distinctly important role in organizations. As such, the importance of marketing ethics in business has not been debated. Marketing has been criticized as unethical (Laczniak, 1999), and some, in fact, view marketing as the worse ethical offender (LeClair, Ferrell, and Ferrell, 1997; Tsalikis and Fritzsche, 1989).

The influential role marketing plays makes the issue of ethics even more important to the discipline. Marketing has influence in a myriad of decisions made by consumers, other organizations, and within its organization. Marketing decisions, which ultimately affect the decisions of others, often involve ethical dilemmas, as morals and standards are not necessarily universal, and competing interests need to be balanced. For example, marketing may be involved in product labeling decisions, persuasive promotional media, and pricing decisions. These marketing decisions influence the decisions of others, and this interaction allows for ethical dilemmas (Bartels, 1967)

In 1962, Friedman argued that business' only social responsibility was to make a profit "within the rules of the game" (p. 33), considering business responsible primarily to its shareholders (1970). He further held that social issues are not business issues but state issues, yet also that only humans have moral obligations (1970). This has been countered by numerous works. The call for marketing to consider socially-responsible business practices itself is not new, considering Kotler and Levy's work on societal marketing as early as 1969. Incorporation of social responsibility and ethics into strategic marketing planning was recommended decades ago (Robin & Reidenbach, 1987). Fraedrich, Ferrell, and Jones (1991) took this further, arguing that ethics and social responsibility should be included in the strategic market planning process due to "the increasing evidence of a link between social responsibility, ethics, and marketing performance" (p. 169). The increasing interest of consumers in social responsibility creates a climate in which ethics in marketing gains focus (Charter & Polonsky, 1997; Kavali, Tzokas & Saren, 1999).

Recognition of the importance of stakeholders and consumer interest in the good citizenship of organizations lead to increased corporate social responsibility. According to Davidson (1994), concern with internal and external stakeholders, including employees, consumers, and the community is an important part of corporate social responsibility. In fact, the public expects small business and corporations both to support nonprofit causes (pp. 29-30). Marx (2000) notes that more than $100 billion is annually received by charitable organizations. Rather than being viewed as simply a sales tool or promotion, association with a charity or cause has evolved to assume strategic marketing focus.

Donations are not the only form of prosocial behavior. Based on definitions put forth by Varadarajan and Menon (1988) and Hawkes and Stead (1996), cause-related marketing, a socially responsible initiative born in the United States, can be considered a strategic marketing activity utilized by a company to benefit itself as well as a charity or specified cause. Simply put, it involves partnering a specific brand or company with a charitable cause. Examples of cause-related marketing initiatives include "percentage of profit" where companies donate a percentage of the profits from identified purchases to a charity or organization, employee volunteerism, in which employees act to aid the cause with employer support, and in-kind donations, which may include services, products, and supplies. Benefits of such initiatives, according to Ross et al. (1991) include the potential for favorable attitude development among consumers in relation to the company and cause. A 2003 United Kingdom study by Docherty and Hippert found that the benefits a company looked to derive through the CRM initiative included increasing both brand awareness and press coverage (p. 387).

At the center of marketing rhetoric is a focus on exchange. This exchange, from the paradigm of traditional transaction-based marketing, focuses on fostering current purchases of goods and services. Utility received from the exchange includes value from the transaction itself as well as value in that which is acquired (Thaler, 1985). When the emphasis is on the transaction, the purchase act as the act of exchange, such an orientation does not lend itself well to the nurturing of the other. Levinas (1989) sees humans as social creatures whose wellbeing is dependent on others. Those others include not only family and friends, but also strangers, suggesting that one's response to the call of the other with respect and recognition is necessary. In a call to conscience, one finds "the resources to respond to the call" (Levinas, 1985, p. 89). When one hears the call of the face of the other, opens oneself up to the other and welcomes his or her differences, one gives the gift of acknowledgement and provides space to maintain morality of being human. If employees as individuals relegate consumers to merely collections of facts or characteristics, rather than seeing them as autonomous agents, they may be viewed as instrumental beings (Alvesson, 1994) and perhaps acknowledgement and morality is lost.

A RELATIONAL APPROACH

In marketing's continued evolution, criticisms of a transactional approach fostered "relationship marketing," coined by Berry (1991). The relationship marketing paradigm focuses on adding value through collaboration, co-production, and interdependence between buyers and sellers (Gummesson, 2002; Sheth and Parvatiyar, 2001; Sheth, 1993; Anderson and Narus, 1990). Within this era is a focus on building long-term**,** value-laden relationships with both consumers and suppliers**.** Communication efforts gain increased importance with efforts focused on relationship building and trust, ideally acknowledging the consumer as other.

With relationship marketing, the focus is on retention and commitment "as well as on share of the customer business instead of market share" (Sheth and Parvatiyar, 2001). Gummesson (1991) defines total relationship marketing as "marketing that is based on relationships, networks and interaction." Strengthening ties with consumers can build collaboration and encourage participation, which further promotes relationship development, as "the objective of relationship marketing is to increase consumer's commitment to the organization through the process of offering better value on a continuous basis at a reduced cost" (Sheth and Parvatiyar, 2001).

In studying relationships, one often considers the expected behaviors of the parties involved, and in studying relationship marketing, the expected behaviors of buyers and sellers are evaluated. According to Arnett and Arneson (1999),"To invite a relational focus with another requires empathy (understanding the other's inner world), congruence (connection between how one feels and how one acts), unconditional positive regard (genuine concern for the other), and finally the other's perception of the first three" (p. 98).

It was noted by Docherty and Hippert (2003) that, unlike relationship marketing where a mutually beneficial collaboration is anticipated, the balance of power between partners in a cause-related marketing initiative is often skewed (p. 387). The more powerful partner often has more control over the management of the relationship. This may allow benefits to the more powerful partner to be the focus, minimizing the importance of attaining the benefits the other partner desires. Lichtenstein, Drumwright, and Braig (2004) found through review of four studies that, while cause-related marketing initiatives can be more risky to the less powerful partner, generally the not-for-profit, it can provide direct and indirect benefits to the company, particularly through increased purchases and positive image, as well as to the nonprofit in the form of increased donations. Bazil and Herr (2003) did find, however, that when consumers hold a negative perception of the company or the company and cause have a negative fit, negativity toward the cause could result (p. 59).

While ethical relational marketing would move past direct economic exchange, Stromberg (1990), in discussing consumerism, suggests that marketing's message is often one of unfulfilled desires to be entered through consumption (p. 11). Sklair (2002) adds to this in commenting that the "culture ideology of consumerism proclaims, literally, that the meaning of life is to be found in the things that we possess. To consume, therefore, is to be fully alive, and to remain fully alive we must continuously consume, discard, consume" (p. 62). Stromberg (1990) further suggests that marketing, and more specifically advertising, creates a fantasy with the message that a consumer will be a better person, perhaps even a changed person, if the consumer purchases the necessary products (p. 12). This would be counter to the ethical development of a relationship between the company and the consumer.

Dunfee, Smith, and Ross (1999) note that marketing ethics is typically viewed from either a descriptive approach or a normative approach. Descriptive approaches attempt to describe the ethical decision making process, while normative approaches "identify moral principles and methods of moral reasoning that justify judgments of what is right and wrong," noting that normative marketing ethics is "concerned with prescribing what managers 'ought to do'" (Dunfee et.al, 1999, p. 15). While this points toward social contract theory as a normative ethic that has benefit in the marketing discipline, it remains prescriptive.

Ethics, commonly found formally in an organization as a code, can be problematic when prescriptive. At issue is an ethic of the organization that is emergent, as the ethical questions faced emerge out of moments of rhetorical interruption. According to Farrell (1983), "…rhetoric despite its traditional and quite justifiable association with the preservation of cultural truism, may also perform an act of critical interruption where the taken-for-granted practices of a culture are concerned….the phenomenon of rhetorical interruption juxtaposes the assumptions, norms, and practices of a people so as to prompt a reappraisal of where they are culturally, what they are doing, and where they are going" (p. 258). Traditional marketing ethics points to "communication" in a prescriptive manner. A move out of this prescriptive framework can perhaps be facilitated by Levinas and a focus on acknowledging the other.

CONSIDERING A RESPONSIVE ETHIC TO INFORM MARKETING

Postmodernism, entering in the late twentieth century, rejects the certainty that has allowed for first principles, or grand narratives, to structure life in the Western world. Key areas called into question include "commitment to cultural 'progress' (that economies must continue to grow, the quality of life to keep improving indefinitely, etc.) as well as the political systems that have underpinned this belief" (Sim, 2001, p.vii).

Concern with grand narratives, or universals, as authoritarian, and suggestions that petite narratives instead be considered as "the most inventive way of disseminating, and creating, knowledge" as they help "break down the monopoly traditionally exercised by grand narratives" is attributed to postmodernism (Sim, 2001, pp.8-9). In this way, understanding is affected in that the petite narratives are focused on achieving a particular purpose. They exist only as long as is necessary, rather than humans understanding, or subscribing, to a particular world view that is thought to be universal.

The face of the other may be less visible in an environment of mediated communication. Mediated communication "involves a process by which a message, or communication, is transmitted via some form or medium" (Pavlik and McIntosh, 2004, p. 70), Heim (1993) notes that "computer communication cuts the physical face out of the communication process," suggesting that the "primal interface" whole "physical eyes are the windows that establish the neighborhood of trust" is lost, and that "Without the direct experience of the human face, ethical awareness shrinks" (p. 102).

Consider the fraud committed at Wells Fargo and the focus, both at Wells Fargo and in the financial services industry, of reactively reporting on fraud and ethics violations after they have occurred. In 2016, Wells Fargo was fined $100 million by the Consumer Financial Protection Bureau for opening unauthorized accounts on behalf of its consumers, opening accounts and sometimes transferring funds from current consumer accounts into accounts that were opened without the knowledge or approval of those consumers, allowing bank personnel to inflate sales figures, earn financial compensation, and increase fees owed to the bank (Consumer Financial Protection Bureau, 2016). Former CEO John Stumpf asserted that the bank had taken some action as early as 2011 when a board committee became aware of incidents of fraud, firing employees determined to be involved, but he did not believe it to be systemic due to the Wells Fargo corporate culture (Ochs, 2016), yet the CFPB asserted that the bank's compensation incentive programs encouraged such actions (Consumer Financial Protection Bureau, 2016). Stumpf himself noted that his concern was with outcomes, not process (Ochs, 2016). While the bank, and Stumpf, noted its "culture of caring," employees alleged a "soul-crushing culture of fear and daily intimidation by managers," with great pressure to reach consumer sales goals and both deterrents and retribution for speaking up about unethical or illegal activity (Ochs, 2016).

While prescriptive codes of ethics are often in place and ethics training occurs proactively in some organizations, corporate misconduct, particularly directed toward consumers, continues to make headlines. A 2015 report on financial service professionals' views of the industry conducted by Labaton Sucharow with the University of Notre Dame found that 20 percent of those responding believed that financial service professionals "must sometimes engage in unethical or illegal activity to be successful in the current financial environment," 33 percent of those who earn more than $500,000 annually have witnessed or have firsthand knowledge of wrongdoing in the workplace, and ten percent reported they directly felt pressure "to compromise ethical standards or violate the law" (Sorkin).

When competing goals are in play (as in pressure to hit unrealistic sales goals regardless of code of ethics/company values), managers may consider the department or team as more important than others (Carucci, 2016). The situation may provoke a sense of injustice, which, left unaddressed, leads to self-protection, resentment, and eventually justification, as otherwise ethical individuals compromise their values (Carucci, 2016). The other becomes devalued and lacks acknowledgement, leading to violation. In the Wells Fargo case, dialogue with consumers did not continue. Instead, account numbers were accessed and personal information available electronically was used to commit fraud. Perhaps employees no longer saw the face of the other, as the other became simply a non-personal account number and collection of facts.

Marketing ethics should not be a proclamation (dictate, mandate), but a response. Proclamation can be addressed through people. This paper considers a philosophical framework that includes the individual as part of the responsibility equation. Moral agency has to be more than just a coded response or opinion poll.

According to Levinas (1969), ethics is a condition of dialogue. He does not define ethics as prescriptive in terms of defining good and evil. Rather, he suggests "[w]e name this calling into question of my spontaneity by the presence of the Other ethics" (1969, 43). Ethics is a response and responsibility to another. It is "otherwise than being;" something that disrupts. Hyde (2000) suggests, then, that the call from the face of another is a rhetorical interruption. According to Levinas (1969), ethics is evocative rather than prescriptive, in that the interruption caused by the face of the other allows one to move toward the other, and brings with it responsibility. Thus the focus becomes one of value toward the needs of the other rather than simply what one expects to accomplish.

This has profound implications for marketers. Relationship marketing, if it has a genuine focus on mutual benefit, can move toward Levinas in terms of concern for the other, but cynically, the organization may feel compelled to offer something of benefit to get what it wants rather than truly being responsive to the other, its consumer. At the same time, consumers may seemingly engage in a relationship with an organization not as a response, but rather as simply a means to acquire an added benefit from the organization, such as a discounted price or preferred terms. In this way the organization and the consumer would move away from Levinas due to the expectation of reciprocity.

If employees-as-individuals value and acknowledge the consumer as other, perhaps they would feel a responsibility to them and the justification for unethical actions would be reduced. Bailie (2001) suggests that responsibility may allow for redemption from violations. To extend this, the individuals that make up companies should act responsibly even when the opportunity to commit a violation or violate a consumer, presents itself due to feelings of responsibility toward those consumers as others. Perhaps organizations, if able to support and encourage employees-as-individuals to acknowledge and value the consumer as other through responsiveness and reflection, organizations could more effectively halt violations and encourage responsibility among employees-as-individuals, advancing a proclamation of ethics that is responsive. Organizations can respond to ethical marketing challenges by providing a corporate environment driven by a responsive ethical framework. Addressing the rhetorical interruption through communication ethics is constructive. It allows for framing an ethic that is responsive within the organization and the marketplace.

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