SUSTAINABLE GROWTH AND PROFITABILITY OF MARKETING ETHICS AND CORPORATE SOCIAL RESPONSIBILITY

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Abstract:

Ethics are our perception regarding what is right and wrong. Although these ideals may range from one person to a distinctive or one company to another, ethics and social responsibility are afore most part to any company's marketing department. Ethics has a tendency to focus on the individual or marketing group decision, corporate social responsibility is the managerial, intellectual and practical reactive responsiveness, to the firm's obligatory operational and environmental activities, like economic, productive/technical, legal, ecological, ethical and philanthropic requirements, to its stockholders and entire stakeholders. And the company's commitment to contribute to economic development while improving the quality of life of the workforce and their families, as well as that of the local community and society at large. This paper Study the various ethical problems in marketing and take major steps for improving the ethical standards of marketing by firms. This paper focuses the various benefits for endorsing and adopting marketing ethics and corporate social responsibility by any firm.

Key Words: *Corporate social responsibility (CSR), Marketing ethics, Ethical issues, Sustainable growth and profitability.*

Introduction:

A variety of phrases have been used from time to time interchangeably, to refer to social responsibility such as business ethics, corporate accountability, sustainability, corporate citizenship to describe companies' efforts to deal with ethical practices, governance, employee-friendly regulations, human rights, environmental effect, and community engagement in the core features of the business. Corporate social responsibility is the obligation of businessmen to pursue those policies, to make those decisions or to follow lines of action which are desirable in terms of the objectives and values of the society. On wuchekwa (2000) defines business's social responsibility as the managerial, intellectual concern and practical involvement on social issues relating to business interdependence with the society of location. Corporate social responsibility (CSR) has expanded to cover the entire societal framework. Most often, essentially, marketing firms overall success is dependent on their relationship with the external environment. The major diverse social issues that confront the marketers are categorized into two, Namely

- Marketing Ethics and Corporate Social Responsibility. Generally speaking, the emphasis is all about "Doing Well by Doing Good".

Statement of the Problems

The modern organizations to ensure continued corporate sustainability and profitability. Traditionally of the business's social responsibility includes the managers' relationships with customers like: stipulation of quality products at reasonable prices for customers, the employees providing some provision of sufficient wages to employees and given good environment to the employees and providing to shareholders of provision of enough profits for stockholders in the organisation and Manager's relationship with government and society general public, and now a day's the corporate social responsibility has extended to virtually the entire societal segments. The social responsibility of business includes requisite operational activities in the society, economics, political and legal forces, stockholders and stakeholders. The stakeholders of a business include the society, government, customers, employees and local community in the organisation.

Objectives of the Study:

The following are the objectives as follows.

1. To understand the concept of marketing ethics and corporate social responsibility.
2. To study the various ethical problems in marketing and the step for improving standards of marketing ethics

Methodology of the study:

Sampling method:

The present study is based on descriptive in nature of an overview of ethical marketing and social responsibility.

Sources of data:

The study is conducted both primary and secondary sources for collecting primary source like journals, articles, books, news papers, etc.. And secondary sources collated from annul reports, bulletins etc...

Social Responsibility Marketing

Socially responsibility marketing is a marketing philosophy that a business enterprise have to take into consideration; “What is within the best interest of society in the present and long term?” It is totally based on the concept that market offerings should not be simplest profit-driven, however they should also reinforce social and ethical values for the advantage of citizens. Social responsibility in marketing is often considered with ethics. The difference among the two is that what is taken into consideration ethical in phrases of business, society and individually might not be the same thing nor do all business actions necessarily should be socially account able so that you can be taken into consideration ethical.

Characteristics of Social Marketing:

a) **Honesty:** Making sure a product satisfies a need it promises to, or helps in presenting a lifestyle it advertises. Marketing have to be transparent about viable side effects so customers come to recognize the honesty of your marketing.
b) **Safety:** Any product or service that might be risky to the health conditions of people, animals or the environment need to have clean advisories and warnings.
c) **Transparency:** Any strategies to control and disguise facts and information customers need could damage a company. The practices of the company must be transparent, obvious moral or ethical.
d) **Respecting Customer Privacy:** When customers believe sufficient to allow you to access to their information, selling it to steer companies or acquiring prospective customers' information without permission is unethical and breaks trust.
e) **Ethical Pricing:** Accumulating data about your goal market will come up with information on how much they may be inclined to pay in your product. Creating fake shortages and terrible mouthing the competition are considered unethical marketing practice

Ethical Marketing:

Good ethics is a keystone of sustainable marketing. In the long run, unethical marketing damages customers and society at a large. Further, it ultimately harms a company's effectiveness and reputation. As a result, the sustainable marketing goals of long-term customer and business welfare can be achieved best through ethical marketing conduct. Ethical marketing is a philosophy that consciousness specializes in honesty, fairness and responsibility. Ethical marketing is a process through which companies generate customer interest in products or services, construct healthier and strong customer interest/relationships, and create value for all stakeholders by means of incorporating social and environmental considerations in products and promotion.

Integration among Social Responsibility and Ethical Marketing

Organizations are conscious that consumers now a day are savvy and opinionated. The company's activates directly or indirectly which have an effect the stakeholders whether it be individuals, groups or businesses. With the continuous growth of business, industry and increased push for marketing efforts, marketing ethics is growing to be the top of the corporate agenda. (Kotler et al, 2013). Social responsibility and marketing ethics ought to go hand in hand. It is the social responsibility to formulate rules and regulations which might be applicable ethically and which work not for maximizing the profits of the businesses but which targets at the larger interest of all the stakeholders (Anatasia, 2015). So with this in mind, companies need to create an ethically sound marketing plan and combine it into all elements of their marketing mix.

- ✓ Do good not just to look good – Focus on being accountable and how your firm can honestly help the community or country. It is in doing so that your customers, the press, and all those watching may be inspired.

- ✓ To acknowledge the social obligations to shareholders- It is the duty of the marketer to accept the effects of their marketing decisions, policies and strategies and accept the social obligations to shareholders that include increased marketing and economic power.
- ✓ Speak up against company policies that do not reflect the ethical profile of the company – As the facing organisation, marketer should voice their concern whilst there may be potentials for a practice to be seen as unethical.

Ethical Problems in Marketing Research

The advent of globalization - (the growing integration of economics and societies around the world) as a result of growing sophisticated Information, Communication And Transportation Technology (ICTT). (The internet, GSM telecommunication, TV cable network) and the attendant proliferation of databases, data warehouses and data-mining in marketing research, have heightened the public concern over the easy access and invasion of consumers' personal data and privacy. The recent trends whereby consumer address lists and other sensitive personal demographic and marketing information are easily given out for cash reward or free offers of e-mail newsletters, favourite magazines or even a new desktop PC in exchange, is a serious problematic ethical issue in contemporary marketing research. Most often, archrival firms hire sub contractors to snoop-(corporate espionage) through wiretapping, computer hacking, piracy, dumpster diving and other intrusive techniques. The government globally, especially the consumer protection and regulatory agencies, should come up with new legislations and where appropriate, enforce the existing ones, in order to protect the unprotected stakeholders.

Ethical Issues in Product and Services Strategies the ethics perspective is to ensure that:

- ➢ Products are safe
- ➢ No harmful
- ➢ Customers receive relevant product information
- ➢ There are meaningful differences among products in a product line.
- ➢ In case of defective product, there is a mechanism for redress

Ethical Problems in Product Strategy

The areas or serious concern in product strategy are the product actual content, quality and safety, adulteration, substandard, fake, planned obsolescence, brand similarity and packaging. Most packaging practices in Nigeria are considered misleading, deceptive, unethical and out-rightly fraudulent. For instance, the SURE Deodorant concave-shaped bottle, beverages that are almost half of the tin, fuel filling stations' fraudulent dispensing pumps, using high quality label on substandard products (Stout Beer). Most worrisome dimension of product strategy is product endorsement-"Seal of Approval" by reputable National Associations/Institutes-be it medical, paramedical, Pharmaceutical, and international celebrities, footballers, athletes, movie stars and comedians in Nigeria and by extension, globally. For instance, Kanu Nwankwo-Peak Milk; Aghahowa ROBB, Jay-Jay Okocha-PEPSI, Comedians, Movie and Music Stars, are in for promoting milk-related products. Finally, Zebrudaya is all round consumer, of virtually all products. This is deceitful and CPC has not critically and realistically looked into them.

Ethical Problems in Distribution Strategy

The aspects of unethical issues that relate to distribution strategy are; exclusive distribution territories, dumping, dealer rights and predatory competition (plundering to ruin).

Ethical Problems in Promotional Strategy:

Majority of the ethical problems arise from promotional strategy as a marketing mix, especially personal selling. Unethical marketing practices that are common among motor-park peddlers/hawkers, drummers, used-car sales force (herbal and root trado-medical practitioners) and guerrilla marketers include exaggeration of product merits, outright false and deceptive advertising, gifts and bribes. For instance, one Bank embarked on a sales promotional campaign, which they abruptly stopped halfway, after collecting deposits from unsuspecting and gullible customers.

Ethical Problems in Pricing:

The most regulated variable in the firm's marketing mix strategy is pricing. Some of the unethical issues in pricing include price-fixing, price discrimination, abrupt price increases and deceptive pricing.

Social Responsibility in Marketing:

Social responsibility demands that marketers accept an obligation to give equal weight to profits, consumer satisfaction and social well being in evaluating their firm's performance (Boone & Kurtz, 2004). Essentially, it is expected that the importance of quantitative measures of sales, revenue and profits, by which firms have traditionally measured marketing performance vis-à-vis the relatively qualitative consumer and social benefits must be recognized. Measurement of social responsibility is easier than marketing ethics. Socially responsible actions can be mandated by government legislation, whereas social responsibility by business can be promoted by consumer activism. Government regulations may compel organizations to take socially responsible actions on issues of false and deceptive product claims, predatory competition and environmental policy among others. Moreover, with their powers of repeat or withhold purchases, consumers may compel marketers to provide high quality product/service, honest and relevant information. The four dimensions of corporate social responsibility are namely-economic, legal, ethical and philanthropic. Economic and legal dimensions are already being recognized and implemented contemporarily. The last two dimensions-the legal issues and good corporate citizens' perspective are gradually gaining sizeable and appreciable recognition. The most valid assessment for socially responsible decisions in organizations inferred that, all marketers regardless of the position in an organization should be responsible for the social aspects of their decisions.

- **Economic:** Be profitable. Responsibility to earn profit for owners, is the foundation upon which, all others rest.
- **Legal:** Obey the law. Responsibility to comply with the law, ie the society's codification of right and wrong. Play by the rules of the game.
- **Ethical:** Be ethical. Not acting just for profit but with obligation to do what is right, just and fair. Avoid harm.
- **Voluntary and Philanthropic:** Promoting human welfare and goodwill; Being a good corporate citizen; causal resources to the community development and improving the quality of life.
- **Environmental/Ecological:** Environmental issues are essentially business social responsibility issues. Though the environment is outside the control of the firm, it is an indispensable variable for successful productive and marketing activities.

Set of Standards for improving Business Ethics by Organizations:

- Appoint a senior-ethics compliance officer.
- Set up an ethics code capable of detecting and presenting misconduct.
- Distribute a written code of ethics to employees, subsidiaries and associated companies, and require all business partners to abide.
- Conduct regular ethics training programs to communicate standards and procedures.
- Establish systems to monitor misconduct and report grievances.
- Establish consistent punishment guidelines to enforce standards and codes.
- Encourage an open door policy, allowing employees to report cases of misconduct without fear of retaliation.
- Prohibit employees with a track record of misconduct from holding positions with substantial discretional authority
- Promote ethically aware and responsible managers.
- Continually monitor effectiveness of all ethics-related programs.

Conclusion

We concluded that the present study is Sustainable Growth and Profitability of Marketing Ethics and Corporate Social Responsibility. Endorsing and adopting marketing ethics and corporate social responsibility by firms should be the concern of all stakeholders. This is because social responsibility issues are essentially environmental issues. Though the environment is outside the firm, it is an indispensable variable for successful productive and marketing activity. We therefore suggest that, if equitable and sustainable growth and profitability are to be achieved by organizations, marketing ethics and corporate social responsibility must be improved and the desires, expectations and preferences of all stakeholders, recognized for the common good of all. Succinctly stated, doing well by doing good as good corporate citizen, is the key to corporate sustainability, especially in this era of global economic shockwaves and "Occupy the Wall Street" Movement.

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