

SOCIAL RESPONSIBILITY OF MARKETING



Marketing executives must consider the importance of the social, cultural, and technological setting within which people live and work. The attitudes people possess, the values they hold dear, the lifestyles they enjoy, and the interpersonal behavioral patterns they adopt all directly help shape the market environment. They undoubtedly have a bearing on the standards of government, the state of the economy, and the intensity of competition and technological development. It can be said that society allows business the right to exist, then society in return expects business to behave in a responsible manner and for the public good. Not all of the engorgement, as some critics call it, is irresponsible. Energy conservation, waste recycling and disposal, and pollution control have become predominant forces to consider by the businesses. These issues will be discussed in two lessons in this unit.

School of Business

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Lesson-1: Social Criticisms of Marketing

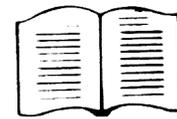
Objectives of this lesson

After reading this lesson, you will be able to:

- Have an idea of the social environment
- Identify a selected social criticisms of marketing
- Know different forms of consumer deception in Bangladesh
- Criticize various marketing practices
- Know the marketing implications of societal forces

The Social Environment

The social environment is one of the most difficult tasks to monitor, because changes in values and attitudes and lifestyles are not easily measured in reassuringly quantifiable ways. Social environment comprise the structure and dynamics of individuals and groups and the issues with which they are concerned. Business firms operate in various settings of the social environment which have social implications. The executive's first responsibility is to make a profit so the organization can survive. Business firms cannot continue without profits to provide jobs for workers or goods and services to meet the needs of the society. In a free enterprise society, the stockholders are the driving force who risk their capital to start businesses. Since they risk their money, they always look for profits which is the only rightful reward for them. It is, therefore, the responsibility of businesses to ensure reasonable profit to the stockholders. In the contemporary world, profits are considered necessary, but are not the only objective of the businesses.



Taking care of the employees is another responsibility of executives. Companies should provide workers with fair wages, safe working conditions, and the right to union representation. Businesses are expected to offer equal opportunities in hiring, pay, and promotions to women and other minority groups.

The third area of social responsibility for business executives concerns the physical environment that surrounds company offices and installations. Society no longer tolerates pollution of its air and water resources and various laws have been enacted to curb the discharge of harmful industrial wastes. Firms that fail to clean up their installations are subject to fines and unfavorable publicity which affects sales adversely. The public has become quite sensitive to pollution problems and managers are being asked to install expensive control procedures even at the risk of higher prices and lower profits. The public raises questions about the activities of marketers when the consequences of those activities are felt to be inconsistent with the goals of individuals or of society in general. Marketers, therefore, study the social environment carefully and closely and respond accordingly to ensure their long-term survival.

Social Criticisms of Marketing

Even when marketers do a good job of satisfying society, letters of praise or positive evaluation rarely follow. Society expects marketers to provide a high standard of living and to protect the general quality of life. Contemporary marketing practices are subject to various social criticisms as evidenced by the growing concern for such areas as marketing's impact on the environment; marketing impact on nonrenewable resources; and marketing's obligation to the children, the poor, the elderly and different unprivileged groups. The societal marketing concept was defined in unit one as a management orientation that holds that the key task of organizing is to determine the needs and wants of target markets and to adapt the organization to delivering the desired satisfaction more effectively and efficiently than its competitors in a way that preserves or enhances the consumers' and society's well-being and making profit through upholding the social interest. The



societal marketing concept is not still a widely practiced one. Nevertheless, this concept however, is followed by a number of marketers. "The substantial increase in interest in business's social impact is an outgrowth of heightened public concern over and sensitivity to many aspects of society. But, 'interest in the social performance of business is not new. What is new is the greater number of individuals, government agencies, and non-governmental organizations desiring social information, the parallel desire for such information by corporate managements, the variety of subjects in which they are interested, and the increasing ability of all to use social information effectively"¹.

Marketers, whether willing or unwillingly, create certain impacts on the society and the environment through their activities as the produce and market products and services. As people use or consume products and services, they also generate certain impacts on the society and the

¹ *The Measurement of Social Corporate Performance, American Institute of Certified Public Accountants, Inc., New York, 1977, p., 3 -4.*

environment. Consequently, business has an enormous influence on both the economic well-being of society and its prevailing quality of life. In short, every business action, if carefully studied, will be found to have both economic and social consequences which marketers should take into active consideration in formulating their policies.

Environmentalism and Conservation: Protecting the physical environment and conserving renewable resources should be considered by marketers for them to take a societal perspective. Land, air, water pollution control, energy conservation, waste recycling, and waste disposal have become formidable forces in the marketplace at both developed and developing countries like Bangladesh. While consumers demand immediate gratification of their needs and desires, they also want to retain a quality environment with sufficient essential materials for future. Governments in developed countries have enacted number of laws to protect and conserve environment.

Government in Bangladesh may view environmental protection issues from two perspectives. ***First***, government may examine existing environmental protection programs in terms of their adequacy and efficiency in providing a healthy environment. Government may focus primarily on formulating individual pollution control laws. Other environmental pollution problems that should attract government attention include groundwater contamination, river and ocean dumping, importation of hazardous substances, and affects of different pesticides and chemical fertilizers used in agricultural land.

Second, government may examine environmental protection programs in terms of their implications for other national problems such as energy development and economic growth as well as social development.

Such activities of government and different special interest groups form an important part of the environment within which a company seeks to achieve its profit-making goals. No major institution can expect to find itself fully acceptable to society if it arbitrarily pursues its major objective without regard for the consequences of its actions to the environment and the society. Business may be able to impose its will for a time but, its survival requires that it accommodate its activities with the society.

Government policy regarding energy conservation and pollution control has, of course, had a significant effect on the market environment. Government may direct its effort toward enacting nation-wide mandatory deposits on different containers. Government may enact laws requiring deposit of containers and prohibiting the use of nonreusable containers in order to reduce litter and gain a better utilization of existing resources. Such changes in the legal environment, definitely will affect businesses.

Consumer Problems of Special Interest Groups: A significant area of the social criticism directed at marketing focuses on three relatively unprotected groups. They are the children, the poor, and the elderly. The

term 'unprotected' should be used in a relative sense. One of the dominant characteristics of Bangladesh society is that economic and political power beget 'protection' and 'advantage'. In these two respects the poor, the young children, and the elderly are relatively disadvantaged. The common factor underlying the consumer needs of these groups is that each requires special treatment from a marketing system that is not designed in Bangladesh to provide it.

- **Consumer Problems of Children:** In Bangladesh it is alleged, among others, that, children are deliberately being sold the less nutritious products, they are being programmed to demand candy, and chocolate very often, and demand sugar and sweeteners in almost every food. It is also alleged that children are not sufficiently protected from inherently dangerous products such as medicines, insecticides, and certain toys. Advertising in television directed at children has come under harsh criticism from many corners. Marketers are charged with the allegation that children very often have a difficult time distinguishing fact from fantasy. They have been accused of taking advantage of such innocence to sell their products and services and making a substantial amount of profit.
- **Consumer Problems of the Poor:** Critics also express their concern with respect to the poor. They often charge that merchants use unethical practices in poverty areas, such as selling of imitated products, use of high pressure selling techniques, selling of rejected products and so on. Others argue that poor people are charged more by the marketers for products and services than do the more affluent consumers.
- **Consumer Problems of the Elderly:** Marketers are also criticized with respect to their treatment of the elderly people. Older people share many problems of the poor. For many of these consumers, lack of physical mobility limits their choice of stores and in some cases their total opportunity to shop.

We know that, elderly people have need for specific type of food items. Marketers are criticized when such foods are unavailable or when food labels do not provide adequate information on ingredients. It has been stated by a consultant of a foundation that "many of the aged have some chronic disease or infirmity that makes them easy targets for a wide range of products sold on the promise of relief or cure from various ailments. And this condition is complicated further by low income, relative immobility, and the often desperate need for help"². With the increase of elderly consumers, marketers will be pressured to respond to such charges to meet adequately the needs of old people.

² The billion \$ Swindle: Frauds Against the Elderly, New York, Fleet Press, 1969, p. 38.

Criticisms of Various Marketing Practices

Consumers criticize various marketing practices in the form of written and oral complaints. Some of the common criticisms of marketing practice here in Bangladesh include:

- Deceptive, and/or misleading advertising.
- Unsafe products.
- Unsatisfactory product quality and/or performance.
- Deceptive packaging.
- Unsatisfactory repair service.
- Excessive and/or misleading prices.
- Misleading guarantees/warranties.
- Imitation and adulteration.

These practices in the developed countries have, among other things, led to the consumerism movement, which is examined in the next lesson of this unit.

Consumer Deception in Bangladesh Through Adulteration and Other Means (Based on different articles as well as studies conducted by Dhaka University Marketing Department and Consumer Association of Bangladesh): Adulteration means admixture of base and inferior stuff to product with a view to deceive consumers. By adulterating marketers violate the consumers' right because it causes unrecoverable physical and mental losses to consumers. This is practiced at a large scale here in Bangladesh particularly in food and drug items. The edible oil is mostly subject to adulteration in Bangladesh. Adulteration is done by the manufacturers during refining. Wholesalers and retailers are also engaged in adulteration because adulterants are easily available and easy to mix. Moreover, visual differences are hard to notice and majority of consumers are ignorant about the impure forms of edible oil. Different studies revealed that milk of all forms are also adulterated. A study conducted by the final year M.Com. students of Marketing Department, Dhaka University in 1982 found that cow milk available in the market is either entirely a powdered milk shake or a blend of powdered and cow milk. The study also revealed that different flavoring and coloring agents are mixed with ghee. It is also found in other study that marketers sell the expired, radiated milk and make false claim of the product quality which is hardly noticed and marketers go unpunished.

In case of life saving drugs, it is also found that some of the producers do not maintain required standard simply to make more profit. It is found that hundreds of children died in different areas of the country by taking intoxicated paracetamol prescribed by quacks and a few years ago even registered physicians.

Sellers in this country, particularly in urban areas are found to spray

water on vegetable to increase their weight and to give buyers a false look of freshness. Different prohibited dyes, reagents are used to give vegetables attractive color. There is a growing practice of spraying methyl parathion on cauliflower to give it extra white color and some vegetables are dipped in copper sulfite to look greener. Spices like turmeric and chilly are also adulterated by using harmful dyes with them.

Vendors of fish are found to apply color or blood in the ear of fish and ice them heavily to make them look fresh. It is surprising to even note that meat of dead cows and goats are sold in the market of Bangladesh.

To make rice heavier stones are found to be mixed with rice. A survey conducted by the Consumer Association of Bangladesh (CAB) found that majority of biscuits are marketed without Bangladesh Standards and Testing Institute's (BSTI) quality control mark and they also do not mention manufacturing and expire dates on the container or packet.

Cosmetics of different renowned brands are found in imitated form in Bangladesh market. Dishonest, unscrupulous, and profit mongering businessmen bottle base materials in containers of perfumes, snow, powder and toothpaste of renowned international brands which are apparently near impossible to identify as fake.

Duplication is another form of consumer deception in Bangladesh. Rampant duplication of brands results in consumer deprivation and discontentment. It also destroys the promoted market of a marketer through shrinking the market share. Duplication creates confusion and ambiguity among the consumers regarding the products to be purchased. Duplication is done in such a way that it becomes near impossible for the buyers to differentiate between the originals and the fakes. Table below will give you a partial idea on brand duplication practice in Bangladesh:

Table- 13.1: Brand Duplication Practices in Bangladesh

Original Brand	Duplicated Brands
Fair and Lovely Cream	Face and Love, Fair and Love, Face and Lovely, Fair and Liely, French and Lovely, Foreign and Lovely, Fair and Lady, Found and Lovely
Nevea Cream	New Nevia, New Novia, Nivea
Ponds	Fonds, Ponams
Meril	Maril, Merin, Merif, Mari, Mehren
Love Powder	Lov, Leave Powder
Cute	Cuat, Cuat, Cutee, Cule, Cile, Cale
Manola	Monola
Si-boon	Si-boo

Original Brand	Duplicated Brands
Rexona	Rozina
Lifebuoy	Lefejoy, Lightbuoy, Lightjoy, Likebuoy
Nabisco	Naisco, Niasco
Polar	Polac, Polor
Bata	Batta, Rata, Tata, Bala, Bato
Shahinoor	Shahipur
Chanda	Chalna, Chandana
Nirala	Nirola
Hakimpuri (zarda)	Hokimpuri

The effects of adulteration and duplication fall upon the consumers. This is the high time for the government as well as different concerned agencies to enact appropriate laws and enforce them to save consumers from further deception by the dishonest businesspeople through adulteration, duplication, imitation and any other malpractice.

The effects of adulteration and duplication fall upon the consumers.

Marketing Implications of Societal Forces: Marketers have a responsibility to act in socially responsible ways as they provide people with satisfying marketing mixes. Unfortunately, some marketers have, at times, succumbed to business pressures and failed to act in socially responsible ways regarding products, pricing, distribution, and promotion. Society does not want products that are faulty or unsafe. It does not want product warranties that are misleading or that are not backed up by sellers. It does not want durable goods for which replacement parts and repair services cannot be obtained easily. Deceptive packages that are misleading in terms of quantity, size, color, shape, or uses of products are also undesirable, as are labels that inaccurately describe or fail to describe the contents of products. Nor does society want deceptive advertisements that cause consumers to spend money unwisely and to lose confidence in advertising generally. Equally objectionable are deceptive selling practices, including dishonest personal selling techniques, unfair consumer contests, and deceptive premium offers. And because prices to some degree determine how far people can stretch their money, consumers do not want to be abused by inflated or exploitive prices that yield excessive profits to sellers and by price quotations that include numerous, hidden, additional charges. In addition, products or packages that increase problems of pollution, litter, or solid waste disposal are undesirable.

In several ways society expresses what it does not want. Society creates laws and regulatory groups to prohibit or control undesired marketing practices through its lawmakers. Consumer and other special interest groups also pressure marketers to take or change certain actions.

Marketers, to be socially responsible, must determine what product features consumers want.

Marketers, to be socially responsible, must determine what product features consumers want. They should also consider product safety and dependability. Warranty statements should be written in clear and straightforward terms. Marketers should establish an efficient distribution system that provides buyers with products, parts, and repair services when and where they need. The promotion mixes should be developed in such a way that satisfy consumers' informational needs. They should also price the product in a way that is affordable to buyers and guarantees reasonable profit for them.

Questions for Review

1. Social environment comprise the –
 - a. Structure and dynamics of individuals and groups
 - b. Issues with which individuals and groups are concerned
 - c. Both a & b
 - d. None of the above.

2. Which of the following is a responsibility of an executive in the contemporary business environment?
 - a. To make a profit for the organization
 - b. To provide workers with fair wages
 - c. To have concern for the physical environment that surrounds company
 - d. All of the above.

3. Society expects marketers to provide –
 - a. A high standard of living
 - b. To protect the general quality of life
 - c. Both a & b
 - d. None of the above.

4. Modern marketing is subject to various social criticisms in such areas as –
 - a. Marketing's impact on the environment
 - b. Marketing impact on nonrenewable resources
 - c. Marketing's obligation to the relatively unprotected groups
 - d. All of the above.

5. Which of the following perspective Government in Bangladesh may take to environmental protection issues?
 - a. Government may examine existing environmental protection programs in terms of their adequacy and efficiency in providing a healthy environment
 - b. Government may examine environmental protection programs in terms of their implications for other national problems such as energy development and economic growth
 - c. Both a & b
 - d. None of the above.

6. Which of the following environmental pollution problems should attract government attention?
 - a. Groundwater contamination
 - b. River and ocean dumping
 - c. Importation of hazardous substances
 - d. All of the above.

7. No major institution can expect to find itself fully acceptable to society if –
 - a. It single-mindedly pursues its major objective
 - b. It produces only high quality products
 - c. It concern only the profit of it
 - d. All of the above.
8. Much of the social criticism directed at marketing focuses on three relatively unprotected groups as -
 - a. Women, children, and the elderly
 - b. Children, the poor, and the elderly
 - c. Children, the poor, and the women
 - d. None of the above.
9. It is alleged, among others, that, children are –
 - a. Deliberately being sold the less nutritious products
 - b. Are being programmed to demand candy, and chocolate
 - c. Both a & b
 - d. None of the above.
10. Critics often charge that merchants use unethical practices in poverty areas, such as –
 - a. Selling of imitated products
 - b. Use of high pressure selling techniques
 - c. Selling of rejected products
 - d. All of the above.
11. Some of the common criticisms of marketing directed at particular organizations in Bangladesh include:
 - a. Deceptive, offensive, and/or misleading advertising
 - b. Unsafe products.
 - c. Deceptive packaging.
 - d. All of the above.
12. Society does not want –
 - a. Products that are faulty or unsafe
 - b. Product warranties that are misleading
 - c. Deceptive packages that are misleading
 - d. All of the above.
13. Marketers, to be socially responsible, must –
 - a. Determine what product features consumers want
 - b. Consider product safety and dependability
 - c. Both a & b

- d. None of the above.
14. Describe the concept of social environment. Name and discuss some of the social criticisms of marketing with respect to Bangladesh.
15. Mention and comment on some of the consumer problems of special interest groups. List common criticisms of marketing and describe a personal experience you have had relating to one of them.
16. Criticize various practices of marketers and discuss their marketing implications.

Answers

1. c, 2. a, 3. c, 4. d, 5. c, 6. d, 7. a, 8. b, 9. c, 10. d, 11. d,
12. d, 13. c.



Lesson-2: Consumerism and Ethics in Marketing

Objectives of this lesson

After reading this lesson, you will be able to:

- Form an idea on consumerism
- Know the basic consumer rights
- Know how respond to consumerism
- Understand the ethics in marketing.

Consumerism



"Consumerism captured the nations' attention in the late 1960s and early 1970s to such an extent that it helped elect sympathetic public officials, launched new public careers, lent support to environmentalists and ecologists when they were struggling for recognition, and bewildered some businessmen who had trouble shifting philosophic gears from "let the buyer beware" (caveat emptor) to "let the seller beware" (caveat venditor)."³

The most important dimension of social responsibility from a marketing point of view is the relationship between a firm and its customers. The marketing concept has been promoted in the mid 1950s as a way for business to improve profits by emphasizing customer wants and designing products to fill these needs. The widespread adoption of marketing concept saw an explosive growth of consumer dissatisfaction. Increase in consumer discontent was fostered, in part, by a failure of business to deliver the quality merchandise demanded by an increasingly affluent society in the west, by shortages of reliable product information, and by the growing complexity and impersonal nature of the marketplace. These resulted in consumerism - "an organized movement of citizens and government to strengthen the rights and powers of buyers in relation to sellers"⁴. It is a social movement that seeks to increase the rights and powers of buyers in relation to sellers. The term is sometimes associated with movements that address other social problems, such as pollution, nonrenewable resources, quality of life, etc. Consumerism has developed into a potent social force within the environment that aids and protects the consumer by exerting legal, moral, and economic pressure on business.

Consumerism is a social movement that seeks to increase the rights and powers of buyers in relation to sellers.

In one sense consumerism or the consumer movement, is very old; in

³ Gaedeke R.M., Tootelian D. H., *Marketing-Principles and Applications*, West Publishing Company, USA, 1983, p. 572

⁴ Philip Kotler, *Marketing Management - Analysis, Planning, Implementation, and Control*, Prentice-Hall of India Private Limited, 1997, p., 164.

another sense it is quite new. Consumerism is old because there has been concern for the consumer's bargaining position down through the ages. Some of the common examples include chasing the money lenders from the temples, the general suspicion of coin debasement in medieval times when people bit coins to test their value. It is new because of its strength, public consciousness, the number of people actively involved, and the charisma of certain of its advocates. This movement was given an added boost by US Senate investigations of the drug industry, Ralph Nader's crusade against automobile manufacturers, and the publication of a report by President Kennedy's Consumer Advisory Council.

Basic Consumer Rights

"Society has rejected the preeminence of the doctrine of caveat emptor. In this place, a consumers' bill of rights has emerged in the US in 1962. In his first consumer message to the US Congress in 1962, President John F. Kennedy enunciated four basic consumer rights."⁵ These rights are mentioned below :

- **Right # 1: The Right to Safety** - To be protected against the marketing of goods that are hazardous to health or life, i.e., by stopping the marketing of products hazardous to health or life.
- **Right # 2: The Right to be Informed** - To be protected against fraudulent, deceitful, or grossly misleading information, advertising, labeling, or other practices, and to be given the facts needed to make an informed choice.

NUTRITION INFORMATION PER SERVING			
SERVING SIZE	ONE CUP		
SERVINGS PER CONTAINER	8		
CALORIES	140		
PROTEIN	10 GRAMS		
CARBOHYDRATE	13 GRAMS		
FAT	5 GRAMS		
PERCENTAGE OF U.S. RECOMMENDED DAILY ALLOWANCES (U.S. RDA)			
PROTEIN	25	VITAMIN D	25
VITAMIN A	10	VITAMIN B ₆	6
VITAMIN C	6	VITAMIN B ₁₂	15
THIAMINE	8	PHOSPHORUS	25
RIBOFLAVIN	30	MAGNESIUM	10
NIACIN	4	ZINC	6
CALCIUM	35	PANTOTHENIC ACID	6
IRON	4		

*CONTAINS LESS THAN 2% OF THE U.S. RDA OF THESE NUTRIENTS

Right # 3: The Right to Choose - To be assured, wherever possible, access to a variety of products and services at competitive prices and in those industries in which government regulations are substituted, an assurance of satisfactory quality and service at fair prices. It means that fair competition is maintained in the marketplace.

⁵ Gaedeke R. M., Tootelian D. H., *ibid*, p. 572

Right # 4: The Right to be Heard - To be assured that consumer interests will receive full and sympathetic consideration in the formulation of government policy and fair and expeditious treatment in its administrative tribunals.

They are the basis upon which many legislative acts, administrative directives, and business actions in response to consumerism are founded in the western countries in general and in the US in particular. Among the legislative acts in the US, the pursuing of the Right to safety has led to the National Traffic and Motor Vehicle Safety Act of 1966, the Child Safety Act of 1966, the Child Protection and Toy Safety Act of 1969, and the Consumer Product Safety Act of 1972. The Fair Packaging and Labeling Act of 1965, the Cigarette Labeling Act of 1966, the Truth in Lending Act of 1968, and the Truth in Leasing Act of 1975 are examples of legislative action originating from the Right to be Informed. Antitrust measures and deregulation of the transportation industry have been designed to assure the consumer's Right to Choose freely. The Right to be Heard resulted in the establishment of the United States Office of Consumer Affairs. *The government of Bangladesh can take lesson from different acts enacted in countries like US to protect consumers from deception and unethical practices of the sellers.*

With the emergence of consumer movement, consumers banded together to protect their own interest. On the otherhand, businesspeople were applying the marketing concept has been a source of embarrassment to some marketing professionals. It is also criticized by some that marketing concept has not been implemented correctly and often focuses on near-term and exploitative gains. Though the marketing concept has helped bring together the activities of business people and interests of consumers, companies are still faced with hoards of consumers demanding returns, suing for damages, and supporting restrictive legislation. The problem we can identify is that the marketing concept does not distinguish between satisfying customers' wants in the near-term and the need for customer welfare in the long run. Marketers have overlooked the long-run welfare of customers by catering to much to short-run demands.

The most serious legal problem that marketing people face in recent years is concerned with the liability of the product even after it is sold. People have become more aware of their rights after the consumerism movement took official form. If products fail to perform as expected, consumers are found to sue for damages against sellers in recent times. In order to cope up with this situation, companies should do a better job of testing new products to see that they perform according to customers' expectation.

Marketers' Response to Consumerism

Marketers' response to consumerism was fairly predictable in the early years of the consumer movement. Their response fell into the following

few categories :

- Deny everything.
- Blame wrongdoing on the small, marginal companies.
- Discredit the critics.
- Defang the legislation.
- Launch a fact-finding committee.
- Actually do something.

“The first reaction of business managers to the consumer movement was a series of denials that any problems existed. This was followed by attempts to discredit the critics, the hiring of public relations firms, and strenuous efforts to cripple impending consumer legislation. Aaker and Day suggest that defensive responses of this type avoid the basic consumer problems that cause complaints and are likely to lead to greater governmental control. Better information is needed on consumer needs, formation of independent consumer interest groups within organizations, and carefully designed programs to improve customer relations”⁶.

More and more business people are convinced today that the rewards, or the avoidance of penalties, will come only through the last two categories. A study conducted in 1973 in the US reported that fewer than a dozen of 150 companies examined had carefully planned and integrated programs for improving customer service. Another survey of 1974 conducted over 3000 business executives found that the most dominant view of consumerism is that it is here to stay, and consumerism was seen by a large number of these executives as an opportunity for them rather than a threat. They identified improved product quality, safety, and performance standards, post-sale follow-up calls on consumers, self-regulation, and more informative advertising as the most constructive ways to respond to consumerism.

The executives dealing with consumer affairs may be involved in one or more of the following activities: responding to consumer complaints; disseminating consumer education materials; dealing with outside consumer interest groups; coordinating programs and developing standards with trade associations; and advising top management in making decisions about product safety features, advertising claims, and so forth. ***The scenario here in Bangladesh with regards to this is quite different than that of western and other developed countries. Since consumers are not organized here and the movement has not taken any concrete shape, marketers are found to be reluctant to pay attention to consumer rights.*** But, time will come when they have to be alert to the rights of consumers. It is therefore, advisable to take preemptive measures in this respect in order to serve consumers in a way they deserve and

⁶ Dalrymple D.J., Parsons L.J., *Marketing Management - Strategy and Cases*, John Wiley & Sons, Canada, 1983, p. ,760.

ensure long-run sustenance.

The Future of Consumerism

New or amended consumer protection legislative proposals have slowed considerably in Western countries in recent years. Consumerism experienced several setbacks in the US Congress toward the end of 1970s. But it does not necessarily mean that consumerism will fade as an important issue. If you look at consumerism in terms of a product, it is now entering the mature stage of its product life cycle according to professors Paul Bloom and Stephen Greyser. “We believe that consumerism will continue to have a significant impact, albeit a less dramatic one, on business - especially marketing - in the years ahead”⁷. They also believe that certain aspects of consumerism, such as education and redress assistance, are still well accepted, while other aspects, such as consumer protection legislation, have fallen on hard times.

Though these two authors foresee a quieter but still active consumer movement during next few decades in the developed countries, they expect consumerism to entail a great deal of effort by people on their own, such as consumer education, consumer information, and redress assistance. According to them the only reason for consumerism to reach the intensity it achieved in the past would be either via dramatic near-disasters, or if deregulation and reindustrialization fail significantly to check inflation and energy problems.

Ethics in Marketing

Changing values of society have placed more pressure on marketers to act ethically. Marketers develop their own standards of ethical and moral behavior. Having even the best intentions, conflicts may arise between personal and corporate ethics. One of the company employees, for example may believe that a stereotyped role for women or men featured in some of the company’s advertisement is unethical. But the company may think otherwise. To the company, depiction of such roles may be considered appropriate.

There could be certain marketing situations which may be questioned from an ethical point of view. Advertising by members of professional organizations for example, may not be considered ethically responsible marketing. Ethical considerations concerning high-pressure selling, sales promises, package design, unsafe products, pricing tactics, distribution methods, and invasion of privacy may also be raised by the critics. Ethical questions can also be raised about marketing research techniques followed by the marketers.

It is seen that some organizations are recognizing that the ethical issues and social responsibility find their expression in the day-to-day decisions

⁷ Paul N. Bloom and Stephen A. Greyser, “The Maturing of Consumerism”, *Harvard Business Review*, November - December, 1981, p., 130.

of marketers. To preserve their ethical and socially responsible behavior while they accomplish their goals, firms must monitor changes and trends in societal norms. Marketers should also develop control procedures to ensure that a few unethical employees do not damage the firm's relations with the public in general and consumers in particular. The top management of the firm must assume some responsibility for the ethical conduct of employees through establishment and implementation of policies regarding marketing ethics.

There is a need for the development of and adherence to an improved code of marketing ethics that ensures fair treatment of all parties. As the interest in corporate social performance increase, marketers should actively respond to this challenge for their long-term survival. Marketing is, in fact, perceived as becoming more ethical because of public demands for socially responsible business practices. It is hoped that marketers will, in fact, be increasingly concerned with ethical considerations in the years to come both in developed countries as well as developing ones.

Questions for Review

1. Consumerism helped –
 - a. Elect sympathetic public officials
 - b. Launch new public careers
 - c. Both a & b
 - d. None of the above.

2. Caveat emptor means –
 - a. “Let the seller beware”
 - b. “Let the buyer beware”
 - c. “Let the middlemen beware”
 - d. All of the above.

3. Caveat venditor means –
 - a. “Let the seller beware”
 - b. “Beware of vendors”
 - c. Both a & b
 - d. None of the above.

4. Consumerism is the outcome of –
 - a. Increase in consumer discontent
 - b. Failure of business to deliver the quality merchandise
 - c. Shortages of reliable product information
 - d. All of the above.

5. Consumerism may be defined as an organized movement of citizens and government to strengthen the rights and powers of buyers in relation to –
 - a. Sellers
 - b. Environmentalists
 - c. Politicians
 - d. None of the above.

6. The term consumerism is sometimes associated with movements that address other social problems, such as –
 - a. Pollution
 - b. Nonrenewable resources and quality of life
 - c. Both a & b
 - d. None of the above.

7. Consumerism aids and protects the consumer by –
 - a. Exerting legal and moral pressure on business
 - b. Economic pressure on business
 - c. Both a & b
 - d. None of the above.

8. Consumer movement was given an added boost by –
 - a. US Senate investigations of the drug industry
 - b. Ralph Nader's crusade against automobile manufacturers
 - c. Both a & b
 - d. None of the above.

9. The Right to be Informed gives the consumer the right –
 - a. To be protected against fraudulent practices of marketers
 - b. To be protected against grossly misleading information
 - c. To be protected against fraudulent advertising, labeling, or other practices of marketers
 - d. All of the above.

10. Which of the following could be a business response to consumerism?
 - a. Deny everything.
 - b. Blame wrongdoing on the small, marginal companies
 - c. Discredit the critics
 - d. All of the above.

11. In this age of consumer movement, the executives dealing with consumer affairs may be involved in –
 - a. Responding to consumer complaints
 - b. Disseminating consumer education materials
 - c. Both a & b
 - d. None of the above.

12. Ethical questions can be raised about –
 - a. Marketing research techniques followed by the marketers
 - b. High-pressure selling and sales promises
 - c. Package design, unsafe products, and pricing tactics
 - d. All of the above.

13. Marketing is perceived as becoming more ethical because –
 - a. Of public demands for socially responsible business practices
 - b. Ethical practices are often the most successful in the long run
 - c. Both a & b
 - d. None of the above.

14. In a sense, consumerism is very old; in another sense it is quite new. Discuss.

15. List and briefly explain the four basic consumer rights. In your

opinion, are these rights necessary? Why or why not?

16. List six business responses to consumerism. Which responses are most prevalent among business today? Why?
17. Discuss the future of consumerism. Discuss the concept of “ethics in marketing”.



Answers

1. c, 2. b, 3. a, 4. d, 5. a, 6. c, 7. c, 8. c, 9. d, 10. d, 11. c,
12. d, 13. c.