Almost all studies of ethics in marketing management have either delineated the responsibilities and obligations of managers or explored whether various groups perceive certain marketing management practices to be ethical. This study empirically examines four research questions: (1) What are the major ethical problems confronting marketing managers? (2) To what extent does the AMA code of ethics address the major ethical problems of marketing managers? (3) How extensive are the ethical problems of marketing managers? (4) How effective are the actions of top management in reducing the ethical problems of marketing managers?

Marketing has long been charged with ethical abuse because (in part) marketing managers face some of the most troublesome ethical problems in business [13]. Baumhart [5] identified the major ethical problems that business people wanted to eliminate: (1) gifts, gratuities, bribes, and "call girls," (2) price discrimination and unfair pricing, (3) dishonest advertising, (4) miscellaneous unfair competitive practices, (5) cheating customers, unfair credit practices, and overselling, (6) price collusion by competitors, (7) dishonesty in making or keeping a contract, and (8) unfairness to employees and prejudice in hiring. Note that five of the eight most important ethical problems have to do with marketing activities. Brenner and Molander [9] conducted a follow-up study and found the same set of undesirable practices. Findings such as these prompted Murphy and Laczniak to conclude that "the function within business firms most often charged with ethical abuse is marketing" [24]. Although Murphy and Laczniak list over 100 publications on marketing ethics, progress has been slow in identifying major problem areas. This article empirically delineates both the nature and extent of ethical problems confronting marketing managers and examines the effectiveness of top management actions and codes of ethics in reducing ethical problems.

Murphy and Laczniak's comprehensive review of research on marketing ethics concluded that "the approach taken by the Academy in researching questions related to marketing ethics has been less than innovative and systematic" [24].
They identified several areas where more research was critically needed, including: “ranking (in terms of importance) the various areas of ethical abuse in marketing,” and “finding out whether the behavior of the chief marketing officer is the crucial variable in setting the moral tone of the marketing organization” [24]. Answering Murphy and Laczniak’s call, our research addressed four questions:

1. What are the major ethical problems confronting marketing managers?
2. To what extent does the AMA code of ethics address the major ethical problems of marketing managers?
3. How extensive are the ethical problems of marketing managers?
4. How effective are the actions of top management in reducing the ethical problems of marketing managers?

The project explored these questions using a sample of over 450 practicing marketing management professionals. Before examining the results of this study, a discussion of the nature of ethical problems in marketing management is appropriate.

The Nature of Ethical Problems in Marketing Management

Ethical problems occur only when an individual interacts with other people [3]. Ethics can be viewed in terms of the needs of the individual and the needs of relevant others. The value system of each individual consists of perceived sets of obligations toward others. Bartels identifies numerous groups (relevant others) that influence ethical decision-making. Members of these groups occupy distinct role positions and their expectations influence ethical standards.

Ethical Conflict

Ethical conflict occurs when people perceive that their duties toward one group are inconsistent with their duties and responsibilities toward some other group (including one’s self). They then must attempt to resolve these opposing obligations. For example, suppose a manager learned that a supervisor had bribed a customer. The interests of self, supervisor, corporation, customer, and society may conflict. Some of the ways that a manager might handle this situation include: (1) resigning his/her position, (2) informing the customer’s management, (3) informing his/her supervisor’s management, (4) directly confronting the supervisor, or (5) doing nothing. The manager’s choice of actions will determine which interests are satisfied and which are not. None of the alternatives can satisfy all the interests of all parties. Bartels [3] succinctly states the nature of ethical conflict:

In a pluralistic society not one but many expectations must be met. Therefore, resolution of what is right to do produces a balance of obligations and satisfactions. Ideally, full satisfaction of the expectations of all parties would constitute the most ethical behavior. This is impossible, for expectations are often contradictory and sometimes exceed social sanction. Therefore, skill and judgment must be used to guide one in determining the point at which his own integrity can be best maintained.

1A concurrent project examined these issues with respect to marketing researchers [21].
Questions about how marketers handle conflict situations like that described above have led writers such as Steiner [30] and Farmer [16, 17] to suggest that marketers have questionable ethics. However, no empirical research has documented the extent to which ethical problems actually exist in marketing management. Most research efforts have been dominated by situation-specific approaches. Murphy and Laczniak offer this comment on research concerning ethics in marketing management: "...for the most part, the literature consists of philosophical exhortations which usually document areas of ethical abuse and then proceed to supply some general guidelines for improving the moral behavior of marketers" [24].

Most of the empirical research has involved the use of scenarios. For example, Ferrell and Weaver [19] presented a group of marketing practitioners with a written description of ethical situations and asked them to compare their ethical beliefs with the beliefs they ascribed to their peers and top management. They reported that "respondents believe that they make decisions in an organizational environment where peers and top management have lower ethical standards than their own" [19].

In another study, Dubinsky, Berkowitz, and Rudelius [14] examined the responses of sales representatives and sales managers to 12 situations that might present ethical problems. They concluded that the following posed the greatest ethical problems: allowing personalities to affect marketing decisions, making exaggerated statements to secure larger orders, and quoting less competitive prices to buyers who use their firm as a sole source of supply than for firms who have multiple supply sources.

Ferrell, Ferrell, and Krugman [20] compared the responses of corporate advertising managers to those of advertising agency account managers on 16 items that "represented intraorganizational behaviors that confront nearly all individuals who participate in a corporate environment." The more serious ethical problems reported occurred in the following situations: (1) manipulating a situation to make a subordinate or superior look bad, (2) divulging confidential information, (3) and falsifying reports.

The preceding discussion suggests that two of the research questions addressed in this article warrant investigation: "What are the major ethical problems confronting marketing managers?" and "How extensive are the ethical problems of marketing managers?"

Management Actions

Previous writers have proposed that top management activities can help reduce ethical conflicts experienced by employees. They usually draw three conclusions. First, top management can serve as a role model by not sending ambiguous messages (i.e., verbally endorsing one set of standards while practicing another). Second, top managers should discourage unethical behavior by promptly reprimanding unethical conduct. Third, corporate and industry codes of conduct should be developed, promoted, and enforced.

Concerning the actions of top management, several writers have stated that top management sets the ethical tone for an organization. This has been implicitly referred to as "the organization ethic" by Alderson [1], Westing [33], and Pruden
[27] Weaver and Ferrell [32], in their study of marketing managers, called upon top management to "establish a policy as well as express a commitment to ethical conduct." In a later paper, Weaver and Ferrell concluded that "top management must assume at least part of the responsibility for ethical conduct of marketers within their organization." [19] The authors went on to state that top management must establish and enforce policies, thereby developing a frame of reference for ethical behavior. Similarly, Kaikati and Label, in their examination of American bribery legislation, concluded that "no code of ethical behavior is likely to be observed unless the chief executive officer declares that violators will be punished. When a company fails to take strict disciplinary action, many employees assume that their unethical acts are accepted standards of corporate behavior." [22].

Codes of Ethics

Codes of ethics have also been suggested as a means to attain high ethical standards in business [7, 8, 14, 20, 23]. The American Marketing Association has a general code of ethics for marketers [31]. Similarly, many major corporations have also developed codes of ethics. Murphy and Laczniak concluded that "corporate codes are somewhat controversial" [24], as to their effectiveness in resolving ethical conflict. Brenner and Mofander in their follow-up to Baumhart's [5] classic study on business ethics reported that respondents believed that codes are "limited in their ability to change human conduct" [9]. Nevertheless, "the mere existence of a code, specific or general, can raise the ethical level of business behavior because it clarifies what is meant by ethical conduct." [9]

Based upon the preceding discussion of top management actions and codes of ethics, two additional research questions were addressed: "How effective are the actions of top management in reducing the ethical problems of marketing managers?" and "To what extent does the AMA code of ethics address the major ethical problems of marketing managers?"

Method

The data was taken from a larger study on several macromarketing issues and came from a self-administered questionnaire sent to 4,282 marketing practitioners. These represented a systematic sample of one out of every four marketing practitioners in the AMA. Educators and students were excluded from the sample frame.

The questionnaire was pretested using a convenience sample of 200 marketers, also obtained from the AMA directory. The final set of mailings consisted of the questionnaire itself, a cover letter, a stamped, pre-addressed reply envelope, a pre-notification postcard sent one week prior to the questionnaire, and a follow-up postcard sent one week after the questionnaire.

A total of 1,076 usable questionnaires were returned, for a response rate of 25.1%. Response rates in this range are consistent with other studies using marketing practitioners as a sample. For example, Myers, Massy, and Greyser [25] obtained a response rate of 28.5% in their survey of the AMA membership, and a straightforward membership survey of AMA practitioners conducted by the Association reported only a 41% response rate [2]. These studies had the sponsorship
of either or both the AMA and the Marketing Science Institute which probably accounts for their higher response rate.

From the total of 1,076 usable questionnaires, the responses of the 462 individuals who identified themselves as marketing managers comprised the data base for this analysis. Returns from marketing researchers, advertising agency personnel, and consultants were excluded from this study. The objective of the research was to examine the ethical problems faced by marketing managers. At last three research strategies were available: (1) examine all problems of an ethical nature encountered by individuals who happen to be marketing managers, (2) examine all problems of an ethical nature encountered by marketing managers in their capacity as business people, (3) examine all problems of an ethical nature encountered by marketing managers solely in the execution of management related activities. We chose the second alternative as the strategy to guide this research as it is the broadest of the three approaches.

The characteristics of the sample indicate that respondents have widely varied educational backgrounds, although, as expected, almost all have college degrees. Also, the respondents span a wide range of ages, income, and job titles. Several comparisons showed that the current study's total sample corresponds very well to the AMA membership survey on age, education level, sex, and income. The AMA membership survey had slightly more representation in the manufacturing and service industries, and slightly less representation in an "other" industries category. Some differences also existed in the job titles reported in the two studies. However, these discrepancies probably result from variations in coding procedures. For example, the AMA membership survey did not report a vice-president category but the current study does.

Results

Ethical Problems

Our first research question asks "What are the major ethical problems confronting marketing managers?" The lack of previous research on this question necessitated an exploratory research procedure. Marketing managers were asked to respond to the following open-ended question:

In all professions (e.g., law, medicine, education, accounting, marketing, etc.), managers are exposed to at least some situations that pose a moral or ethical problem. Would you please briefly describe the job situation that poses the most difficult ethical or moral problem for you?

We phrased the question in this way because of the sensitivity of the subject of ethics. Pre-test information indicated that many marketing practitioners apparently believed that the purpose of the study was to isolate the marketing profession and criticize it as unethical. Indeed, this was not our purpose. The first statement "desensitized" the issue and marketers were much more willing to respond to the ethics question. The final response rate was 55% on this question. While this was an improvement over pre-test result, some of the respondents probably still perceived the question as too sensitive or threatening. A second explanation for the 55% response rate may be that situations which caused concern in the past may
Table 1. Ethical Issues in Marketing Management

<table>
<thead>
<tr>
<th>Rank</th>
<th>Issue</th>
<th>Frequency (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bribery</td>
<td>41 (15%)</td>
</tr>
<tr>
<td>2</td>
<td>Fairness</td>
<td>40 (14%)</td>
</tr>
<tr>
<td>3 (tie)</td>
<td>Honesty</td>
<td>33 (12%)</td>
</tr>
<tr>
<td>3 (tie)</td>
<td>Price</td>
<td>33 (12%)</td>
</tr>
<tr>
<td>5</td>
<td>Product</td>
<td>32 (11%)</td>
</tr>
<tr>
<td>6</td>
<td>Personnel</td>
<td>29 (10%)</td>
</tr>
<tr>
<td>7</td>
<td>Confidentiality</td>
<td>13 (5%)</td>
</tr>
<tr>
<td>8</td>
<td>Advertising</td>
<td>12 (4%)</td>
</tr>
<tr>
<td>9</td>
<td>Manipulation of Data</td>
<td>12 (4%)</td>
</tr>
<tr>
<td>10</td>
<td>Purchasing</td>
<td>8 (3%)</td>
</tr>
<tr>
<td></td>
<td>Other Issues</td>
<td>28 (10%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>281 (100%)</td>
</tr>
</tbody>
</table>

"Response to open-ended question: In all professions (e.g., law, medicine, education, accounting, marketing, etc.), managers are exposed to at least some situations that pose a moral or ethical problem. Would you please briefly describe the job situation that poses the most difficult ethical or moral problem for you?"

Although respondents were asked to describe only one ethical problem, 20 respondents described two coequal problems and 4 respondents described three coequal problems. Therefore, n is the number of problems described by all valid responses, i.e., 253 respondents described 281 problems (n = 281). Of the total of 462 managers who responded to the questionnaire, 209 (45%) chose not to respond to the question identified in footnote a.

Note that not all of these issues (e.g., personnel and purchasing) are distinctly marketing.

be perceived as accepted practice. Yet another reason is that internal pressures for performance may have declined. However, based on the nature of the responses received, there was no indication that these were serious problems.

The ethical problems described by respondents were coded according to the issues and conflicts involved. Two independent judges coded all 253 responses. Although the coding of responses to open-ended questions inherently involves subjectivity, the interjudge reliability was 95% for ethical issues and 93% for ethical conflicts. Agreement was aided by the detailed and lengthy responses received from the AMA respondents.

Tables 1 and 2 display the results concerning ethical issues and conflicts. The two ethical issues (i.e., problems) most often cited by marketing managers were bribery and fairness (Table 1). Other issues frequently cited were those concerned with honesty, pricing, product strategy, and personnel policies. The two most reported ethical conflicts (i.e., inconsistencies between two or more parties) involved the respondent's attempting to balance: (1) the corporate interest against those of the customer and (2) the corporate interest against those of self (Table 2). The most frequently cited ethical issues will be discussed below.

**Bribery.** The category of bribery accounted for 15% of all responses and includes items such as gifts from outside vendors, "money under the table," problems in observing U.S. anti-bribery legislation when dealing in international markets, and the payment of questionable commissions. Many of the bribery situations involved a marketing manager facing the following conflict situation: accept (or offer) a bribe and the corporation prospers, reject (or do not offer) a bribe and the corporation suffers. For example, one division marketing manager stated:
Table 1: Ethical Conflicts Reported By Marketing Managers

<table>
<thead>
<tr>
<th>Rank</th>
<th>Party One</th>
<th>Party Two</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Corporate Interest</td>
<td>Customer</td>
<td>81</td>
<td>28%</td>
</tr>
<tr>
<td>2</td>
<td>Corporate Interest</td>
<td>Self</td>
<td>45</td>
<td>16%</td>
</tr>
<tr>
<td>3</td>
<td>Corporate Interest</td>
<td>Society</td>
<td>40</td>
<td>14%</td>
</tr>
<tr>
<td>4</td>
<td>Corporate Interest</td>
<td>Subordinates</td>
<td>28</td>
<td>10%</td>
</tr>
<tr>
<td>5</td>
<td>Customer</td>
<td>Customer</td>
<td>13</td>
<td>5%</td>
</tr>
<tr>
<td>6</td>
<td>Corporate Interest</td>
<td>Top Management</td>
<td>11</td>
<td>4%</td>
</tr>
<tr>
<td>7</td>
<td>Corporate Interest</td>
<td>Competitor</td>
<td>10</td>
<td>4%</td>
</tr>
<tr>
<td>8</td>
<td>Top Management</td>
<td>Self</td>
<td>10</td>
<td>4%</td>
</tr>
<tr>
<td>9</td>
<td>Other Conflicts</td>
<td></td>
<td>43</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>281</td>
<td>100%</td>
</tr>
</tbody>
</table>

1 Read as follows: "The number one ethical conflict reported by marketing managers was attempting to balance the corporate interest against the interests of customers."

2 Of these "other" conflicts, the following relationships accounted for 18 of the 43 reported conflicts: 1) Peers vs Self (n = 5); 2) Corporate Interests vs Other (n = 5); 3) Corporate Interest vs Peers (n = 4); and 4) Top Management vs Supervisors (n = 4).

The construction industry has many areas of temptation. In marketing, the key area is ‘buying a job.’ Some examples are very clear and easy—e.g., political payoffs. Many others are very ‘gray’—e.g., contributions, favors, hiring certain people, retaining special ‘consultants’—these are not simple and straightforward.

A corporate marketing manager in the banking industry complained that her “senior manager appears to be ‘on the take’ from a supplier and promotes using that supplier.” A sales manager in the transportation industry describes payoffs in international business:

In international business it is most common for foreign companies to provide kickbacks and payoffs to other foreign government officials and business decision-makers in order to secure business. Since my company subscribes to the U.S. Code of Ethics in regards to bribes and foreign payments, many times business is lost to a non-U.S. or foreign company.

A vice-president in the hospital industry stated: “In the selling phase of convincing hospital boards to engage our company as managers of the facility, I have seen occasions where our major competition works direct or indirect deals with the individual board members in order to gain the contract.” A consumer products vice-president reported that his most difficult ethical problem was “salesmen ‘sweeteners’ for gaining a sale—the basic inequality extends not only to clients but to the status of the individual salesman.”

Finally, a division marketing director in the food retailing industry stated:

In selling products through a food broker distribution channel it is common practice to ‘buy’ some types of grocery store buyers/purchasing agents; unless certain actions are taken, your product(s) will very likely not gain distribution in that buyer’s stores. If this buyer represents a major chain and your product doesn’t gain distribution, the brand can be in trouble when advertising begins.

Fairness. We labeled the second ethical issue “fairness.” This category includes activities such as the manipulation of others in order to accomplish tasks, inducing
customers to use services that are not needed, taking credit for the work of others, and unfairly placing corporate interests over family obligations. Issues of fairness seemed to be most common for marketing managers employed by industrial products firms. For example, a president of an industrial products firm stated that his most difficult ethical problem was "preparing sales quotations that vary from account to account, industry to industry." A vice-president for an industrial firm complained of "interaction with other executives that are politically, instead of goal, oriented." Similarly, a female staff assistant manager in the transportation industry stated:

Most managers (division directors) in our public transportation company are from the old-boy school. To have a working relationship with them you've got to play them right, stroke them, and kiss ass, which in my opinion wastes valuable time.

Fairness to customers was mentioned many times in this category. For example, a sales representative in the chemical industry described the problem of "the potential customer who has a need but no real knowledge of the best ways of fulfilling that need and the comparative cost of varying ways of fulfilling that need." Similarly, a president of a retailing firm cited "giving the client extra effort when in fact he probably would not know the difference if he received less conscientious effort." Finally, a vice-president in a services area discussed the conflict between customers' interests and the corporate interests:

We do not always deliver the service in the scope committed to the customer. This customer may pay for services not received. Often customers cannot exactly determine that scope was unfulfilled. Customers pay us for our effort, and occasionally it is less than we are paid to provide.

Honesty. Honesty was the third most frequently mentioned ethical problem. This category of activities includes the misrepresenting of services and capabilities, withholding data which might enhance the sale of a competitor's product, lying to customers in order to obtain orders, and withholding information that might be detrimental to the respondent's company. Such problems were most prevalent in service-oriented firms and were reported by managers at all levels of the organization.

The conflict between the corporate interests and customers' interests was frequently mentioned. For example, a female division vice-president in a financial services firm expressed concern for "accurate disclosure of what is best for customers which at times is contrary to what is best for the company." Similarly, a sales manager employed by an energy related firm described his most difficult ethical problem as "being honest in describing product qualities, benefits, delivery and service to potential users of our product, especially as it pertains to delivery and service considerations." Another example of customer-corporate conflict was expressed by a marketing manager in the insurance industry:

Using the survey approach to acquire insurance leads. Although we tell the respondent we'll contact them at a later date if they check a certain box, the mixing of purely research questions with a request for future information bothers me with respect to the AMA code of ethics.

Problems with supervisors were also frequently identified by those concerned with honesty. These problems often concerned communications. For example, a
A manager in the transportation industry expressed concern about "maintaining the courage to tell my boss (a finance person) that the marketing considerations are complex and critical to our work and that he lacks our knowledge but needs our honest candid views." A corporate vice-president of a consumer products firm described another communication problem:

Receiving diverse direction from chairman vs president and not having candid discussion about differences to gain agreement. Result is acting in one manner and reporting in another thereby feeling dishonest.

Over half of the respondents who expressed concern about honesty issues were women. A financial services firm female staff analyst reported "problems of telling senior management what it doesn't want to hear." A female division marketing manager described the following situation:

Knowing one of my superiors was doing something contrary to management's (informal) policies and could lose his job if the manager found out. I was concerned whether or not to inform management, and move up.

Pricing. Problems related to pricing were mentioned as frequently as those related to honesty. Issues cited here were differential pricing, contract pricing, meeting competitive prices, charging higher prices than firms with similar products while claiming superiority, and pricing to present vs non-customers. For example, a staff manager for a utility company complained of "pressure from product managers and upper management to bias price/demand forecasts to influence selection of price." Similarly, a staff manager employed by a natural gas firm felt the conflict between corporate and customer interests, exemplified by those "consumers who cannot afford the almost essential service that we market," was his most difficult ethical problem.

A product manager for a consumer goods firm stated the following concerning ethics and pricing: "Taking annual price increases to satisfy corporate needs rather than individual customer needs." A division marketing manager for a consumer goods firm complained of "pricing exceptions for key accounts," and a district marketing manager in the transportation industry stated that "the pricing of a service where you can influence a product of one producer to be chosen over another due to transportation costs," was particularly troublesome. Finally, a district marketing manager for an industrial products firm voiced the opinions of many in society [13, 29], when he indicated his most difficult ethical problem to be the "ethics of a higher profit margin."

Product. Product strategy was the fifth most frequently mentioned issue and often involved conflict between corporate and customer interests. Problems cited here included products that do not benefit consumers, product and brand infringement, product safety, and exaggerated performance claims. Middle managers appeared most concerned about product-related ethical issues. For example, a product manager for a hospital supply firm was troubled by:

The question of brand infringement due to similar packaging, graphics, or product claims. This is particularly important in my industry because of the 'faddish' nature of the business. Products proliferate as all manufacturers attempt to snare their share of a hot market before it cools.
A product manager in the consumer goods industry complained that "design ideas are frequently revamped or an attempt [is made] to utilize someone else's existing product, character, or written words." A staff manager for an industrial products firm was uneasy about:

Releasing a product for sale when you are not \textit{absolutely} sure it meets minimum quality standards. This is a difficult judgment decision since the customer seldom specifies critical dimensions of the product.

One female district marketing manager in the consumer goods industry was concerned with being "responsible for promoting sweet baked goods which are not good for health; they are 'luxury' junk foods." Finally, corporate vs customer concerns were cited by a consumer goods divisional sales manager: "All companies produce a certain percent of equipment that are lemons. Does the customer have to pay for or should the manufacturer bear the burden?"

\textbf{Personnel}. Ethical issues relating to personnel matters are not specific to marketing. Hiring, firing, and employee evaluation seemed to cause the most concern. A corporate marketing manager for a consumer products firm stated:

Our company has no morals relative to personnel. There is no regard for the individual. People are dismissed without cause after bringing them to end-of-track. One day you are told that your work is good. The next day you are out on your proverbial duff.

One corporate vice-president employed by an industrial products manufacturer expressed concern about discrimination in hiring: "Ideally, I would be unbiased. Practically, I know that short-term results are better with white males in my industry." Regarding performance, a staff manager for a consumer products firm stated that his most difficult ethical problem involved "whether to replace an average performing manager with a candidate with superior performance or potential." Similarly, a vice-president for a petroleum products company expressed concern about "terminating an older employee for poor performance."

\textbf{Confidentialty}. The seventh most important ethical issue concerned confidentiality. This issue arose from temptations to use or obtain information that may be classified, secret, or competitive in nature. For example, a staff manager employed by an industrial products manufacturer expressed concern about "turning my back when competitor information is available but illegal." A vice-president in the electronics industry indicated his major problem area was antitrust:

We are regulated by the government, but we negotiate with monopolies overseas. The government lifts anti-trust regulations to allow us and our U.S. competitors to discuss among ourselves a limited range of issues prior to individual's separate negotiations with monopolies overseas. One must remain within that restricted list of issues.

Lastly, a vice-president in the service industry expressed concern about the disclosure of confidential information to competitors of his customers:

The nature of our service-type business requires that we perform services for consumer and industrial product firms that are direct competitors of each other. The programs that we support for these competing firms generate sensitive and valuable information
particularly for a direct competitor. The timing, characteristics, and results of promotions are examples of this information. The relationships developed with contrasts of these firms vary in levels of friendliness, openness, etc. The ethical problem might occur when a firm with which we have a substantial relationship seeks confidential information about a competitor's program.

Advertising. Advertising concerns constituted the eighth most important set of issues. Most of the problems in advertising centered around misleading customers. For example, a consumer goods corporate marketing manager was concerned with reality vs perception: "Advertising can create the perception of product performance which isn't present in the product." A product manager in the consumer goods industry expressed concern with "crossing the line between puffery and misleading." A corporate vice-president employed by a financial services firm reported: "I feel ethics are most stretched in advertising where you must show product features in the most favorable light even though you know the product may not be optimal for all end users (market segments)." This individual went on to state:

...but I don't lose any sleep over it—I believe the buyer bears a responsibility to examine and decide.... The fault lies with this protective society's failure to prepare the consumer (or allow the consumer to naturally develop the ability) to evaluate and make rational decisions. To knowingly ship defective or impure product that is not what it is claimed to be is unethical. But to allow the consumer unregulated choice among products of varying quality and purity is an essential freedom which comes from a responsibility to be critical and discerning. The seller should not be obliged to perform that function for the consumer.

Distortion. The category of distortion was the ninth most important ethical issue. Respondents who expressed concern here generally reported incidents involving falsifying figures or misusing statistics or information. A vice-president of sales for a media firm states: "Media marketing involves product comparisons that are numerical. It is nevertheless an art with many variables. The ethical problem frequently posed is how far do you go in manipulating the variables." A divisional marketing manager employed by a consumer products firm describes "a meeting with many executives, especially upper echelon, where my boss gives out information I know not to be accurate, and I am asked later or at that time to provide the substantiation of that information." A female staff manager in the energy industry criticized distortion of forecast information: "Within the marketing division of my company, management often will adjust the numbers to please the higher levels of management. For example, management will adjust a sales forecast until they have a set of numbers that higher management will 'buy in on' regardless of the logic of the assumptions."

Purchasing. Purchasing constituted the tenth significant ethical issue. Ethical issues of reciprocity and the selection of suppliers were most troublesome. For example, a corporate marketing manager for an industrial products firm stated that his most difficult ethical problem was the "selection of suppliers whether they be ad agencies, magazines (space reps), etc. It is often difficult to separate friends in the business and to be 100% objective." Similarly, a bank vice-president expressed concern "when bank customers expect and/or demand business from my area, such as printers, ad agencies, media, etc."
Other Issues. The final set of issues included, in order, abuse of office, compromising personal beliefs, conflicts of interest, and goal setting. For example, abuse of office generally included honesty in handling expense accounts. Those who were concerned with compromising ethics were torn between doing what they considered to be right vs getting ahead in the corporate environment. Conflicts of interest centered around individual and family vs corporate needs, while goal setting problems were concerned with the degree of difficulty of goal achievement.

The AMA Code of Ethics

Our second research question asks, "To what extent does the AMA code of ethics address the major ethical problems of marketing managers?" Appendix A reproduces the American Marketing Association National Code of Ethics.

The AMA code has sections which, in some way, address the issues of honesty, fairness, product strategy, and advertising. Similarly, four key parties to potential ethical conflicts are identified: the corporation, society, customers, and marketing managers. No section specifically addresses bribery, pricing strategy, personnel decisions, confidentiality, manipulation of data, or purchasing. However, the document is sufficiently vague to allow other interpretations. For example, bribery could be interpreted as being addressed in Point 4 of the AMA code.

Several relevant stakeholders (competitors, top management, and subordinates) are not mentioned by the AMA code, even though they were identified by marketing managers as key parties in ethical conflicts. It might be argued that not all of the issues and/or parties identified by marketing managers should be included in a marketing code of ethics. Perhaps some of these issues (e.g., personnel decisions) are better suited for inclusion in general corporate codes. Nevertheless, our findings suggest that the AMA code might be strengthened by some additional sections.

Extent of Ethical Problems

In the preceding discussion, the most difficult ethical problems faced by marketing managers were identified in terms of issues and conflicts. Our third research question asks "How extensive are the ethical problems of marketing managers?" Table 3 summarizes responses to ten items specifically directed at assessing the extent of ethical problems in marketing management. The items are grouped according to the following categories:

1. Opportunities for unethical behavior (Items A1 and A2)
2. Frequency of unethical behavior (Items B1 and B2)
3. The relationship between success and generally unethical behavior (Items C1 and C2)
4. The relationship between success and specific unethical behaviors (Items D1 to D4). Two of these items (D3 and D4) are comparable to two items found to be unethical by Weaver and Ferrell [19]. The other two items (D1 and D2) were generated during the exploratory phase of the project. Table 3 also reports three items on top management action (E1, E2, and E3) that will be discussed later.
Table 3. Extent of Ethical Problems in Marketing Management

<table>
<thead>
<tr>
<th>A. Opportunities For Unethical Behavior</th>
<th>% Agree</th>
<th>Mean</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. There are many opportunities for managers in my COMPANY to engage in unethical behaviors</td>
<td>41</td>
<td>4.1</td>
<td>1.8</td>
</tr>
<tr>
<td>2. There are many opportunities for managers in my INDUSTRY to engage in unethical behaviors</td>
<td>56</td>
<td>3.4</td>
<td>1.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B. Frequency Of Unethical Behavior</th>
<th>% Agree</th>
<th>Mean</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Marketing managers in my COMPANY often engage in behaviors that I consider to be unethical</td>
<td>12</td>
<td>5.4</td>
<td>1.5</td>
</tr>
<tr>
<td>2. Marketing managers in my INDUSTRY often engage in behaviors that I consider to be unethical</td>
<td>26</td>
<td>4.6</td>
<td>1.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C. Success And Unethical Behavior</th>
<th>% Agree</th>
<th>Mean</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Successful marketing managers in my COMPANY (are generally more unethical than unsuccessful managers)</td>
<td>8</td>
<td>5.2</td>
<td>1.4</td>
</tr>
<tr>
<td>2. In order to succeed in my company, it is often to compromise ones' ethics</td>
<td>16</td>
<td>5.4</td>
<td>1.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>D. Success and Specific Unethical Behavior</th>
<th>% Agree</th>
<th>Mean</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Successful managers in my company withhold information that is detrimental to their self interests</td>
<td>43</td>
<td>4.0</td>
<td>1.6</td>
</tr>
<tr>
<td>2. Successful managers in my company make rivals look bad in the eyes of important people in my company</td>
<td>29</td>
<td>4.5</td>
<td>1.6</td>
</tr>
<tr>
<td>3. Successful managers in my company look for a &quot;scapegoat&quot; when they feel they may be associated with failure</td>
<td>32</td>
<td>4.4</td>
<td>1.6</td>
</tr>
<tr>
<td>4. Successful managers in my company take credit for the ideas and accomplishments of others</td>
<td>48</td>
<td>3.8</td>
<td>1.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>E. Top Management Actions And Unethical Behavior</th>
<th>% Agree</th>
<th>Mean</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Top management in my company has let it be known in no uncertain terms that unethical behavior will not be tolerated</td>
<td>43</td>
<td>3.4</td>
<td>1.5</td>
</tr>
<tr>
<td>2. If a manager in my company is discovered to have engaged in unethical behavior that results primarily in personal gain (rather than corporate gain) he will be promptly reprimanded</td>
<td>73</td>
<td>2.5</td>
<td>1.5</td>
</tr>
<tr>
<td>3. If a manager in my company is discovered to have engaged in unethical behavior that results in primarily corporate gain (rather than personal gain) he will be promptly reprimanded</td>
<td>61</td>
<td>3.0</td>
<td>1.5</td>
</tr>
</tbody>
</table>

The results in Table 3 indicate that many marketing managers (41%) agree that there are numerous opportunities for managers employed by their respective firms to engage in unethical behavior. A much smaller percentage (12%) of these managers agreed that managers in their respective firms "often" engaged in unethical behaviors. Comparable figures for industry opportunities and frequency of behavior are much higher. Fifty-six % of our sample agree that there are many opportunities for managers in their industry to engage in unethical behavior, while 26% reported
that managers in their industry frequently engaged in unethical behaviors. This finding is consistent with that of Weaver and Ferrell [19], who reported that marketing managers believed they had higher ethical standards than their peers.

Trade publications have reported that managers feel pressured to engage in unethical behaviors to achieve corporate goals [10]. Surely, if managers agree that there is a relationship between unethical behavior and success, these perceptions would serve as strong motivators for unethical behaviors. However, only 8% of the marketing managers believe that generally unethical behaviors lead to success in marketing (Item C1). Similarly, few managers (16%) agree that it is necessary to compromise one's ethics in order to be successful.

When marketing managers were asked to respond to the relationship between specific unethical behaviors and success, markedly different results occurred. Items D1 through D4 in Table 5 examined four specific unethical behaviors and their relationship to success: (1) withholding information detrimental to self-interest, (2) making rivals look bad in the eyes of others, (3) looking for "scapegoats" when failure occurs, (4) taking credit for the ideas and accomplishments of others. When each of these specific unethical behaviors is compared to general unethical behavior (Items C1 and C2), a much higher percentage of marketing managers agree that successful managers engage in those behaviors.

Top Management Actions

Our fourth research question asks "How effective are the actions of top management in reducing ethical problems of marketing managers?" Two measures were used to address this question: (1) the extent of ethical problems perceived by marketing managers and (2) the extent of top management actions. Since no previous scale for measuring the extent of ethical problems in marketing management existed, a scale was developed. Eight items (A1, B1, C1, C2, D1, D2, D3, D4) in Table 3 relate to ethical problems in the respondent's firm. A factor analysis of these items yielded a one factor solution, with each item having a factor loading in excess of 0.30 and six of the items having a factor loading in excess of 0.60. An alpha coefficient of 0.83 for these eight items suggests that the eight items can be treated as a single scale measuring the latent construct "ethical problems of marketing managers."

A similar approach was followed for the development of a scale to measure the extent of top management actions. Items E1, E2, and E3 in Table 3 describe top management behaviors that other writers have suggested should be undertaken to deter unethical behavior. A factor analysis of these items yielded a one factor solution with each of the items having a factor loading in excess of 0.50 and an alpha coefficient of 0.75, suggesting that the three items may be treated as a single scale measuring the latent construct "top management actions."

Many writers have previously endorsed the use of written codes of ethics as a means of deterring unethical behavior. In this research, respondents were asked whether or not their respective firms and industries had formal written codes of ethics. Fifty-four % of the marketing managers reported that their firms had codes of ethics, while 25% stated that their industries had codes of ethics.

Regression analysis was used to assess the impact of top management actions on perceptions of the extent of ethical problems. Results are displayed in Table 4.
Table 4. Regression: Impact of Top Management Actions on Perceptions of Ethical Problems

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Simple Correlation</th>
<th>Increment To R²</th>
<th>Standardized Beta Coefficient</th>
<th>&quot;t&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Title</strong></td>
<td>-0.23&lt;sup&gt;a&lt;/sup&gt;</td>
<td>0.053</td>
<td>-11</td>
<td>2.38&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>Sex</strong></td>
<td>-0.22&lt;sup&gt;a&lt;/sup&gt;</td>
<td>0.027</td>
<td>-12</td>
<td>2.52&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>Size of Firm</strong></td>
<td>0.09&lt;sup&gt;a&lt;/sup&gt;</td>
<td>0.005</td>
<td>0.09</td>
<td>1.93&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>Major Field of Study</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical</td>
<td>-0.10&lt;sup&gt;a&lt;/sup&gt;</td>
<td>0.004</td>
<td>-0.07</td>
<td>1.70&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>Business</td>
<td>-0.02</td>
<td>0.004</td>
<td>-0.10</td>
<td>1.66</td>
</tr>
<tr>
<td>Social Science</td>
<td>0.03</td>
<td>0.001</td>
<td>0.03</td>
<td>0.20</td>
</tr>
<tr>
<td>Humanities</td>
<td>0.05</td>
<td>0.001</td>
<td>0.01</td>
<td>0.64</td>
</tr>
<tr>
<td><strong>Top Management Actions</strong></td>
<td>-.44&lt;sup&gt;a&lt;/sup&gt;</td>
<td>0.152</td>
<td>-.40</td>
<td>9.19&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>Industry Code of Ethics</td>
<td>-.07&lt;sup&gt;a&lt;/sup&gt;</td>
<td>0.001</td>
<td>-.03</td>
<td>0.81</td>
</tr>
<tr>
<td>Corporate Code of Ethics</td>
<td>-.04</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td></td>
<td></td>
<td>-7.34</td>
<td></td>
</tr>
<tr>
<td>R²</td>
<td></td>
<td></td>
<td>0.25</td>
<td></td>
</tr>
<tr>
<td>F</td>
<td></td>
<td></td>
<td>15.8&lt;sup&gt;b&lt;/sup&gt;</td>
<td></td>
</tr>
</tbody>
</table>

<sup>a</sup>significant at 0.01 level.
<sup>b</sup>significant at 0.05 level.

- Dependent variable is a summated index of ethical problems scale (see Table 5). Higher numbers indicate more problems. The range of the scale is from 8 to 56.
- "High numbers are higher than low numbers (see Table 1 for categories)."
- Dummy variable with "1" as male.
- Dummy variable with "1" as larger firms.
- Dummy variable with "1" as reported field of study.
- Summated index of top management actions. Higher numbers indicate more action by top management. The range of the scale is from 3 to 21.
- Dummy variable with "1" as existence of industry code of ethics.
- Dummy variable with "1" as existence of corporate code of ethics.

Factor scores on the ethical problems scale were used as the dependent variable. Preliminary analysis indicated that four demographic variables were significantly related to the extent of ethical problems: (1) the respondent's title, (2) the respondent's sex, (3) the size of the respondent's firm, and (4) the respondent's major field of study. Briefly, presidents and vice-presidents were less likely to see ethical problems than their counterparts at lower levels in the organization. Similarly, males reported fewer ethical problems than females. Respondents employed by large firms were more likely to see ethical problems than respondents employed in smaller firms. Finally, respondents who have technical backgrounds reported fewer ethical problems than their colleagues with backgrounds in business, the social sciences, humanities, or other areas. Since this research is exploratory in nature, no theoretical justification can be given for the inclusion of such demographic variables in the analysis. However, they do provide tentative substantive findings and, as such, were subsequently used as control variables to assess the impact of top management activities on perception of ethical problems.

Results in Table 4 show that "top management" actions are the single best predictor of perceptions of the extent of ethical problems. The top management actions scale explains 15% of the total variance. This result is consistent with the suggestions of the previously cited writers. That is, when top management takes specific action to discourage unethical behavior, the perceived extent of ethical
problems in marketing management declines. It should be noted that this relationship is merely correlational in nature. No causal relationships are necessarily implied.

The existence of corporate or industry codes of ethics made no significant contributions toward explaining the extent of ethical problems perceived by marketing managers. Although both were negatively related to the extent of ethical problems, neither yielded a significant beta coefficient in the regression analysis. Therefore, the simple correlations were, apparently, spurious.

Discussion

This research provides empirical evidence about ethical problems confronting marketing managers. Our purpose was not to dispel or reinforce some of the popular notions about marketing and ethics. Nor was it to criticize or praise marketing managers for their ethically related activities. Rather, our purpose was to report on the kinds and extent of ethical problems faced by marketing managers. To accomplish this, we solicited responses from practicing marketing managers, recognizing that other potentially interested groups (e.g., consumers, academics, consumer advocates) might hold different views of ethics in marketing management.

The findings indicate that marketing managers are confronted with a wide variety of difficult ethical problems. Ethical problems concerning bribery were most frequently cited. However, ethical problems involving fairness, honesty, pricing strategy, product strategy, and personnel decisions were also frequently cited. Together with bribery, these issues account for 74% of the ethical problems identified by marketing managers. Because of the relatively equal number of responses to many of the issues presented in Table 1, care should be taken in not over-interpreting the rank ordering of these items. Readers are reminded that marketing managers were asked to describe the job situation that poses the most difficult ethical or moral problem for them. Therefore, these results should not be interpreted as the issues that occur most frequently. However, the nature of the respondents' comments suggest that marketing managers perceive significant ethical problems in the areas identified.

The relationship between corporate interests and the interests of customers constituted the most frequent source of ethical conflict for marketing managers. However, the findings in Table 2 should also be cautiously interpreted. These ethical conflicts should be considered as listings rather than strict rank orders. Nevertheless, several conclusions from Table 2 seem evident. First, the corporate interests represent one party to the ethical conflict in six of the eight relationships reported as sources of ethical conflict. These six relationships accounted for 76% of the total set of relationships reported by marketing managers. Second, for 85% of the ethical conflicts reported by marketing managers, the relevant role set appears to consist of demands from the following: (1) the corporation, (2) customers, (3) the marketing managers, themselves, (4) society, (5) subordinates, and (6) top managers.

Findings in Table 3 suggest that managers perceive both fewer opportunities for, and less frequent participation in, unethical behavior for their own firms than for their industries. This finding is consistent with those of Weaver and Ferrell who reported that "respondents believe they made decisions in an organizational environment where peers and top management have lower ethical standards than in
their own” [19]. In both studies, respondents appear to be saying that they themselves are more ethical than others.

Several factors may explain the findings in Table 3 concerning the relationship of unethical behavior and success. Results indicate that managers do not believe there is a relationship between generally unethical behavior and success. Whereas, they perceive success to be related to specific unethical behaviors. One explanation for this apparent conflict is that managers may, in fact, perceive a relationship between success and unethical behavior, but were unwilling to admit this. An alternative explanation is that marketing managers did not perceive the specific unethical behaviors in our scale as being important. Issues such as bribery, outright lying, and conspiracy may be considered more serious breaches of ethics than the kinds of unethical behaviors identified in Items D1 through D4 in Table 3. It should be noted, however, that the activities described in questions D1 to D4 can all be included as fairness issues, the second most frequently reported ethical problem in Table 1.

Findings in Table 4 suggest that the individual respondent’s title, sex, size of firm, and major field of study were significant in explaining perceptions of ethical problems. Marketing managers at higher management levels in their firms reported fewer ethical problems than did their colleagues at lower levels. This result may have occurred because many top management decisions are not regularly reviewed. Consequently, they may be less sensitive to problems regarding corporate ethics. Alternatively, top managers may feel less need to engage in such behaviors as looking for “scapegoats,” taking credit for others ideas, or making rivals look bad in the eyes of others. After all, top managers have few opportunities for advancement within their respective firms, whereas competition among lower level managers for advancement might lead to the types of behaviors described. Therefore, when responding, top managers may not have been thinking of these unethical behaviors, while middle level and lower level managers were. A third alternative is that there are high pressure demands for performance at lower and middle management levels. These pressures might lead to unethical behaviors. That is, under pressure situations “competition among middle managers can quickly result in a level of behavior which is the lowest common denominator of the group [6].”

Table 4 also indicates that female managers perceived more ethical problems than male managers. A number of studies have documented difficulties that women encounter in the workplace. For example, Rosen and Jerdee [28] reported anti-female bias in managerial ranks, including: (1) women sacrificing careers for family obligations, (2) retention of male employees over female employees, and (3) male favoritism in employee selection and promotion. Similar observations have been made by other writers [e.g., 4, 12, 26]. Male managers are likely to be less sensitive to these discrimination issues than female managers. Consequently, the typical male’s set of unethical behaviors may not include these issues and as a result, he perceives fewer problems. These findings seem to suggest that women have different ethical frameworks than men. Do they “see” the same things, with women concluding that certain behaviors are unethical while men conclude they are ethical? Or, are certain behaviors not “seen” by male managers as unethical at all? These questions can only be addressed with further research on ethics.

Marketing managers employed by large firms perceived more ethical problems than those in smaller firms. In larger firms, many subdivisions of departments exist.
Each has rules and regulations designed to control behaviors. Departmental relationships are likely to lead to conflict, some of which may involve ethical considerations. Also, in larger organizations, longer hierarchies exist. Status and prestige differences at various levels of the hierarchy could result in pressures to engage in unethical behaviors. Coordination and control of behaviors is more difficult. Often, top managers in large firms must rely on staff personnel (who may not fully understand the corporate system) to coordinate and control behavior.

Finally, managers with technical backgrounds reported fewer ethical problems than managers with other educational backgrounds. A Chi Square analysis yielded a significant relationship between sex and educational background. Many more male managers possess technical backgrounds than do their female counterparts (adjusted $\chi^2 = 10.47, df = 1$, significance level $= 0.001$), and as discussed earlier, male managers report fewer ethical problems than female managers.

Conclusions

Six conclusions are suggested by the findings in this research:

1. The most often mentioned ethical problem faced by marketing managers is bribery. Five other issues (fairness, honesty, pricing strategy, product strategy, and personnel decisions) were also frequently cited as difficult ethical issues.

2. The primary ethical conflict reported by marketing managers involved balancing the demands of the corporation against customer needs. In 76% of the ethical conflicts reported, one party in the conflict was the corporation.

3. Marketing managers perceive many opportunities in their firms and industries to engage in unethical behaviors. However, they report that few managers frequently engage in such behaviors.

4. Marketing managers do not believe that unethical behaviors in general lead to success. However, many believe that successful marketing managers do engage in certain specific unethical behaviors.

5. When top management reprimands unethical behavior, the ethical problems perceived by marketing managers seem to be reduced.

6. The existence of corporate or industry codes of ethics seems to be unrelated to the extent of ethical problems in marketing management.

Coe and Coe [11] have cited four criteria that distinguish professions from other occupations. One of these is “governance through a code of ethics and disciplinary procedures for the violation of the code of ethics” (p. 257). If these ethical codes are to be useful, they must be specific. The AMA code, as well as codes of other professional associations, lacks specificity. The AMA code is not alone in not addressing many of the important issues confronting managers. A survey conducted by the Ethics Resource Center [15] indicated that about 75% of the responding firms had written codes of ethics, but that these too were lacking in specificity.

Although the findings suggest that actions by top management can reduce ethical problems, no relationship between corporate and industry codes of ethics and the extent of ethical problems was found. This does not imply that codes serve no purpose. As Kaikati and Label [22] asserted, codes of ethics and enforcement should go hand-in-hand. Perhaps our respondents simply viewed codes as one form
of action by top management to reduce unethical behavior. Codes of ethics are necessary so that employees can understand what their organization expects of them. But top management must reinforce these expectations by their own actions.

Finally, our findings indicate several fertile areas for additional research on ethical problems in marketing management. The relationship between success and unethical behavior appears to be an important area for investigation. A scenario approach might be useful here. Ethical issues and relationships identified in this study could be combined with certain specific behaviors and used to further examine this relationship. This approach would be useful in identifying preferred behaviors and outcomes. Also useful would be research that addresses the decision processes involved in ethical decision-making. For example, are the decision processes of marketing managers deontological in nature or teleological in nature? What ethical trade-offs do marketing managers make between behaviors and outcomes? How do marketing managers adjust these trade-offs as relevant role partners change? Are the actions of top managers effective in reducing all types of unethical behavior, or are they only useful in deterring selected unethical behaviors? All these issues warrant further research.

In conclusion, it was encouraging to find that so many of our respondents were, indeed, concerned about ethical issues in marketing management. The future challenge lies in improving our knowledge and behavior with respect to marketing ethics. Both academics and practitioners have roles to play. Academicians can help improve knowledge through research aimed at understanding the ethical decision-making process. Practitioners can help to improve behavior by establishing organizational climates that deter unethical behavior and reward ethical behavior.

The authors express their sincere appreciation to the members of the American Marketing Association who participated in this research project. We also gratefully acknowledge the financial support of the Office of Business Research, College of Business Administration, Texas Tech University. The timely assistance of Paul Surgi Speck at various stages of the research project is also appreciated.

Appendix A

The American Marketing Association Code of Ethics

As a member of the American Marketing Association, I recognize the significance of my professional conduct and my responsibilities to society and to the other members of my profession:

1. By acknowledging my accountability to society as a whole as well as to the organization for which I work.
2. By pledging my efforts to assure that all presentations of goods, services, and concepts be made honestly and clearly.
3. By striving to improve marketing knowledge and practice in order to better serve society.

2Courtesy of the American Marketing Association, Chicago, IL.
4. By supporting free consumer choice in circumstances that are legal and are consistent with generally accepted community standards.

5. By pledging to use the highest professional standards in my work and in competitive activity.

6. By acknowledging the right of the American Marketing Association, through established procedure, to withdraw my membership if I am found to be in violation of ethical standards of professional conduct.

References


2. American Marketing Association Membership Survey conducted by Higginbothem and Associates. Houston, TX (March 1982).


20. Ferrell, O. C., Ferrell, M. Z., Krugman, D. A comparison of predictors of ethical and


