Reflections on ethical issues in marketing management: An empirical examination

Lawrence B. Chonko & Shelby D. Hunt

To cite this article: Lawrence B. Chonko & Shelby D. Hunt (2018) Reflections on ethical issues in marketing management: An empirical examination, Journal of Global Scholars of Marketing Science, 28:1, 86-95, DOI: 10.1080/21639159.2017.1410774

To link to this article: https://doi.org/10.1080/21639159.2017.1410774

Published online: 12 Jan 2018.

Article views: 20

View related articles

View Crossmark data
Reflections on ethical issues in marketing management: An empirical examination

Lawrence B. Chonko and Shelby D. Hunt

Department of Marketing, College of Business Administration, University of Texas, Arlington, TX, USA; Department of Marketing, Rawls College of Business, Texas Tech University, Lubbock, TX, USA

ABSTRACT

This article provides some reflections on our paper, “Ethics in Marketing Management: An Empirical Examination,” originally published in the Journal of Business Research in 1985. We first offer some thoughts as to why our paper, and others from the same research stream, have been widely accepted by other scholars in the area of marketing ethics. We then offer some thoughts on research topics that researchers might consider as we attempt to further develop our knowledge in the area of marketing ethics. Finally, we provide some perspectives on how researchers can proceed in their research on ethical issues in marketing.

In the early 1980s, the authors formed a partnership to develop a research program on a topic of mutual interest: the subject of business ethics. The fruitful partnership resulted in series of research projects that produced several publications on marketing ethics (Chonko & Hunt, 1985; Hunt & Chonko, 1984, Hunt, Chonko, & Wilcox, 1984), corporate ethics (Hunt, Wood, & Chonko, 1989), advertising ethics (Chonko, Hunt, & Howell, 1987; Hunt & Chonko, 1987), and accounting ethics (Finn, Chonko, & Hunt, 1988). Many of the publications were subsequently highly cited in the literature, especially the one that is the subject of the present article, “Ethics and Marketing Management: An Empirical Examination” (Chonko & Hunt, 1985).

our paper received 15 years after its publication was gratifying and humbling. Now, over three decades after its publication, it is even more gratifying and humbling to know that it is still being cited frequently by ethics’ researchers. Schlegelmilch and Oberseder (2010), using the Business Source Premier database, find that our paper has been the second most frequently cited ethics paper among marketing ethics articles published between 1960 and 2008. Furthermore, as of this writing, the article has received over 600 Google Scholar citations, with over half of the citations occurring in the last decade. We are honored that so many scholars have found our work helpful in crafting their research on ethical issues in marketing.

In the interests of encouraging further research efforts on marketing ethics, the Editor of the Journal of Global Scholars of Marketing Science, Arch Woodside, has asked us to reflect on certain aspects of EMM, and we are pleased to do so. Accordingly, this article will (1) briefly summarize our original article, with a focus on its major findings, (2) posit explanations for the article having been so well received in the literature, and (3) discuss some areas of marketing ethics that we believe deserve more attention.

**A brief summary of EMM**

EMM (Chonko & Hunt, 1985) began by pointing that marketing has long been charged with ethical abuse, at least in part, because marketing managers face some of the most troublesome ethical problems in business. After detailing some of the charges, we positioned our own work as responding to the call of the well-known review of marketing ethics by Murphy and Laczniak (1981). Specifically, the purpose of our research was to answer four questions. What are the major ethical problems facing marketing managers? To what extent does the AMA code of ethics address the major ethical problems? How extensive are the ethical problems of marketing managers? How effective are the actions of top managers in reducing the ethical problems of marketing managers?

To address the four questions, we analyzed data from a sample of 462 marketing managers who were drawn from a universe of 1076 usable responses from practitioner members of the American Marketing Association. The following issue was a very important, open-ended question in our study. In all professions (e.g. law, medicine, education, accounting, and marketing), managers are exposed to at least some situations that pose a moral or ethical problem. Would you please describe the job situation that poses the most difficult ethical or moral problem for you?

We phrased the question this way because our pretests had indicated that many marketing practitioners believed that our purpose was to isolate the marketing profession and criticize it for being unethical. Indeed, that was not our purpose. Therefore, the first sentence in the question was an attempt to “desensitize” the issue and increase the willingness of managers to respond to the question. The response rate was 55% on this question, which we interpreted as a significant success.

As to our research questions, we drew six major conclusions. For marketers, the most often mentioned ethical problem was bribery, which was followed by fairness, integrity, pricing strategy, product strategy, and personnel decisions. The most frequent ethical conflict marketers experienced was that of attempting to balance the demands of the company
against those of customers. Marketing managers reported many opportunities to engage in unethical behaviors, but they reported that few managers frequently engage in such behaviors. Marketing managers do not believe that unethical behaviors in general lead to success. Nevertheless, many believed that there are successful managers who do engage in questionable behaviors. Top management involvement is absolutely critical in setting the tone for ethical behavior in companies. Company codes of ethics were not related to the extent of ethical problems that marketing managers perceived in marketing.

Factors explaining the success of EMM

Schlegelmilch and Oberseder (2010) find that our paper has been the second most frequently cited ethics paper among marketing ethics articles published between 1960 and 2008. Therefore, by standard academic metrics, the article has been highly successful. No one can say with surety why some articles are highly cited and others are not. However, to provide some potential explanations for why EMM has been viewed favorably by other researchers, we first reviewed Schlegelmilch and Oberseder’s (2010) “top ten” most frequently cited papers in the marketing ethics literature in search of commonalities. It seems to us that these frequently cited articles share at least four similar characteristics, They (1) address important issues, (2) use an appropriate research design to address the issues, (3) draw credible, interesting conclusions, and (4) have implications for further research efforts.

We invite readers to review both our brief summary of EEM and the full text of the article. Most readers, we believe, will find that the study’s research questions were important issues. Furthermore, the study employed a research design (perhaps the only research design) that could provide valid and reliable data to investigate the issues. That is, we engaged in an extraordinarily labor-intensive effort to carefully conceptualize and measure our major constructs, develop our questionnaire, and secure primary data from a large sample of respondents who were highly qualified to thoughtfully comment on ethics in their organizations. Also, our findings were not just interesting, but because of the quality of our measures, sample, and analysis techniques, the conclusions were credible – readers believed they could rely on them. Finally, as we discuss in Chonko and Hunt (2000), EMM prompted other ethics’ researchers to explore extensions of EMM.

If our proposed explanation for why EMM has been frequently cited is correct, the marketing discipline faces significant problems in the future. Unfortunately, reviewers and editors of marketing’s major journals now routinely reject articles that address important issues using primary data from survey research designs. Instead, they view favorably those articles that address relatively insignificant marketing issues by interrogating secondary data sources using sophisticated, mathematical modeling techniques (Clark, Key, Hodis, & Rajaratnam, 2014; Lehmann, McAlister, & Staelin, 2011; Sheth & Sisodia, 2006). Indeed, today EMM would be summarily rejected because of potential “same source bias.”

The dysfunctional publishing norms of marketing’s major American journals constitute a problem for the study of marketing ethics, but for the marketing discipline as a whole. At the same time, the situation provides an opportunity for other journals to publish important, highly influential articles on both marketing ethics and other issues that will be frequently cited. We urge the editor and reviewers of the Journal of Global Scholars of Marketing Science
to adopt publishing norms that focus on the importance of the issues being investigated, rather than level of methodological sophistication.

**Areas of marketing ethics that merit more attention**

In the following section, we offer some topics, in the form of research questions, that we believe merit more attention by ethics researchers. We base our recommendations on both Chonko and Hunt (1985) and (2000).

**Opportunities for and frequencies of unethical behavior**

In Chonko and Hunt (2000), we posited that it would be interesting to investigate, as the ethical climate was changing, how various populations viewed the opportunities for, and frequencies, of unethical behavior. The following is a snapshot of the current ethics opportunity situation (National Business Ethics Survey, 2013):

- The percentage of workers stating they observed misconduct fell to an all-time low of 41%, down from 45% in 2011 and the record high of 55% in 2009; a high percentage of it is committed by managers.
- The pressure to compromise standards was reported by 9% of workers, down from 13% in 2011.

In a second snapshot examination of ethical misconduct, the Global Business Ethics Survey (2016), reported:

- 16% felt others pressured them to engage in wrongdoing (13% all other companies)
- 52% reported observing misconduct (45% in all other companies)
- Misconduct soared from 48% in companies with strong ethics cultures to 89% with weak ethics cultures
- As in our survey in 1985, bribery is the most reported (79%) ethical breach

Perhaps it is time to replicate some of the questions in our initial work. Furthermore, the following issues need addressing.

- How are opportunities for unethical behavior viewed by members of specific occupations within marketing (e.g. sales, advertising, media, retailing, and supply chain)?
- How effectively are organizations implementing the American Marketing Association code of ethics?
- Have those firms that have aggressively implemented the American Marketing Association’s code of ethics experienced a reduction in unethical conduct?

**Ethics and success**

We reported, “Marketing managers do not believe that unethical behaviors in general lead to success” (Chonko & Hunt, 1985, p. 238). In addition to revisiting this issue, researchers might consider shifting the level of analysis to the firm. Consider the following. Since 2007, the Ethisphere Institute has identified the “World’s Most Ethical Companies.” Over the course of 11 years, hundreds of companies have been listed as ethical, with some firms have making the list several times (only Starbucks has made the list each year).
• What do those companies that make the list frequently have in common?
• Why do some firms never make the list?
• What are the key practices of firms that frequently make the list vs. those that never make the list?
• Do the practices associated with firms that frequently make the list also result in significantly different levels of customer loyalty, employee retention, corporate reputation, and legal problems?

Ethics as a priority

Ethics transcends simple legal responsibility. In a global, intensely competitive world, temptations to engage in questionable behavior are frequent. Historically, many organizations have seemed to practice a “wait and see” approach to ethics, that is, let’s wait and see what the potential consequences might be. As we observed in 1985, management should be proactive: “Practitioners can help to improve behavior by establishing organizational climates that deter unethical behavior and reward ethical behavior” (Chonko & Hunt, p. 357). Proactivity can be aided by engaging in the study of precedents, from learning from past experiences, from studying ethical firms’ practices. Investigating questions such as the following may help firms be proactive:

• How, specifically, can firms develop processes and procedures that will enable them to learn from their own experiences and the actions of others?

Ethical leadership

We reported, “When top management takes specific action to discourage unethical behavior, the perceived extent of ethical problems in management declines” (Chonko & Hunt, 1985, p. 353–354). Since our paper, managerial actions and ethics have been studied at several levels of management (e.g. Arnett & Whitman, 2014; Mulki, Jaramillo, & Locander, 2009; Wotruba, Chonko, & Loe, 2001). Research concerning the importance of management setting an ethical tone for an organization should continue. However, we suggest that research also take on a strategic, top management focus, such as the study by Thompson (1985). With respect to top management leaders, we suggest further research on the following issues.

• How can top management leaders develop a common ethics language that transcends borders and allows for ease of communication and ease of understanding?
• How can top management leaders identify, develop, and place throughout the organization ethics champions?
• What can we learn from those who have exhibited moral courage in confronting ethical problems, while achieving positive results for the organization?

When organizational leaders are asked if they think in the short-term or long-term, the consistent answer is “long term.” Yet when organizations and their decision-making processes are examined carefully, short-term thinking, often driven by quarterly, “Wall Street” numbers, seems evident. Also evident is the fact there are often significant, long-term costs associated with unethical, short-term financial benefits. For example, Siemens spent about
$2.8\text{ B}$ in adjudicating their marketplace improprieties. Many other companies have incurred large penalties for ethics breaches. We suggest further research on the following issue.

- **How much do firms typically lose in the long-term by pursuing short-term gains by questionable means?**

**Accountability**

Since our article in 1985, there seems to have been an increase in the reluctance on the leadership of firms to accept responsibility and be held accountable for their decisions. The issue of accountability is fundamental to ethics. Dubnick (2003) posits four kinds of accountability strategies used to justify behaviors. Answerability – individuals may be required to be answerable for decisions and the individual’s approach to each decision (Tetlock & Kim, 1987) and whether they were guided by rules and procedures (March & Olsen, 1989, 1995) or relying on agents (Waterman & Meier, 1998). When marketers perceive they must seek approval from others, do they use answerability as a form of accountability?

Blameworthiness – marketers can be held accountable because of their social position or identification with a group (Douglas, 1995; Dubnick, 2003). To what extent are marketers considered blameworthy because of their association with the marketing profession?

Liability – this is a legalistic viewpoint in which actions are guided and evaluated by rules that include sanctions for non-compliance (Shkalr, 1986; Thompson, 1980). Do companies with strong cultures and a record of enforcing consequences experience fewer ethical problems?

Attributability – Dubnick (2003) asserts that, in non-work settings, people are subject to broader accountability standards that are subject to bias (e.g. Howard & Pike, 1986) and situational determinism (Holloway & Fuller, 1983). The following research question is suggested.

- **To what extent do marketers subscribe to two or more ethical codes, one for the workplace and a separate one for home?**

**Reputation**

According to the Edelman Trust Barometer (2017) the supply of trust is declining around the globe. Specifically, trust in business, government, NGOs, and media all declined in 2017. When trust decrease, reputations suffer, and when reputations decline, firms are adversely affected. That is, there is “reputational risk.” Effectively managing reputational risk requires recognizing that a strong positive reputation among stakeholders across multiple categories will result in a strong positive reputation for the company overall. Researchers should explore the following issue.

- **How do the changing beliefs and expectations of different groups of stakeholders impact reputational risk?**

**Social media**

In our 1985 paper, four of the top 10 ethical issues involved communications-related phenomena, that is, honesty, advertising, confidentiality, and distortion. Since that time, there
has been a transformation in communication led by social media. Policy has not kept up. For example, in the European Union, the e-Privacy Directive was issued in 2002. Since that time, we have witnessed explosions in the use of instant messaging, social media, and voice over internet protocol, and other means not addressed in the Directive. We suggest the following research questions.

- Do active users of social media have a higher tolerance for activities that others would consider unethical? If so, why?
- What are the ethical implications of the speed and scope of social media in that once content is posted it is available immediately … and stays there?
- Since social media tools tend to be free or inexpensive and users do not need deep technical knowledge, what ethical implications exist for organizations about which information is posted?
- What ethical issues exist when social media blurs private and public boundaries between personal and work life?
- How can organizations (and their representatives) be guided to avoid the dangers of interacting with consumers via social media?

Some concluding reflections on marketing ethics research and publication

Yadav (2010) asked, “Where are the new ideas?” Similarly, we ask, where the new ideas, new concepts, and new theories in the area of marketing ethics? There are two (positive) theories of ethics in marketing, Ferrell and Gresham (1985) and Hunt and Vitell (1986), which was revised in Hunt and Vitell (2006). Both are widely cited and have served as the basis for significant ethics research. However, readers should note that both these works are over three decades old. We encourage the development of new theories in ethical decision-making to guide research. Theory-driven research is necessary for research on marketing ethics to progress, and theory-driven research requires theories that merit testing.

Second, an important characteristic of any article is the extent to which it contributes to on-going theory development. Readers should consider whether their works on ethics have the potential to generate dialog and promote future research efforts. For example, Cialdini (2001, p. 32) calls for researchers to use “full-cycle psychology,” which is a research program that involves the “continual interplay between (a) field observation of interesting phenomena, (b) theorizing about the causes of the phenomena, and (c) the experimental test of the theorizing” (p. 32). This approach places a high priority not only on domain specification and internal validity, but also external validity and dialog. In this manner, “Natural observation should not be restricted to the beginning of the research program; it should also be used as theory is supported (or not) via subsequent multiple empirical efforts” (Cialdini, 1995).

Third, marketing ethics research should provide suggestions evidence for practitioner action. As Lehmann et al. (2011, p. 155) recommends, “Research in marketing should be broad in nature and strive to yield insights that potentially help better understand the consequences of marketing actions and improve the practice of marketing.” Several years ago, Baker and Erdogan (2000) noted widespread concern among both academics and practitioners about the usefulness of marketing research. Hunt (2002) noted that the marketing academy has multiple stakeholders and observed that knowledge reported in academic
journals often reaches practitioners after being diffused through a variety of vehicles (e.g. textbooks, courses, consulting, and practitioner periodicals). But knowledge should diffuse in both directions. Note that our 1985 study investigated the ethical problems confronting 1980s’ marketing practitioners, as the practitioners perceived them. This was a novel characteristic of the study. We urge ethics researchers to investigate the ethical problems of today’s generation of marketing professionals, as those professionals perceive them.

We appreciate the *Journal of Global Marketing Scholars of Marketing Science* for providing us the opportunity to reflect on our article, Chonko & Hunt (1985). We close by pointing out that many marketing academics have questioned many aspects of the research and publishing practices in the overall marketing discipline. Some examples follow. Lehmann et al. (2011) lament that too much research stresses “technical sophistication but lesser understanding and appreciation for the range of important marketing problems.” Reibstein, Day, and Wind (2009) maintain that “the research paradigm in much of marketing academia is to start with new research methodology, or new data-set, or new behavioral hypothesis and only then occasionally ask where it might be applied.” Armstrong (1982) ironically devises an author’s formula for success in publishing (1) do not pick an important problem, (2) do not challenge existing beliefs, (3) do not report surprising results, (4) do not use simple methods, even when they are superior, (5) do not provide full disclosure, and (6) do not write clearly. Carson (1995) suggests that the overemphasis on methodological rigor has stifled thoughtful, creative articles. Lehmann (2005) maintains that a provincial, inward publication process has discouraged the crafting of both mid-range and broad-range theories, such as that developed by Howard and Sheth (1968).

A common theme that emerges from the thoughtful commentaries on the current state of research and publishing in the marketing discipline: The overemphasis on methodological rigor is dysfunctional for the marketing discipline. We urge ethics researchers in marketing, as well as those in marketing’s other research areas, to develop research that (1) addresses important issues, (2) uses an appropriate research design to address the issues, (3) draws credible, interesting conclusions, and (4) has implications for further research efforts. Such research is good for the marketing ethics area; it is good for the discipline as a whole; and, we have found, it is intellectually enriching for the researcher.

**Disclosure statement**

No potential conflict of interest was reported by the authors.

**ORCID**

Shelby D. Hunt [http://orcid.org/0000-0002-8928-3400](http://orcid.org/0000-0002-8928-3400)

**References**


