TEACHING MARKETING ETHICS IN THE 21ST CENTURY

Terry W. Loe and Linda Ferrell

Concerns are constantly raised about marketing's negative effects on cultural values. Society demands that businesses and marketers, in particular, be more ethically responsible. What have marketing educators done to contribute to improving the ethical character of future marketers and prepare them to make better ethical decisions? This pilot study reviews how marketing educators have approached the teaching of marketing ethics primarily from a pedagogical perspective and explores the views of prominent marketing ethics educators concerning how we should approach the teaching of marketing ethics in the 21st century, and suggestions are offered based upon the findings of this study.

Introduction

Marketing's role as boundary spanner between business and customer places the marketing discipline and marketing educators in an important position in regard to ethical responsibilities. Wilkie and Moore's (1999) review of marketing's contributions to society and the criticisms of marketing reveals concerns about marketing's negative effects on cultural values and the harm that can occur by deceptive marketing practices. On the other hand, research by Loe and Ferrell (1997) provides evidence that an ethical climate in an organization can contribute toward market orientation, which has positive effects on customers and their concerns.

In a retrospective and prospective commentary about ethics and marketing management over the last 15 years, Chonko and Hunt (2000) conclude that while most marketing managers perceive many opportunities in their firms and industries to engage in unethical behavior, most managers refrain from taking advantage of this opportunity. In addition, most research indicates that marketing managers do not believe that unethical behaviors in general lead to success. Research reveals that ethical problems that are addressed by marketing managers seem to reduce the level of misconduct (Schminke 2001). So, while there is a definite concern by society about the ethics of marketers, research also suggests that higher levels of ethical behavior have positive outcomes for marketers.

Top management's visible ethical concerns are the single best predictor of the extent to which managers perceive ethical problems. In addition, situational factors such as gender, size of firm, and education can have a significant impact on ethical decision making by marketing managers. For example, the strongest situational effect is that individuals in larger mechanistic organizations reflect much stronger ethical predispositions, both formalistic and utilitarian (Schminke 2001).

Marketing educators arguably play a critical role in shaping the next generation of marketers' attitudes not only toward marketing practice, but also in shaping the ethical environment of business. Shannon and Berl (1997) report in their study that undergraduate marketing students feel the discussion of ethics and of ethical issues is "worthwhile and important." The students also indicate that a course in business or marketing ethics should be required and further that they would take such a course if offered, even if it were not required. In the same study, students indicate that marketing educators are doing a weak and adequate job of covering ethics in marketing classes.

Many questions have been raised concerning the marketing educator's role in communicating ethical knowledge in marketing courses. Do professors of marketing need to teach marketing ethics? Do ethics have a place in the marketing curriculum? If so, "what" about ethics should we be teaching? How should marketing ethics be taught? Can ethics be taught? Most importantly, what is our goal in teaching marketing ethics? These or questions like these have been asked over the past four decades and attempts have been made to address them.

However, a complete review of the teaching of ethics is outside the scope of this study. The various approaches to teaching ethics are difficult to assess and would require a worthy endeavor that is beyond the scope of this exploratory investigation. A complete study of the teaching of "business ethics" is also laudable, but again a monumental task that falls beyond the param-
eters of our study. Space is not available to address these larger issues or even to consider all of the questions that need to be asked. Instead, we wish to take a brief look at how marketing academics have attempted to answer some of the questions put forth above. In doing this we will briefly outline the history of marketing ethics and the teaching of marketing ethics in higher education, and review the popular pedagogy used. In addition we wish to report on the views of some marketing ethics educators concerning how we might approach the teaching of marketing ethics in the 21st Century.

Though we will specifically focus our discussion on teaching marketing ethics, in part, we will also include methods that can be used and that have been used by other disciplines. Our reasons for including other disciplines’ approaches are simple and include: (1) the methods of learning concepts and applications of those concepts are similar, regardless of subject, and (2) few studies have specifically addressed the teaching of “marketing ethics.”

A Brief Review of Marketing Ethics

Though a complete review of ethics will not be undertaken here, a very brief review of moral philosophy as it relates to business and marketing ethics is useful to understand the philosophical approaches to this subject. Modern moral philosophy probably had its beginnings in G. E. Moore’s *Principia Ethica* in 1903 (MacIntyre 1998), though Adam Smith addresses the idea of fair business competition at an earlier date in his book, *The Theory of Moral Sentiments* (1759). Formal ethical consideration found its way into business in the 1920s with the first code of ethics in the area of marketing being attributed to the advertising industry, which developed a code in 1928. Additionally, in academia some early advertising and marketing texts began addressing ethical issues (Curtis 1931). A few classic business ethics works were published as early as the 1930s, but as a distinct academic discipline, business ethics conceivably has its roots in the 1950s (Paul 1987). However, one of the first and most prominent, comprehensive empirical works in business ethics was by Baumhart (1961), who identified eight major ethical problems that business people wanted to eliminate. As pointed out by Chonko and Hunt (2000), five of the eight ethical abuses fell in the domain of marketers’ activities.

Much of the work in business and marketing ethics since Baumhart has been based upon philosophical ethical theories and generally has been divided into either teleological or deontological classifications. *Teleological* theories consider the outcome of an action as the criterion for determining “right” or “wrong,” while *deontological* theories are “rules” based. These ethical philosophies are important to understand, as they are the foundation upon which ethics has been taught in the classroom.

Early research in marketing ethics by Walton (1961), Alderson (1964), Patterson (1966), and Farmer (1967) as well as others took a more normative or prescriptive approach to ethics. The consumerism movement that dominated the late 1960s and early 1970s promulgated this approach and is apparent in the writings of Aaker and Day (1978), Kelley (1973) and Murray (1973). Some earlier research also considered marketing ethics from a positive perspective, beginning with Bartels (1967) and Westing (1967).

An emphasis on a descriptive rather than a normative approach eventually became more common with the emergence of descriptive ethical decision-making models in the 1980s. Based upon five major ethical decision-making models, organizations have a general idea of how an individual or a work group makes ethical decisions within an organization (Jones 1991; Ferrell and Gresham 1985; Ferrell, Gresham, and Fraedrich, 1989; Hunt and Vitell 1986; Trevino 1986). Ethical-issue intensity, individual factors (including cognitive moral development), as well as the corporate culture, affect ethical or unethical behavior according to these models (Ferrell, Fraederick, and Ferrell 2000). Within the context of an organization, significant others, especially the work group, have been found to have the most influence on how managers make decisions. In other words, most individuals do not feel they have the freedom to decide ethical issues independent of organizational pressures. This knowledge places significant pressure on organizations to develop codes of ethics, ethics training, and an ethical corporate culture that encourages appropriate behavior. Most organizational ethics programs focus on developing ethics codes and policies and developing communication systems and control mechanisms to encourage ethical behavior.

A study by Babin, Boles, and Robin (2000) reviewed research that attempts to explain ethical and unethical decision making among marketing managers and conducted research to address directly how ethical/unethical actions affect the work environment. They concluded that a marketing employee’s ethical work climate was a theoretically useful construct and explained significant variation in other important work outcomes related to this construct. Specifically, they found that as a work climate is perceived as more ethical, marketing employees report lower role conflict, lower role ambiguity, higher job satisfaction, and higher organizational commitment. Babin et al. conclude that important evidence is available supporting the general proposition that good ethics is good business. Ethical...
decision making models provided frameworks that
guided much descriptive research and offer pedagogi-
cal tools to introduce ethics into university business
school classrooms. A number of ethics texts were pub-
lished and began utilizing these models (for example, Chonko
1995; Ferrell and Fraedrich 1990; Laczniak and Murphy 1993)
and are more focused on marketing ethics constructs and
issues that students may face in their career.

In 1976, the American Assembly of Collegiate Schools
of Business (AACSBS) began requiring coverage of ethical
issues in the business curriculum. As a result, marketing
texts have included considerable coverage in both separ-
ate chapters and within the context of many of the chap-
ters of the texts (Pamental 1988). Marketing education
journals such as Marketing Education Review and Journal of
Marketing Education have increased the number of articles
published concerning ethics instruction (Stevenson and
Bodkin 1996). This emphasis on ethics education begged
the question of how marketing instructors have responded.
Marketing professors now had tools and frameworks to uti-
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lize in implementing ethics instruction.

A recent review of faculty perspectives on marketing
ethics by Rozensher and Fergenson (1999) provides a
good summary of how the subject has been handled
over the last several years. Unfortunately, they found
that the majority of marketing professors spend 2 hours
or less per course on the subject of ethics and that
the primary areas they cover are those of false advertising
and relations with customers, suppliers, and competitors.
Rozensher and Fergenson (1999) also indicated that the is-
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sues deemed most important by professors (environmental
issues and "Wall Street" ethics, i.e., insider trading, lever-
aged buyouts) were seldom, if ever, covered.

Educators will likely not agree on all of the issues
that should be covered, but of importance is the use of
effective pedagogical approaches to teaching ethics and
ethical decision-making. The review by Rozensher and
Fergenson (1999) suggests that ethics should be inte-
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grated throughout the students' curriculum rather than
offered as stand alone courses, but does not outline the
pedagogy used. In the next section we review from the
literature some of the means by which marketing ethics has
been presented in the classroom.

Approaches to Teaching Marketing Ethics

Many suggestions for teaching business ethics have been
put forth (for example, Brady 1999; Dunfee and Robertson
1988; Hemdon 1996; Anderson 1997; Baxter and Rarick 1997;
Cragg 1997; Raisner 1997; Wolfe and Fritzsche 1998). Though
Wolfe and Fritzsche (1998) suggest the use of marketing
games, specific suggestions for how to teach marketing eth-
ics are scarce. In considering how marketing educators teach
ethics, we have categorized our discussion into the overall
strategic considerations of implementation and the peda-
agogical tools that have been used.

Strategies in Implementing
Marketing Ethics Education

The predominant question concerning the implement-
ation of ethics in marketing education is whether eth-
ics should be taught as a stand-alone course or integrated
throughout the curriculum. Some universities choose
to teach a separate, though not required, business ethics
course. The few marketing departments that teach a
marketing ethics course usually have a faculty member
who has a specific interest in marketing ethics research
or has a strong desire to teach in this area. Both ap-
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proaches have been used effectively (Rozensher and
Fergenson 1999). An early study by Marks and Scott
(1968) revealed that 35 percent of 159 AACSB schools
that responded had a separate course in marketing eth-
ics or business social responsibility in the undergradu-
ate program. Later, Murphy and Laczniak (1980) found
only two percent of colleges surveyed offered a specific
course in marketing ethics, though ninety-eight per-
cent indicated the topic is also covered in other courses.
More recently, Murphy (1993) identified four universi-
ties that offered separate marketing ethics courses: Bos-
ton College (undergraduate), Notre Dame (MBA
Elective), Miami University in Ohio (undergraduate),
and Georgetown University (undergraduate). The cur-
rent research revealed that of those identified by
Murphy (1993), only Boston College is still offering a
marketing ethics course. Though there have been oth-
ers that have offered separate courses (the University
of New Mexico, the University of Memphis and the
University of Northern Colorado, for example), the stra-
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trophic approach most recently has primarily been through
integration in individual marketing courses as required
by the AACSB and which is supported by research as
the preferred and most effective method (Feldman and
Thompson 1990). Pizzolatto and Bevill's (1996) find-
ings suggest that ethics education is fairly well inte-
grated throughout the business curricula and that
marketing as a discipline is one of the better repre-
sented areas in which ethics is covered.

Integration has been facilitated by marketing text-
books that have included separate chapters on market-
ing ethics, ethics case studies, and ethical scenarios or
"boxes" in most of the chapters of the texts. Hoasas
and Wilcox (1995) analyzed the degree to which functional
areas of business and economics compare in including
ethics in teaching materials. In their analysis, they re-
viewed texts from several disciplines, including mar-


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Marketing. Their analysis of eleven marketing texts considered the inclusion of ethics as separate chapters, the use of cases, and the inclusion of ethics throughout the text. Seven of the eleven texts included a separate chapter on ethics. Only three included cases specific to ethics and nine integrated ethics discussion and scenarios throughout the text. Since Haas and Wilcox's (1995) research was published, most of the marketing texts have updated their material and have included ethics throughout their text as well as separate chapters on marketing ethics and social responsibility.

In general, marketing professors take one of two alternative approaches to teaching marketing ethics. The first approach assumes that if individuals can be taught to have sound personal ethics this will be sufficient to handle ethical issues that arise in the marketing workplace. In these cases, abstract virtues related to honesty, fairness, and openness are communicated through cases, lectures, and vignettes. This approach assumes that a high level of personal and moral development will prevent an individual from making organizational, ethical mistakes and violating the law. The main focus of this approach is to help those people who have unacceptable personal moral development.

An alternative approach to teaching marketing ethics assumes that personal ethics is a minimum requirement for good marketing ethics but recognizes that a high level of personal moral development may not be sufficient to prevent an individual from making ethical mistakes or violating the law in an organizational context, where even experienced lawyers debate the exact meaning of the law. Because organizations are comprised of diverse individuals whose personal values must be respected, a collective agreement on personal integrity is not likely. However, developing an agreement on workplace integrity and a set of core values that all employees can adopt which is as vital as other managerial decisions is necessary. Many people who have limited experience with marketing issues find themselves making decisions about product quality, advertising, pricing, and hiring practices, as well as other marketing issues. While values learned at home and school may provide a general background, these values do not provide specific guidelines for complex decisions in the real world of marketing decision making.

Even beginning employees must rely on peers to make decisions that are close calls and managers need years of experience to understand what is acceptable in a company or industry. Therefore, this approach to teaching marketing ethics relies on both understanding the need for good personal ethics as well as understanding the organizational complexities of ethical decision making.

The strategic approach used by marketers in integrating ethics into the marketing curriculum is ever more important as we advance into the 21st century. Fukuyama (1995) points out the growing complexity of markets both domestic and global and that, in fact, economics is grounded in social life and cannot be understood apart from social organization and values. This intertwining of societal values and business activity makes examining how we consider marketing's role in contributing to societal harmony necessary. Our contributions largely depend upon how effectively we expose future marketers to ethics. The pedagogical tools used help determine our effectiveness and the following is a brief review of those tools in marketing education.

**Pedagogy in Marketing**

Marketing professors have approached the teaching of marketing ethics in a similar manner as professors in other disciplines. The primary goal from these teaching techniques has been to expose students to ethical issues relative to marketing decisions and the marketing process in order to sensitize them to potential ethical situations. Again, pedagogy used by other disciplines will be addressed, but we will first consider those in the literature that are specifically focused on marketing and its related sub-disciplines.

The literature has identified several tools that have been used. These include the use of cases, videos, and ethics texts and readings books as well as the use of popular and business press articles (Dunfee and Robertson 1988; Murphy 1993). These approaches require analysis and discussion among the students and professors. Texts and readings books provide content that includes ethical issues as well as differing moral philosophies used by individuals when making ethical decisions. Cases, videos and articles offer specific illustrations of ethical situations that marketers face and an opportunity to critically evaluate the decisions made by the parties and consider alternative decisions and the consequences of those decisions.

Several creative techniques presented include the use of "storytelling" or the narrative approach (Bush, Harris, and Bush 1997), the use of debate (Winsor 1995), and fictional literature (Shannon 1995). Loe and Weeks (2000) in a professional selling class included the use of ethical scenarios and role-plays that interjected ethical situations, which required the students to make ethical decisions during live interaction and then discuss the decision with the class.

Gowen et al. (1996) offer a typical approach to integrating ethics in marketing classes through a five-class ethics module. The module first introduces ethical theory (managerial egoism, utilitarianism, duty based theories, and virtue ethics) and four models of marketing ethics suggested by Kohlberg (1969) (moral devel-
opment model, organizational moral development model, contingency model, and reasoned action model) through lecture. The second section is lecture which focuses on specific marketing issues. The lecture also introduces several codes of ethics, such as the American Marketing Association Code of Ethics. The third section introduces case discussion and the fourth brings a guest speaker who discusses differing dimensions of a specific industry. The final section utilizes role-play and ethics videos for discussion and analysis.

Wotruba (1993) provides one of the only comprehensive frameworks for teaching marketing ethics and adapts Rest's (1986) four-component model for ethical decision-making. He first suggests that marketing students be "sensitized" to ethical dimensions of marketing decisions through the use of personal scenarios that involve the students in roles of specific marketing positions as well as the use of fictional books, such as Death of a Salesman, Elmer Gantry, and The Music Man.

Wotruba (1993) next suggests that the students be required to determine the morally "best" alternative, which requires the introduction of ethical theory (deontological and teleological) or the concept of "cognitive moral development" (Kohlberg 1969). Third, he recommends that priority be given to ethical values and then "intend to do what is right." Wotruba does not give guidance as to which values should be given highest priority, as that would require that the students be told what is "right versus wrong." The last step is to convert intentions into decisions and behavior, which suggests an analysis of the consequences of the chosen behavior. In each of these steps, Wotruba points to several readings available to give guidance to instructors concerning the theory behind his recommendations.

Pedagogy from Other Disciplines

Instructional tools used outside of marketing education, as one would imagine, are similar to those used in marketing. A broad study of business ethics in the classroom by Pizzolatto and Bevill (1996) revealed that students feel the most effective means of covering the issue of ethics include in order: class discussion, case analysis, business scenarios, faculty lectures, assigned reading, role-playing, and term papers.

A new journal, Teaching Business Ethics, provides numerous suggestions. A review by LeClair et al. (1999) of those techniques revealed the use of lecture, case analysis, vignettes and scenarios as well as guest lectures and videos. Additionally, LeClair et al. (1999) identify the use of ethics games developed by business as a means to improve perceptions of the importance of ethics and ethical decision-making. Lockheed Martin developed one such game called Gray Matters, which has since evolved into its successor, The Ethics Challenge. These games promote the understanding of specific corporate policies through scenarios that include multiple-choice answers associated with point totals that reward answers more closely related to adherence to corporate policy. LeClair et al. (1999) also suggest the utilization of behavioral simulations as a teaching tool. This method provides some organizational context and a degree of accountability that is often missing from other methods of teaching ethics. Behavioral simulations, similar to the use of role-playing, have the advantage of providing an experiential learning component. These game-like experiences introduce no right or wrong answers for the students but instead create an ethical dilemma and introduce roles in the organization which would give a stake in the ethics decision and which assist in making short term, mid-range and long-term recommendations.

Others in education have attempted to explore more inventive means of advancing business ethics. In one innovative case, inmates in a Federal Correctional Institute helped teach an MBA class on ethics at the University of Maryland (Cox 2001). Warren (1995) developed a business ethics course around three components: a section describing some of the fundamental ethical concepts (i.e., harm/avoidance, equity, obligation, justice, fidelity, dignity, etc.), suggesting that these be used to analyze cases; a section describing ethical theories including a comment on their application to business; and a section of cases with philosophical analysis. He proposes an emphasis on virtue theory (development of excellences of human character or qualities and particular virtues including honesty, integrity, etc.) in addition to the deontological and teleological or utilitarian and contractarianism theories. Warren further suggests the use of the Socratic method of teaching, which precludes the use of much straight lecture.

The teaching of marketing or business ethics courses has been approached as being really no different from teaching of other courses, at least in so far as methods suggested. The approaches used follow the goal of other types of educational instruction, i.e., the transfer of knowledge or training to develop students' skills to relate to "real-life" decisions. LeClair et al. (1999) suggest that the "university ethics education should prepare students to face ethical challenges on the job" (p. 284). Table 1 provides an overview of a number of the pedagogical tools used and their related goals of teaching ethics.

Teaching Marketing Ethics: Exploratory Findings

Professors of marketing ethics have approached the teaching of ethics in marketing by various means. A
group of professors were selected for our sample based upon their known interest in marketing ethics through published research in academic journals or presentations and papers offered at academic marketing conferences.

**Survey Results**

E-mail surveys were sent to 34 marketing ethics researchers, as identified by the authors. The list of survey recipients was determined based on reputation, previous contributions to marketing ethics research, and involvement in marketing ethics issues in conference. The goal was to develop a sample of the most knowledgeable respondents on the topic of marketing ethics education. Although these results are not representative of what all is offered, they may provide the most optimistic view of interest and involvement in marketing ethics in universities and colleges.

Of the 34 surveys delivered, 12 completed surveys were returned. Fifty percent of those were returned within five days of their delivery. Eight were e-mailed back and four were mailed. The purpose of the survey was to determine the scope of marketing ethics course offerings, integration within the marketing curriculum, approaches to teaching the course and perceptions of changes over the past two decades (see Appendix A).

While most marketing ethics scholars suggest that marketing ethics is being taken more seriously, we, surprisingly, found only three of the twelve respondents were at Universities that offer a Marketing Ethics course. Seven offered no Business or Marketing Ethics course and only two offered a Business Ethics course. Of those offering separate ethics courses, one school offered both a Business and Marketing Ethics course. Concerning the department having the greatest influence on the ethics course(s), five noted management, four considered marketing, two noted business law and one indicated accounting. Although eight respondents indicated no ethics course, every survey recognized a particular department influencing the management of ethics or an ethics course.

When asked, in an open-ended format, the ethics topics of greatest relevance to the marketing discipline, the responses were quite varied. The most frequently cited issue was developing an effective ethical culture (forty-two percent), followed by pricing and antitrust issues (twenty-five percent), factors influencing ethical decision making (twenty-five percent), risk areas in strategy development (seventeen percent), social responsibility (seventeen percent), ethics and marketing performance (seventeen percent), personal moral philosophies (seventeen percent), channel power (seventeen percent), product safety (seventeen percent), and advertising and selling (eight percent). Other issues that were mentioned once were: marketing research issues, competitive intelligence, online privacy, global marketing issues, environmental issues, e-commerce ethics, marketing's role in enhancing reputation, enforcement policies, and fair treatment of customers.

Looking at the marketing course where ethics was integrated, the following was noted. Principles courses were mentioned eleven times, followed by Personal Selling and Sales Management (seven), Marketing Research (six), Advertising and Promotion (six), and Strategy (six). Consumer Behavior was mentioned four times and Business Marketing and E-Commerce were mentioned three times each. International and the Marketing Environment courses were mentioned one time each. When asked which courses received the greatest emphasis on ethics the following was noted: Strategy (four), Personal Selling (three), Advertising and Promotion (three), Marketing Research (two) and Principles (two).

When asked the approach to teaching the course, every respondent used a lecture/case format. In addition, 10 used videos to support the lecture and cases, while six used guest lecturers and 6 used debate issues. Approaches used less often included: games (five), paper and pencil simulations-behavioral (four), computerized simulations (one) and articles (one). Of the approaches used in class, the majority felt that cases (seven) were the most effective method, followed by paper and pencil simulations (three) and debate issues (three). Games and guest lecturers each received one mention.

When asked what teaching philosophy each professor used, whether normative, positive or other, ten noted both normative and positive and two mentioned only normative. When asked how to improve the students' experience and appreciation of marketing ethics issues the most cited comment was helping students understand that "good ethics is good business" (four), followed by greater integration of ethics in marketing texts and courses, teaching decision making and consequences (two), placing student in realistic situation to help understand the practical value of marketing ethics (two), offering a core business ethics course (one), using a question and answer format (one), and have students find an article in the business press that related to lecture topics (one).

When asked how the course has changed over the past twenty years, greater integration in marketing courses and texts was noted (seven) and others noted the influence of AACSB (two), and one was concerned that there is more discussion of the area, but poor integration throughout the marketing curriculum.

**Discussion of Survey Findings**

Perhaps the finding that creates the most concern is that only three of the responding schools offer a mar-
### Table 1
Pedagogy for Teaching Marketing Ethics in the 21st Century

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<td><strong>Normative/Prescriptive</strong></td>
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<td>Create sense of responsibility to community</td>
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<td>Video presentation</td>
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<td>Instill, teach virtue; pursuit of truth and other virtues; Virtuous community; change in students’ long range ethics related constructs</td>
<td>Stories/parables</td>
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<td>Role-play</td>
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<td>Video presentation</td>
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<td>Reinfrocse Existing Value System/ Self Discovery</td>
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<td>Experientialism</td>
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<td>Reinfrocse/encourage “right” behavior; good ethics leads to good performance, learn right from wrong; enhance integrity</td>
<td>Readings &amp; Class discussion</td>
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<td>Teach or improve moral Reasoning skills</td>
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<td>Case Analysis</td>
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<td>Experientialism/honorable community</td>
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<td>Positive/Descriptive</td>
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<td>Ethical Sensitivity/ Moral Imagination</td>
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<td>Experiential/ honorable community</td>
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<td>Fictional Stories</td>
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<td>Scenarios</td>
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<td>Experiential</td>
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<td>Develop ethical critical thinking and Problem solving skills</td>
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<td>Popular Press</td>
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<td>Experientialism/ honorable community</td>
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<td>Encourage tolerance and respect of other viewpoints; help students deal with ambiguity</td>
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<td>Debate</td>
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<td>Help students understand &quot;real world&quot; ethical situations and consequences of ethical decisions</td>
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marketing ethics course. Given that these results are at schools where there are Marketing Ethics experts and researchers, of note is that the course is not commonly available. However, each suggested that marketing ethics was integrated into the curriculum in some manner. We found it interesting that even at schools where there was no business ethics course offered there is a particular department that offers the greatest influence on ethics courses within the college of business. Historically, we would think of management as having the greatest influence given the pervasive offering of Business and Society courses within college curriculum. Marketing followed closely given the influence of each respondent and their reputation and research emphasis.

When looking at the responses to the most important topics in teaching ethics in the marketing discipline, we were surprised. An open-ended format was used in order to not bias the results. We would have expected mostly issues related to product, pricing, promotion/ advertising and distribution related ethical issues. What we received was a greater sensitivity to developing an ethical organizational culture and allowing students to have an understanding of the factors that influence ethical decision-making in the organization. Such responses revealed a greater concern for imparting more of a process and organizational orientation, rather than an issue orientation.

When asked about the courses receiving the greatest emphasis in the ethics area, Strategy was acknowledged the most followed by the areas that represent the most visible risk areas of the marketing organization, advertising and promotion and personal selling. The professors surveyed noted several times that although everyone integrates ethics in principles of marketing courses, the real challenge is integration in upper level, integrative courses, such as the capstone, strategy course.

The teaching approach deemed the most effective and pedagogically acceptable was the case method. This is perhaps due to the ability to discuss differing approaches to the ethical situation and that cases provide some insight into "real life" ethical situations. Many suggested that the variety of teaching approaches makes communicating ethics issues and concerns the most effective means rather than exclusively one specific method. Some of the more non-traditional methods used in conjunction with cases and lectures were debate issues and paper and pencil behavioral simulations. These techniques are designed to allow students to participate in the ethical decision-making process and experience the ambiguity, stress, difficulty in defending and making the best decisions for varying stakeholders of the organization. Experiential ethics exercises appear to be gaining popularity and exposure throughout the marketing curriculum.

There appears to be a generalized support for using both a positive and normative perspective in teaching ethics in marketing courses. However, of interest is that many felt the best way to assist students in understanding the importance of ethics in marketing was to take a positive perspective and help them understand that ethics is just good business. There was also some concern that there is not enough integration of marketing ethics material in marketing curriculum and texts. Many feel that coverage of the area will emerge more readily if you have an interest in the topic, and that ethics will be cut if time is short and there is little faculty interest in the topic. In conjunction with this question, when asked the changes over the past two decades, the respondents indicated that greater integration throughout the marketing discipline and the support of ethics education by the AACSB has definitely played a role in this evolution.

Conclusions

How, then, should we approach the teaching of marketing ethics in the coming century? This review suggests that innovative teaching materials have been developed and that ethics in marketing is being considered in the classroom. However, Rozensher and Fergenson's (1999) finding that marketing educators are giving attention to ethics two hours or less per course and that most are not introducing the more important issues as well as our results that reveal only twenty-five percent of ethics professors' schools offer marketing ethics courses is disturbing. This lack of coverage of marketing ethics may indicate that, like many businesses, many marketing educators are only providing a "window dressing" treatment to ethics. There are several reasons for why this may be occurring.

Many marketing professors do not feel adequately trained to teach ethics. Ethics is a complicated subject and faculty generally express a reluctance to explore moral and philosophical issues in their courses (Murphy 1993). Time is another concern of marketing faculty. There seems to be little time to cover all of the topics a marketing course requires and attempting to add an additional module is difficult. In addition, professors are being asked to cover issues related to technology, global and e-marketing in most courses. Other criticisms or concerns are that ethics is a "soft" subject that is highly subjective and has little effect on students in their careers. Some professors do not feel comfortable talking about ethics because they feel they must get up on a "soap box" and preach. The true challenge, however, has been to actually integrate ethical issues in each component of marketing. True integration would require inserting and discussing an ethical issue in class on a fairly regular or daily basis (Murphy 1992).
<table>
<thead>
<tr>
<th>Objective</th>
<th>Normative/Prescriptive</th>
<th>Positive/Descriptive</th>
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<tr>
<td>Instill, teach virtue; pursuit of truth and other virtues;</td>
<td>Mintz 1996, Solomon 1992</td>
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<tr>
<td>Virtuous community</td>
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<tr>
<td>performance, learn right from wrong; change in students’ long range</td>
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<td>ethics related constructs</td>
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<td>teach rather than preach</td>
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<tr>
<td>Encourage tolerance and respect of other viewpoints; help students deal</td>
<td>Herndon 1996</td>
<td></td>
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<td>with ambiguity</td>
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<tr>
<td>Help students understand “real world” ethical situations and consequences</td>
<td>Bishop 1992, Kavathatzopoulos 1994, Trevino and McCabe 1994</td>
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If we are to impact future marketers’ ethical decision making, they must be informed of the importance of ethical decision-making and even “inspired” to behave in a more ethical manner. Though stand-alone courses in marketing ethics may contribute to emphasizing the importance of ethical marketing decisions (Singhapakdi 1999), marketing students must also understand the particulars of making ethical decisions in the context of day-to-day marketing activities. The application of ethics in different situations requires that students be aware of the issues that may arise while conducting marketing activities. Stand-alone courses will contribute to students’ understanding of the importance of ethics and also provide some framework in understanding the ethical decision process and implementing ethical marketing decisions (Herndon 1996; Singhapakdi 1999). True integration throughout the marketing curriculum provides the context of ethical marketing decisions and also provides an understanding of ethics application. Therefore, marketing educators should, in an ideal world, provide separate marketing courses, as well as integrate ethical components and ethics discussion on a regular basis in all marketing courses. In the real world, though, we must deal with curriculum restraints and other time limitations in the course. Restraints and budgeting of time come down to prioritization. We must determine that encouraging ethical behavior and contributing to an ethical culture within the marketing organization is worthwhile and important to educating future marketers. In light of greater integration, the introduction of ethics in the marketing capstone courses then is especially important, again to emphasize the importance of ethics in marketing and also in order to provide guidance in understanding ethics in light of more complex marketing decisions.

Though marketing educators face challenges in teaching marketing ethics, the results of this study indicate that marketing educators are making advances in our approach to integrating ethics through greater utilization of experiential approaches to teaching ethics. Educational “gurus” suggest that experiential and interactive learning are the most effective means of learning. This is consistent with cognitive science and methods shown to be the most effective means of learning ethics (Anderson 1997). Teaching marketing ethics provides an excellent opportunity for students to develop critical-thinking skills, as well as awareness of ethical issues. Our findings suggest that future educators should approach ethics from a more process orientation, with a focus on how organizational culture is changed and plays a role in impacting marketing ethics and performance. Also, marketing pedagogy should include the use of cases and the use of both normative and descriptive approaches, though more study should be undertaken to understand the marketing ethics’ educator’s role in guiding the moral decisions of students. Cases are seen as one of the most effective means of teaching with an emphasis on experiential teaching methods. Experiential and interactive learning is among the most effective means of learning. The pedagogy presented here offers several experiential approaches. The use of role-play and behavioral simulations revealed in the literature review is useful in improving ethical decision-making skills.

Another important dimension that has not been considered to any degree is the measurement of the effectiveness of teaching methods. Loe and Weeks (2000) attempted to address this through pretest and posttest analysis of students’ cognitive moral development. They found that the use of lecture, ethics games, group discussion and role-play was instrumental in improving the moral reasoning skills of students. As in other areas of teaching, we must consider our goals in teaching and the effectiveness of our teaching methods.

**Goals of Marketing Ethics Education**

Effective marketing strategies require well thought out goals and objectives. We teach our students that when considering how to develop an advertising or marketing plan that objectives must first be developed to determine the direction to take. Objectives drive the strategy and the tactics used to achieve the objectives. Determining the objectives of a marketing ethics course or the integration of marketing ethics drives the methodology and pedagogy to be used. Marketing educators must determine the objectives of marketing ethics instruction to guide the implementation of ethics education. Many of the more common objectives of marketing ethics courses and the integration of ethics in the marketing curriculum are outlined in Table 2.

Based upon the above strategic considerations, what pedagogical approaches should be utilized to achieve these goals and which approaches will assure the greatest opportunity for success. Table 1 offers some approaches deemed to be effective based upon several common objectives of marketing ethics education.

Other areas that need investigation when considering how best to teach marketing ethics in the 21st Century include a discussion and analysis of the strategic approach to most effectively teach marketing ethics.

**Normative vs. Descriptive Approach**

Probably one of the more controversial issues with which marketers are faced is that of offering students
“prescriptive” or normative education versus providing only a description of ethical issues and frameworks for understanding how they may approach ethical situations. A comprehensive study is needed of whether or not marketing ethics should take a normative or positive approach in class or both. Our preliminary findings suggest some combination of normative and descriptive means will be productive. However, many marketing educators feel very reluctant to “impose” their personal ethics on students. As noted earlier, professors of marketing consider this approach to be equivalent to preaching or getting on a “soap box” (Murphy 1993). However, our findings indicate that each of the respondents to our survey includes a normative component while two incorporate solely a normative perspective when teaching marketing ethics. We would like to offer a couple of explanations for these findings.

First, studies have indicated that when faced with ethical situations, marketers (salespeople in particular) desire guidance (Dubinsky et al. 1992). Additionally, significant others (fellow employees and supervisors in particular) have the greatest influence on ethical decision-making in the work place (Ferrell and Gresham 1985; Zey-Ferrell, Weaver and Ferrell 1979; Zey-Ferrell and Ferrell 1982; Zabid and Alsagoff 1993). Guidance or a normative approach to understanding what is “right” is sought out.

Secondly, and closely associated with the significant influence of others and particularly those in positions of authority, is the fact students look to their professors for guidance in understanding what they will face in the workplace. Students look to their professors to provide “best practices” when teaching any subject. We as marketing educators are obligated to keeping in touch with the most effective marketing methods and exposing our students to such methods. Students want to know “what works best.” This is especially true when the subject is more abstract and right and wrong answers are less evident. Often several different approaches to solving a marketing problem or taking advantage of a market opportunity might be utilized, all of which may have positive outcomes. The authors, as well as anyone who has instructed a class, are asked, “What is the right answer?” Bishop (1992) suggests that actually, “There is no ethically neutral teaching. Everything in the classroom communicates an ethical position. The only difference between business ethics courses and all others is truth in advertising; Ethics courses state explicitly when value positions are communicated; the regular curriculum embodies hidden assumptions of which even the professor may be unaware” (p. 194). Additionally, Ryle (1972) suggests that teachers are role models for students, whether we like it or not and whether or not we have an awareness of being a role model. Teachers cannot avoid imparting values in one way or another in the normal course of our activities as teachers. Moral education in a sense is unavoidable (Carbone 1987). Churchill (1982) states that moral values “cannot fail to be taught” (p. 306); and Fosse (1991) suggests, “they (moral values) permeate the student-teacher relationship through the ethos, methods, and objectives of the classroom” (p. 347). Teachers do no avoid teaching ethics by taking a “value-neutral approach.” Instead, we may contribute to a student’s lack of confidence in a moral life, which leads to moral relativism (Carbone 1987). This question is inevitable in a class or discussion of ethics. Ethics, undoubtedly, is one of the more abstract subjects that we as educators may teach.

The complexity of the market place is growing as new technology is introduced and utilized. Marketers are just beginning to understand the magnitude of the impact of the Internet and with the World Wide Web’s pervasiveness comes many new opportunities to engage in unethical behavior. Especially in such a situation, where the environment is dynamic, decision-making frameworks will be invaluable and the inclusion of descriptive approaches is necessary. Students will continue to ask for direction, however, and as educators we will want to offer suggestions based upon existing codes of ethics and standards of behavior that are developed within the respective industry. Ultimately, students will be faced with making decisions on their own in an ever changing environment.

An important question, then, is “should” we provide answers (our judgment) or is our primary concern the teaching of critical thinking skills in ethics in an effort to equip students with tools to be able to more effectively solve ethical situations they will inevitably face? The answer probably lies somewhere in offering balance. We need to provide the students tools to be effective when faced with abstract ethical situations, but also we may address their questions of “right” actions in light of existing codes of ethics, and the expression of our opinion does not constitute imposing our personal ethics on the students. The students, again, ultimately must choose their course of action in any given situation.

However, students who have not had experience in facing specific marketing ethics issues will not understand the norms of acceptable behavior as well as the possible consequences of their actions. Ethics codes provide guidelines for acceptable behavior and they may be used to offer students answers to some of the questions with which they must deal in the workplace. Marketing educators may offer their personal understanding of what “actions” are most acceptable, given the situa-
tion and the code of ethics of a particular industry. The American Marketing Association’s Code of Ethics is one such code that provides direction for answering ethical marketing questions. While we may offer our judgments in particular situations, the students also must know that they will be on their own when faced with these ethical situations and must understand the consequences of their behavior.

While marketing instructors may not have the answers for each situation, there are some principles that we can offer upon which we can agree. We can and should recommend that students follow the code of ethics of their chosen profession. Students should be encouraged to be honest and not lie, cheat or steal. We can and should promote to students the necessity to honor the law and promote ethical behavior in their organization. In short, we should offer frameworks to make ethical decisions as well as attempt to inspire students to be honest and ethical.

A correlated investigation concerns the outcomes of ethical behavior. To what degree does marketing ethics actually impact the performance of the organization? Anecdotal evidence for a positive relationship is available, but further empirical investigation is necessary in order to provide support for discussing this relationship in the classroom. A full discussion should address the normative vs. descriptive approach and the goals of marketing organizations in relation to their impact on society and relationships with customers and other stakeholders is warranted.

This exploratory investigation is intended to encourage additional research into marketing professors’ interest and involvement in teaching marketing ethics. This small pilot study provides some insights into current methods of teaching marketing ethics and the activities and concerns of some of the more visible marketing professors that are attempting to cover marketing ethics in their courses. Finally, we offer some suggestions for strategic considerations and the use of several effective pedagogical methodologies for teaching marketing ethics in the 21st century. Hopefully this investigation will contribute to more discussion and research into the teaching of marketing ethics in colleges of business.

References


Appendix A

Marketing Ethics Survey

1. Do you teach an ethics course in the dept. of marketing? (circle one)
   • Marketing ethics
   • Business ethics
   • Other: __________
   • None

2. What dept. (or area) in your college has the greatest influence on the development and management of the ethics course? (circle one and provide any additional information necessary to understand the influence)
   • Marketing
   • Management
   • Business law
   • Accounting
   • Finance
   • MIS/CIS
   • Economics
   • Other: __________

3. What topics are of the greatest importance in teaching ethics within the marketing discipline?

4. a) In which of the following marketing courses do you integrate an ethics component? (circle those appropriate)
   • Marketing research
   • Consumer behavior
   • Advertising and promotion
   • Business marketing
   • Personal selling and sales management
   • E-commerce
   • Strategy
   • Principles
   • Other: __________

   b) Which courses above receive the greatest emphasis in the ethics area and why do you believe this is the case?

(Continued)
5. a) What approaches are used in teaching marketing (business) ethics?
   - Lecture
   - Guest lecture
   - Cases
   - Computerized simulations
   - Paper and pencil simulations
   - Games
   - Videos
   - Debate issues
   - Other: ____________

   b) Of the above approaches, which do you feel are the most effective and why?

6. What approach(es) do you use in teaching ethics in marketing courses? (circle those that apply and provide any input necessary to better understand your teaching philosophy)
   - Normative
   - Positive
   - Other: ____________

7. How do you feel students experience and appreciation of ethics in marketing can be improved?

8. How has the treatment of ethics changed within the marketing discipline over the past 20 years?

9. I would like to receive a summary of the results of this survey. (circle one)
   - Yes
   - No

Thanks for your participation and insights!!