

Lecture 10

Ethics: Moral principles & values that govern the actions & decisions of an individual or group.

Business Ethics: Moral principles & values that guide a firm's behaviour.

Marketing Ethics: Moral principles & values that guide behaviour within the field of marketing & cover issues such as product safety, truthfulness in marketing communications, honesty in relationships with customers & distributors, pricing issues & the impact of marketing decisions on the environment & society.

Corporate Social Responsibility: The ethical principle that an organisation should be accountable for how its behaviour might affect society & the environment.

(Insert Pyramid of Social Responsibility)

Why bother?

To build a good corporate image for the organisation in the minds of all its stakeholders.

"It takes 20 years to build a reputation & 5 minutes to ruin it"

(Warren Buffet, CEO Berkshire Hathaway)

Stages towards Excellence in Environmental Performance

Sustainable policy & organisation → Single sustainable product/service → Sustainable product/service range → Sustainable production → All sustainable products/services

Arguments involving CSR

For

- Leads to enhanced brand/corporate image & reputation
- Provides marketing opportunities
- Can reduce operating costs
- Increases organisations ability to attract & retain employees
- A form of risk management
- Improves access to capital

Against

- Misguided
- Too costly
- Encourages consumer cynicism
- Does not improve profitability

(Insert diagram for CSR strategic options)