
Ethics, Global Marketing & The Internet

Ethics and Social Responsibility

- Social Responsibility
 - Maximize its positive impact on society
 - Minimize negative impacts
- Corporate Social Responsibilities
 - Economic
 - Legal
 - Ethical
 - Philanthropic

Ethics and Social Responsibility

- Marketing Ethics
 - Principles and standards that define acceptable marketing conduct as viewed by the various stakeholders
 - Beyond legality
 - Foster trust
 - Builds long-term relationships

Ethics and Social Responsibility

- Social Responsibility Issues
 - The Environment
 - Green Marketing
 - Environmental friendly
 - Avoids waste
 - Community relations and corporate citizenship
- Ethical Issues
 - Found in each of the 4 Ps
 - Complex decision-making process

Ethics and Social Responsibility

- Improving Ethical Conduct
 - Eliminate unethical employees
 - Create a Code of Conduct
 - If large enough, utilize an Ethics officer
 - Implement compliance programs
- Not easy to do
- Often improves marketing performance

Global Marketing

International Markets

- Forces that affect International markets
 - Environmental Forces
 - Cultural
 - Social
 - Ethical
 - Economic Forces
 - Tariffs
 - Embargoes
 - Quotas

International Markets

- Forces that affect International markets
 - Political and Legal Forces
 - Common practices (payoffs)
 - Governmental attitudes
 - Technological Forces
 - Advanced versus developing countries

Trade Agreements

- NAFTA
 - Mexico and Canada
 - Highly controversial
 - Plenty of phase-in time
- APEC (Asia-Pacific Economic Cooperation)
- GATT (Gen Agreement/Trades & Tariffs)
- WTO (World Trade Organization)

International Approaches

- Importing and Exporting
- Trading Company
 - Like a broker or agent
- Franchising or licensing
- Contract Manufacturing
- Direct Ownership
- Joint Ventures
 - Strategic Alliance

Internet Marketing

E-Marketing

- Done in the virtual environment of the internet
- Key Benefits
 - Marketers and customers share information
 - Feedback opportunities
 - Lower cost of communications
 - Rapid response
 - Decreased operating expenses
 - Reduced geographic barriers

Characteristics of E-Marketing

- Addressability
- Interactivity
- Memory
- Control
- Accessibility
- Digitization

Characteristics of E-Marketing

- Addressability
 - The ultimate expression of the marketing concept
 - Ability to identify customers before they make a purchase
 - “Cookies”: identifiable tracking device, allows for more customization

Characteristics of E-Marketing

- Interactivity
 - Customers have the ability to tell you what they want
 - Real-time communications at lower cost
 - Concept of “community” – belonging to the group

Characteristics of E-Marketing

- Memory
 - Ability to access database profiles
 - Creation of specific, customized offers
 - Allows for better inventory management

Characteristics of E-Marketing

- Control
 - Ability of customers/prospects to determine their information absorption – amount, rate, sequence
 - Web is a “pull” medium; website visitor controls the viewed content
 - Attracting and retaining prospect’s attention much more difficult
 - Hypertext and links are critical

Characteristics of E-Marketing

- **Accessibility**
 - Ability to gather information
 - Increases the competition
 - Brand equity, brand awareness, and name recognition more important
 - The website address (URL) – Uniform Resource Locator

Characteristics of E-Marketing

- Digitization
 - Ability to represent a product or its benefits as digital bits of information
 - For example: customer histories, tracking capabilities
 - Quick and inexpensive modifications

E-Marketing Strategies

- Target Markets
 - Selected more precisely
 - Relationship building a must, CRM
 - Loyalty and retention critical
 - Lifetime Value of a customer

E-Marketing Strategies

- B2B
 - Growing faster than any other segment
 - Improves timeliness and reliability
 - Reduces uncertainties
 - Helps companies manage production output

E-Marketing Strategies

- B2C
 - Very small percentage of retail sales
 - More comparison shopping than actual purchasing

- C2C
 - eBay
 - Auctions and bartering

Product Issues

- Brand recognition will be more important in marketing of services on the internet
- Products with unique benefits will be successful
- Customized products with highly competitive pricing also should “win” on the internet

Distribution Issues

- Inefficiencies reduced
- Better supply chain management and relationships
- Lower distribution costs lead to better profitability
- Typically, customer satisfaction is greater

Promotion Issues

- Tie-in traditional campaigns with web-based promotions
- Better opportunity to convey / communicate a stronger feature/benefit message
- A good source for customer feedback (research) through dialogue
- Can be much more effective, but tougher to attract the browser

Promotion Issues

- **Key Advertising Terms**
 - **Banner ads:** small, rectangular ads at top of web page; can be animated or static
 - **Keyword ads:** relate to a specific subject matter in a web search
 - **Button ads:** small ads, typically squares or rectangles; often just a brand name or logo
 - **Pop-up ads:** “hated”; larger ads with more content that open a separate window
 - **Sponsorship ads:** brands/products combined with editorial content

Pricing Issues

- Customers have more access to cost and price information
- Results in more comparative shopping
- Internet best for price-driven competition
- Low cost of internet promotion can generate lower prices

Legal & Ethical Issues

- Personal Privacy
- Spam
- Trademark infringement
- Stealing of copyrighted materials