GEORGETOWN UNIVERSITY
School of Business

Marketing Ethics and Decision-Making
Course Number: MARK-601-01
Spring 1996
Class Time: W, 2:40-5:10 NN GW03

Professor N. Craig Smith
308 Old North, E-Mail: SMITHN
Office Hours: T, W, 5:30-7:00
Or By Appointment

First Class Meeting: January 17
Final Class Meeting: February 28
Individual Case Analysis Due By: February 28
Group Project Due By: February 28

Catalog Description

Marketing Ethics and Decision-Making (MEDM) extends coverage of marketing in the core course while emphasizing the ethical challenges that frequently confront the marketing decision-maker. It is a combination of advanced marketing management and marketing ethics. Primarily intended for MBA students planning careers in marketing, it provides more in-depth exposure to the marketing function and the frameworks and concepts useful in this role. Marketing managers--more than any other function--often are faced with decisions involving conflicts between the bottom line and their values and sense of social responsibility. MEDM uses a comprehensive package of case studies and other materials specifically developed to enable these conflicts to be explored within the marketing management context. Recognizing that ethical issues are integral to marketing decision-making, MEDM examines conventional marketing decisions--and thereby builds on the core course--but under circumstances where there are significant ethical dimensions. A marketing ethics framework will be developed during the course to enable students to better manage ethical conflicts in their marketing careers. Most sessions will involve case study discussion, there will also be lectures, a guest speaker program and group project work. Prerequisite: Marketing Management.

Course Materials

Required - N. Craig Smith and John A. Quelch, Ethics in Marketing (Homewood, IL: Richard D. Irwin, 1993).

- Packet of 3 (new) cases available from G-03.

Course Objectives and Scope

This course is representative of a new phase in the teaching of business ethics. It aims to ground students in the ethical issues of their chosen career field, while continuing to build their overall expertise in that area. MEDM helps develop an in-depth understanding of the managerial skills and qualities required to develop effective, efficient and ethical marketing strategies and programs. In today’s business environment of increasingly difficult and often conflicting constraints, this understanding is ever more in demand. The principal course objectives are:

1. To examine major ethical issues that confront marketing decision-makers.
2. To provide frameworks which incorporate and assist in resolution of the ethical dimensions of marketing decisions.
3. To show how ethical marketing decision-making is both possible and desirable.
4. To provide experience in making marketing decisions that involve "tough choices," through the use of case studies.
5. To provide further and more in-depth coverage of marketing topics.

Key themes of the course will be leadership and integrity. There will be an emphasis on reflection and depth of analysis, facilitated by a greater level of flexibility than was possible in the core course. Students may expect by the end of the course to have an appreciation of frameworks useful in resolving the ethical dimensions of marketing decision-making. It is hoped this process will be enhanced by creating a more student-driven course.

Course Structure

The course is structured around seven modules following a conventional marketing management format (see Course Schedule). There may be some deviation from this structure given the flexibility of approach (referred to above), as determined by student interest. Each module typically comprises case studies, lectures, and discussion. There will also be guest speakers.

Learning Process

This course uses a combination of the case method learning process, lectures, guest speakers and group project work. Most sessions involve case study discussion, with the case describing a marketing situation, placing you in the role of decision-maker. Rigorous analysis, the identification of options and recommendations, will be required PRIOR to class. Group work is strongly advised.
Learning in this course is highly dependent upon your PREPARATION of the case and active INVOLVEMENT in its discussion. Preparation of the case may be usefully supplemented by readings. Preparation is an essential part of the case method learning process. Lectures and the required reading will provide concepts and frameworks relevant to the cases covered in each part of the course.

In the typical case discussion, the instructor will ask one or more students to "open" the class by answering a specific question or series of questions. These presentations will usually be of a decision central to the case, and its rationale. Afterwards, the discussion will be open to the rest of the class, aiming to build a complete analysis of the situation and address the general problems and issues in the case. The instructor acts as moderator of the class discussion, typically drawing the session to a conclusion with a summary of the points that have emerged (or asking a student to do this). This case study approach develops a process of thinking that enhances decision-making capabilities. Communication skills are also refined. The emphasis in discussions is on the formulation of effective, efficient and ethical marketing programs.

Since much learning is derived from fellow students' contribution to class discussions, a failure to fully prepare for class should be construed as breaking a contract with them. Further, late arrivals and early departures are disturbing to the atmosphere we will be trying to create and our collective goal should be to arrive on time and stay until the end. The case method learning process is a stimulating and highly effective approach to management education. However, the process places a responsibility on all participants to ensure its success.

Reading Assignments

The text for this course is Smith and Quelch, Ethics in Marketing. The course outline follows the organization of this book. Supplemental materials will be issued as appropriate. You may also find helpful Laczniaik and Murphy, Ethical Marketing Decisions.

As a primarily case-based course, you are expected to derive most of your learning about marketing ethics from case analysis and discussion. However, to help this process, particularly in providing structure, the course includes the reading assignments and lectures. You will need to allow 3-5 hours to prepare most of the cases. Caselets require 1-2 hours. Many of the readings are relatively brief, news articles that can be read quickly. Readings are often complementary to the cases; however, preparation of the case takes priority over readings. If pressed for time, focus on the case!

To remind yourself of marketing principles reviewed in the course, you may usefully refer to Philip Kotler, Marketing Management: Analysis, Planning, Implementation and Control (Englewood Cliffs: Prentice-Hall, 1994). Ethics in Marketing contains a marketing ethics bibliography which may be helpful, particularly in your project research.
Evaluation

The quality, quantity and consistency of your contributions to case discussions will form the basis of the class participation grade. You can expect to be called upon, at random, to open a class and contribute during the subsequent discussion. Given the nature of the course, you should expect to attend every class and absence will be sufficient for adjusting the class participation grade. If you are to be unavoidably absent, you may choose to submit a summary analysis of the case study (two pages), one day in advance of the class. As this is a second-year, second-semester course, it is expected that on occasion you may be absent for job interviews. It is anticipated that there would be no more than one absence for this reason and, subject to prior notification, you will not be penalized if your attendance conforms with this expectation.

By February 28, you are required to submit a written analysis of a case study of your choosing. You may select any case study in the course, however, you must submit the report prior to the class discussion of the case. You may wish to check with me on the suitability of the case you select. You will probably find that some of the caselets are not sufficiently substantial for the depth of analysis required. Contact with people or organizations identified in the case requires prior approval. Your analysis should be in a report format, typed, and no more than 2000 words (excluding a maximum of 3 pages of appendices). A word count should be provided. Group analysis of the case is permitted, but reports should be individually prepared. The report should clearly define the problem, identify alternative courses of action, make recommendations and address implementation issues. You may wish to come and see me during office hours to discuss your planned approach for cases without a clear and managerial decision focus (e.g. "PepsiCo and Madonna"). The evaluation will take account of how effectively your report communicates your analysis and recommendations.

The third component of evaluation, also due by February 28, is a group project (groups of 2-3 students). This can be in the form of any one of the following:

1. An analysis of any case in Ethics in Marketing. The same guidelines apply as for the individual case analysis (see above).

2. A critique and analysis of a novel or play that raises issues of marketing ethics, such as Death of a Salesman by Arthur Miller, Three Hotels by Jon Robin Baitz, and Glengarry Glen Ross by David Mamet. Please submit a one-page outline of your project, identifying your choice of literature and your approach to its analysis. You may wish to consult "Storytellers' Ethics" by Robert Coles (originally published in Harvard Business Review and reprinted in Kenneth R. Andrews (ed.), Ethics in Practice (Boston: Harvard Business School Press, 1989), pp. 77-84). Again, your analysis should be in a report format, typed, and no more than 2000 words (excluding a maximum of 3 pages of appendices).

3. Marketing Ethics Case Project. Groups may prepare a case study, with analysis as well as description, of either: a) An ethical conflict and its resolution researched
with a marketing manager in a local business, non-profit, or public sector organization; or, b) A recent ethical conflict/crisis in marketing that received national publicity.

Research involving the organization as well as secondary sources should identify how the ethical issue became apparent and any learning that resulted, as well as providing detailed description. In the analysis of the case study, the report should provide your theoretical framework and comment on its generalizability (Under what circumstances is it applicable? What are its strengths and weaknesses?). You are encouraged to use concepts and frameworks discussed in the course.

Groups should submit one-page proposals outlining their project. Organizations may be "claimed" at any time on a first-come basis; duplications will not be feasible. A brief, typed report (2000 words + a maximum of 3 pages of appendices) is required by February 28. Business publications such as The Wall Street Journal, Business Week and Fortune are appropriate starting points for your research and may be searched easily through library databases.

The group project will be graded on the basis of the group’s report, with each group member receiving the same grade (unless the group can provide good reason to do otherwise). The report will be evaluated on its clarity, organization, completeness, and accuracy, as well as its demonstration of an understanding of marketing ethics and your analytical framework.

There will be no final exam.

The final grade will be determined by this weighting:

- Class Participation: 30%
- First Case Analysis: 30%
- Group Project: 40%
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<tr>
<th>Date</th>
<th>Topic</th>
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<td>Jan. 17</td>
<td>ETHICS AND THE MARKETING MANAGER</td>
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<td>Caselet: Uptown, Dakota, and PowerMaster</td>
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<td>Lecture: Marketing Strategies for the Ethics Era</td>
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<td>Readings: Ethics and the Marketing Manager</td>
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<td>A General Theory of Marketing Ethics</td>
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<td>Good Takes on Greed</td>
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<td>Jan. 24</td>
<td>MARKET SELECTION AND MARKETING RESEARCH</td>
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<td>Case: Suzuki Samurai: The Roll-Over Crisis</td>
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<td>Lectures: A Marketing Ethics Framework</td>
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<td>Ethical Issues in Market Selection and</td>
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<td>Marketing Research</td>
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<td>Readings: Ethical Issues in Researching and</td>
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<td>Targeting Consumers</td>
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<td>Misery Market: Winos and Thunderbird</td>
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<td>Class Became Exercise in Corporate Espionage</td>
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<td>Jan. 31</td>
<td>PRODUCT POLICY AND CHANNELS OF DISTRIBUTION</td>
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<td>Case: Dow-Corning Corporation: Marketing</td>
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<td>Breast Implant Devices</td>
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<td>Caselet: Handguns at Wal-Mart</td>
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<td>Readings: Ethical Issues in Product Policy</td>
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<td>Ethical Issues in Distribution</td>
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<td>Ethical Shopping</td>
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<td>Feb. 7</td>
<td>PRICING POLICY</td>
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<td>Case: Retail Promotional Pricing: When is a Sale</td>
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<td>Really a Sale? (A)</td>
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<td>Readings: Ethical Issues in Pricing</td>
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<td>Why Do Companies Succumb to Price-Fixing?</td>
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<td>Demand for Rubber Gloves Skyrockets--</td>
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<td>Profiteering During AIDS Crisis Suspected</td>
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Feb. 14  5.  MARKETING COMMUNICATIONS: PERSONAL SELLING AND SALES MANAGEMENT

Case:  Data General and the Division of Substance Abuse Services  Case Packet
Reading:  Ethical Issues in Personal Selling and Sales Management  7.1
          Does Opportunity Make the Thief? How Control Systems Influence an Industrial Salesperson’s Ethical Behavior  7.6
          Damage Control at Dun and Bradstreet  7.5.2

Feb. 21  6.  MARKETING COMMUNICATIONS: ADVERTISING AND SALES PROMOTION

Caselets:  Campbell Soup Company and the FTC  8.3
          PepsiCo and Madonna  8.5
Readings:  Ethical Issues in Advertising and Sales Promotion  8.1
          Children as Consumers: The Ethics of Children’s Television Advertising  8.9
Exercise:  How Do Your Ethics Compare with New York?  Ex. A

Feb. 28  7.  MARKETING STRATEGY AND IMPLEMENTATION

Case:  Ciba-Geigy Pharmaceuticals: Pharma International  2.2
Lecture:  Integration and Implementation
Readings:  Ethical Issues in Marketing Strategy and Implementation  9.1
          Pharmaceutical Marketing Practices in the Third World  2.7
          Marketing Managers: Caught in the Middle
          At Nordstrom, Service Comes First - But at a Big Price  2.1
          Apple Computer Code of Conduct  9.4.3
          App. A (skim)

(Individual Case Analysis and Group Project Due)

N.B.  The scheduling of guest speakers inevitably involves uncertainty - details are to follow as they become available.

*  Denotes materials in Ethics in Marketing. Readings (text chapters as well as case studies) are to be completed prior to the session for which they are assigned.

**  "In the News" readings are short extracts from the national press that have been reprinted in the text.