Chapter 11: CURRENT ISSUES IN MARKETING
Learning outcomes

After reading this chapter, you should be able to: Understand the importance and impact of the following contemporary issues on strategic marketing:

- Marketing ethics
- Marketing and corporate sustainability
- Green marketing
- Consumer activism
- Marketing regulations
- Marketing 2.0.
Opening case study

The day in the life of a Head of Marketing

• 7:00 Radio interview on privacy of information
• 8:00 Customer complaints via e-mail
• 10:00 Presentation on corporate sustainability.
Introduction

• Purpose: Focus on current issues that marketers face on daily basis in workplace

• Challenge: Impact of external factors and changes on the way a marketer strategically manage and implement the work at hand.
Marketing ethics

- Understand impact internally and externally
- Ethics defined: “behaving in accordance with the values or standards that are in place…” (Walker & Marr, 2001:73)
- Marketing ethics:
  - “let the buyer beware”
  - “let the seller beware”
- Marketing plays key role in establishing, internalizing and implementing ethics in an organization.
Areas of concern in marketing ethics

- Unfair or deceptive marketing practices
- Offensive materials and objectivable marketing practices
- Ethical product and distribution practices
- Ethical issues in marketing to children.
Green marketing

• Stakeholders play significant role in influencing organizations and markets in environment related issues
• Green market places
• Green producers and retailers
• Green brand positioning
• Green marketing – opportunities for companies.
Marketing and corporate sustainability

• Marketing ethics integral part of corporate sustainability
• Corporate sustainability: environmental, social and economic impacts of business
• Plays important role in lives of employees and corporate position of an organization
• 5 stages when embracing a sustainable strategy (Davies, 2007:1):
  – Desire; Pride; Satisfaction; Depression; Collaboration.
Consumer activism

- Outcome of marketing ethics
- Increase in consumer activism in SA due to:
  - SA unique – 1st and 3rd World mix
  - Strong middle class emerging
  - Information technology increasing focus (i.e. HelloPeter)
  - Services industry increasing.
Consumer rights

• Consumer Protection Bill:
  o Promote a fair, assessable and sustainable marketplace for consumer products and services
  o Promote responsible consumer behaviour
  o Promote a consistent enforcement framework for consumer transactions and agreements
  o Prohibit certain unfair marketing and business practices
  o Provide for improved standards of consumer information
  o Provide for harmonisation of laws relating to consumer transactions and agreements
  o Provide for the establishment of the National Consumer Commission.
Consumer rights (cont.)

8 basic consumer rights (United Nations, 2003):
• Right to satisfaction of basic needs
• Right of safety
• Right to be informed
• Right to choose
• Right to be heard
• Right to redress
• Right to consumer education
• Right to a healthy and sustainable environment.
Consumer recourse channels

Source: Adapted from OECD Report, 2006.
Marketing and regulation

- SA – regulatory framework controlling marketing regulations mixture of common law and legislation
- Substantial reliance placed on self-regulatory systems based on codes of advertising and sponsorship
- Advertising Standards Authority of South Africa.
Current marketing and regulation issues

- Copy advice
- Validating substantiation
- Utilization of intellectual property
- Challenging and defending marketing communication

SA: 2 Codes in place:
- Code of Advertising practice
- Sponsorship Code.
Social media

• Not about technology – about people and customers
• Get the message across to the right people and harnessing the impact that people and influences create
• Social media optimization > customer relationships.