

ETHICAL IDEOLOGY AND ITS INFLUENCE ON THE NORMS AND JUDGMENTS OF MARKETING PRACTITIONERS

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This study focuses on the ethical judgments of marketing practitioners. It explores the relative influences of perceptions of an ethical problem and the two basic dimensions of ethical ideology (i.e., relativism and idealism) on the ethical judgments and deontological norms of marketing practitioners. The data were obtained from a mail survey of the American Marketing Association's professional members. The results generally indicate that the ethical judgments and deontological norms of a marketer can be partially explained by his/her ethical ideologies.

INTRODUCTION

A decade ago, Murphy and Laczniak (1981) extensively reviewed the scholarly works in marketing ethics and concluded that the area was lacking in its theoretical dimension. To a large degree, their criticism stimulated comprehensive theory construction in marketing ethics. Examples of these marketing ethics theories are those by Ferrell and Gresham (1985), Hunt and Vitell (1986), and Ferrell, Gresham and Fraedrich (1989). These comprehensive theories are potentially useful because, if accurately constructed, they can serve as a frame of logic to help us better understand how marketers make decisions in situations having ethical content.

The next logical step after theory construction is theory testing. Recently, the discipline has begun to see some empirical works that directly test the emerging theories in marketing ethics (e.g., Vitell and Hunt 1990; Mayo and Marks 1990; Reidenbach and Robin 1990; Singhapakdi and Vitell 1990, 1991). Since a complete testing of a comprehensive theory is not practical, only partial tests of the theories have been attempted by these researchers.

The purpose of the present study is to provide additional tests of the theoretical works in marketing ethics by examining the roles of individual differences on two cognitive components of marketing ethics decision

making, deontological norms and ethical judgments. Since it has been pointed out (Forsyth 1980, Schlenker and Forsyth 1977) that individual differences as predictors of moral judgment may be described most parsimoniously by taking into account the two basic components of an individual's ethical ideology, relativism and idealism, individual differences will be operationalized by using these two ethical ideologies in the present study. Specifically, this research investigates the influences of relativism and idealism on marketing-specific deontological norms and ethical judgments of marketing practitioners. Such an undertaking is an important one because, to date, there has been no research that examines the influences of ethical ideologies on a marketer's deontological norms and ethical judgments. In addition, the role that perceptions of an ethical problem or issue plays in ethical judgments will be examined.

INDIVIDUAL DIFFERENCES IN MARKETING ETHICS THEORIES

The marketing ethics theories by Ferrell and Gresham (1985), Hunt and Vitell (1986), and Ferrell, Gresham and Fraedrich (1989) will be partially reviewed in this section. Since our focus is on the roles of individual differences on a marketer's deontological norms and ethical judgments, the review will center on these variables. It should be noted that since the model by Ferrell, Gresham and Fraedrich is, essentially, a combination of the Ferrell-Gresham and Hunt-Vitell models, it will not be separately discussed.

Ferrell and Gresham (1985) proposed a descriptive model of marketing ethics. In their model, individual differences ("individual factors") is one of the three

categories of background factors of marketing ethics decision making (the other two categories are: organizational factors, and social/cultural environment). According to Ferrell and Gresham (p. 88), individual differences include "personal background and socialization characteristics, such as educational and business experiences." Although Ferrell and Gresham did not explicitly specify any variables within the "individual decision making" framework, they recognize that such a process does exist within what they termed the "individual factor." As they stated,

It is impossible to develop a framework of ethical decision making without evaluating normative ethical standards derived from moral philosophy. Based on the emphasis of normative approaches in the literature, it is assumed that marketers develop guidelines and rules for ethical behavior based on moral philosophy (p. 88).

Like Ferrell and Gresham, Hunt and Vitell (1986) depict individual differences, or personal characteristics, as a major category of background factors for the marketing ethics decision-making process (other categories are: cultural environment, industry environment, and organizational environment). Contrary to the Ferrell-Gresham model where the "individual decision making" framework has been simply depicted as a "black box", the Hunt-Vitell model describes the marketing ethics decision making process in detail. Relevant to this study, the model also portrays the deontological evaluation as part of an individual's ethical judgment framework. According to the model, the deontological evaluation is the process where the marketer evaluates the inherent rightness or wrongness of an evoked set of alternatives that he/she views as possible for a given situation having ethical content. In particular, this process involves comparing possible behaviors with a set of deontological norms or "predetermined guidelines, representing personal values or rules of behavior" (p. 9).

The construct "deontological norms" as a key component of an individual's deontological evaluation process is also a focus of this study. Importantly, the Hunt-Vitell model postulates that individual differences or personal characteristics influence the deontological norms of marketers. This hypothesized relationship will be investigated in this study. Moreover, the direct linkages between individual differences and ethical judgments will also be investigated as will those between perceptions of an ethical problem and ethical judgments.

RESEARCH HYPOTHESES

According to Forsyth (1980), empirical evidence generally indicates that individual differences must be accounted for when investigating moral judgments. Clearly, this view is agreed upon by the marketing ethics models reviewed above. Also pointed out by Forsyth (1980, p. 175), there are many valid approaches to "describe individual differences in moral thought." The following approaches were cited: Hogan (1970, 1973); Kelman and Lawrence (1972); Kohlberg (1976); Rest, Cooper, Coder, Masanz, and Anderson (1974). Schlenker and Forsyth (1977), however, asserted that individual differences as predictors of moral judgment may be described most parsimoniously by taking into account the two basic components of ethical ideology: *relativism* and *idealism*. These two dimensions of ethical ideologies have been formalized by Forsyth (1980). According to him, *relativism* is "the extent to which the individual rejects universal moral rules in favor of relativism" (p. 176). The concept of *idealism* was conceptualized as the degree to which the individuals "assume that desirable consequences can, with the 'right' action, always be obtained" (p. 176). In his most recent article, Forsyth (1992) asserts that these two dimensions may influence various aspects of moral decisions in business.

Forsyth (1980, p. 175) asserted that relativistic individuals "reject the possibility of formulating or relying on universal moral rules when drawing conclusions about moral questions." Since deontological norms are predetermined guidelines that represent personal values or rules of behavior, relativistic individuals would be expected to place less importance on deontological norms as possible guiding principles in their work. Accordingly, the following hypothesis was formulated:

- H1: A more relativistic marketer will tend to agree less with marketing-specific deontological norms than a less relativistic marketer.

According to Forsyth (1980), idealistic individuals "believe in and make use of moral absolutes when making judgments." Consequently, they would be expected to place more importance on deontological norms as guiding principles in their work, leading to the following hypothesis:

- H2: A more idealistic marketer will tend to agree more with marketing-specific deontological norms than a less idealistic marketer.

Hypotheses concerning the relationship between ethical ideology and the ethical judgments of marketing practitioners were also formulated. Since idealistic marketers are more likely to have adopted deontological norms to guide their professional conduct, they may also be more likely to have adopted the marketing concept as one of those norms. Likewise, more relativistic marketers may be less likely to have accepted the marketing concept as a professional norm. Thus, the idealistic marketer will be more concerned with consumer satisfaction, the basic tenet of the marketing concept. Because of this concern with consumer satisfaction, the idealistic marketer may be more likely to attempt to determine, understand, and even agree with, the consumer's or society's viewpoint on ethical issues relating to marketing, while the more relativistic marketer will not. Accordingly, the following two hypotheses were formulated:

H3: A more relativistic marketer will tend to agree less with the consumers' choice of an ethical action, in making his/her ethical judgments, than a less relativistic marketer.

H4: A more idealistic marketer will tend to agree more with the consumers' choice of an ethical action, in making his/her ethical judgments, than a less idealistic marketer.

Perceptions of an ethical problem are an important component of marketing ethics decision making. For example, Hunt and Vitell (1986) depict *perceived ethical problem* as the "triggering" mechanism for their model. Jones' (1991) "moral intensity" construct is similar to perceived ethical problem since he defines it as the "extent of issue-related moral imperatives in a situation" (p. 372). He then argues that the intensity of the moral issue must be investigated so that one might better understand the decision process. He further states that:

Moral intent will be established more frequently where issues of high moral intensity are involved than where issues of low moral intensity are involved (p. 387).

Accordingly, it is expected that the degree of perception of an ethical problem will positively influence a marketer's ethical judgments.

Our final hypothesis deals with the relationship between one's perception of an ethical problem and his/her ethical judgments. For the present study, it is hypothesized that marketers who do perceive an ethical

problem in a situation will be more likely to agree with the consumers' choice of what is an ethical action than marketers who do not perceive that ethics are an issue. This hypothesis is:

H5: A marketer who perceives an ethical problem in a situation will tend to agree more with the consumers' choice of an ethical action, in making his/her ethical judgments, than a marketer who does not perceive an ethical problem.

METHODOLOGY

Sample

A self-administered questionnaire was used as the data collection method for this study. An American Marketing Association (AMA) mailing list of U.S. professional members whose primary areas of interest are in marketing management and sales management was selected as the sampling frame. A total of 1,899 target respondents were sampled from a list of 14,739 members. Of the 1,897 delivered, 492 persons responded for a response rate of 25.9%. The response rate is comparable to those of previous marketing ethics studies that have also used AMA mailing lists as sampling frames. For example, in their survey of AMA practitioners, Hunt and Chonko (1984) and Hunt, Chonko and Wilcox (1984) obtained a response rate of 25.1%. In a recent survey using an AMA mailing list by Singhapakdi and Vitell (1990, 1991), a response rate of 26.5% was obtained.

Slightly more than half (51.8%) of the respondents are women. The largest single group of respondents (41.1%) are between 30 and 39 years old. Regarding their educational backgrounds, 94.6% of the respondents have at least an undergraduate degree. Consistent with their educational level, the compensation for the respondents as a whole is also high with 62.8% of the respondents reporting their annual income at \$40,000 or higher. The respondents represent various industries with notable groups from consulting, manufacturing, construction, and services industries. With respect to their current job titles, many (29.7%) are either marketing vice-presidents or marketing managers. More than half of the respondents (55.7%) reported to have at least 10 years of business experience (see Table 1).

Operationalization of Ethical Ideologies

The Ethics Position Questionnaire (EPQ) developed by Forsyth (1980) was used to measure ethical ideologies.

TABLE 1
PROFILE OF SAMPLE

Factors	Percentage
Sex	
Male	48.2%
Female	51.8%
Age *	
Under 30	28.5%
30 to 39	41.1%
40 to 49	21.1%
50 to 59	6.0%
60 and over	3.3%
Education *	
Some college	5.4%
Bachelor's degree	29.9%
Graduate study	64.7%
Annual Compensation	
Under \$30,000	18.5%
\$30,000-39,999	18.7%
\$40,000-49,999	19.5%
\$50,000-59,999	12.7%
\$60,000-69,999	10.0%
\$70,000-79,999	5.5%
\$80,000-89,999	2.8%
\$90,000 and up	12.3%
Race	
Caucasian	97.1%
Black	1.3%
Hispanic	.8%
Asian or Pacific	.6%
Other	.2%
Religion	
No Affiliation	13.8%
Catholic	34.2%
Jewish	10.2%
TProtestant	35.6%
Other	6.2%
Industry	
Wholesale or Retail	8.9%
Manufacturer or Construction	17.8%
Services	15.8%
Healthcare	11.6%
Communications	9.5%
Advertising	5.8%
Consulting	19.1%
Non-profit or Government	7.1%
Other	4.4%

TABLE 1 (CONTINUED)

Factors	Percentage
Current Job Title	
Sales Executive	6.4%
Sales or Account Manager	6.6%
Marketing V.P. or Manager	29.7%
CEO or President or Owner	12.5%
Director or Promotions Manager	4.1%
Head of Marketing Research	19.9%
Product or Brand Manager	7.1%
Other Marketing	5.0%
Management	8.7%
Years of Business Experience*	
Less than 5	17.8%
5 to 9	26.5%
10 to 14	25.5%
Over 14	30.2%

*These factors were measured as continuous variables and have been categorized here.

Each of the two scales of the EPQ (idealism and relativism) contain ten items. Following Forsyth's (1980) methodology, a nine-point Likert type scale was used. The idealism score for each respondent was computed by totaling the scores of all idealism statements together. Accordingly, a high value indicates that the respondent tends to favor "moral absolutes" when making moral decisions. The coefficient alpha for the idealism scale was 0.87. Similarly, the relativism score was computed by totaling the scores of all ten relativism questions. Therefore, a high "relativism" score indicates that the respondent tends to rely less on universal moral rules. Coefficient alpha for the relativism scale was 0.81.

Principal components factor analysis was performed on the EPQ scale with the results supporting a two dimensional solution. Consistent with Forsyth (1980), the first ten items "loaded" together to form the idealism scale and the remaining ten items "loaded" together to form the relativism scale. Details regarding the specific items contained in the idealism and relativism scales are given in Appendix A.

Operationalization of Deontological Norms

Deontological norms as a cognitive component of marketing ethics decision making was the focus of a study by Singhapakdi and Vitell (1991). Their basic operationalization of deontological norms was adopted

for this study. That is, the construct was operationalized by asking respondents to rate "deontological" statements developed from the American Marketing Association's (1986) code of ethics. As they noted, the deontological norms statements used in their study are "representative, to a large degree, of the AMA's norms as expressed in its codes of ethics" (p. 39). Some wording changes were made, however, to be more consistent with the AMA's code of ethics. Also, in order to increase the scale's content validity, two more items from the current AMA code were added for the present study. The two items added were 1) participants in the marketing exchange process should be able to expect that products and services are safe and fit for their intended uses, and 2) avoid manipulation to take advantage of situations to maximize personal welfare in a way that unfairly deprives or damages the organization or others. The deontological norms scale is given in Appendix B.

Given the nature of the statements, one would expect a high degree of "end loading" as respondents might tend to strongly agree with the deontological statements. Because they encountered this very problem, Singhapakdi and Vitell (1991) recommended "that future studies operationalize the DN [deontological norms] construct using a different approach" (p. 41). Therefore, for the present study a six-point "unbalanced" scale was used. Respondents were asked to rate the importance of the issues "as guiding principles in

their work." There were three "important" categories (extremely important, very important and somewhat important) and two "unimportant" categories (unimportant and somewhat unimportant) in addition to a neutral category.

In order to ensure the highest quality measures possible, the scale was first purified by means of factor analysis. Since this study is interested in the minimum number of factors (preferred single best factor) to account for the maximum amount of variance, principal components factor analysis was judged appropriate.

Based on the principal components analysis, a single factor was generated explaining 44.6% of the variance with all factor loadings being above 0.50. This indicates that all nine statements form a single general factor representing one's overall deontological norms relative to marketing.

Since internal consistency is a criterion in the purification process of measures (Churchill 1979), coefficient alpha for the deontological norms scale has also been computed. Cronbach's coefficient alpha for this scale is 0.84.

Operationalization of Ethical Judgments

Alexander and Becker (1978) have found the use of scenarios ("vignettes") to be a good solution to improve the quality of data from questionnaires. As they explain (p. 103): "The use of vignettes helps to standardize the social stimulus across respondents and at the same time makes the decision-making situation more real." Moreover, the use of scenarios is considered by Hunt and Vitell (1986, p. 11) to be "a suitable vehicle for early research efforts." Scenarios are commonly used as part of research instruments in marketing ethics studies (Hawkins and Cohanougher 1972; Laczniak, Lusch and Strang 1981; Chonko and Hunt (1985); Singhapakdi and Vitell 1990).

For this study, a scenario technique was utilized in the measurement of ethical judgments. In particular, four marketing ethics scenarios developed by Dornoff and Tankersley (1975) were adopted (see Appendix C). Ethical judgments were measured by asking each respondent to express his/her agreement or disagreement, on a seven-point scale, with the action depicted in each of the separate scenarios (1 = "strongly disagree," 7 = "strongly agree").

Since the majority of consumers overwhelmingly "disagreed" (71% or more) with the actions depicted within

the scenarios as reported by Dornoff and Tankersley (1975), one can assume that these actions were considered unacceptable by consumers, and perhaps, to some extent "unethical" as well. Thus, one interpretation is that disagreeing with these actions (i.e., low ethical judgment scores) means one's ethical judgments are more in agreement with consumers and, perhaps, more "ethical," while agreeing with these actions (i.e., high ethical judgment scores) means that one's ethical judgments are more in disagreement with consumers and, perhaps, more "unethical."

Operationalization of Perceived Ethical Problem

Perceived ethical problem was measured by asking each respondent whether or not he/she thought that each of the four situations described involved an ethical issue or problem. A seven-point scale was utilized for each scenario with anchor points being "a problem" ("1") to "not a problem" ("7").

FINDINGS

The hypotheses were tested using multiple regression analysis. Multicollinearity among the independent variables was not a problem as the highest correlation was only a -.121 between idealism and relativism. Hypotheses 1 and 2 were tested in the same regression analysis, and the results indicate that both hypotheses 1 and 2 are supported (see Table 2). Those who are more idealistic tend to agree more with marketing-specific deontological norms and those who are more relativistic tend to agree less with marketing-specific deontological norms. Thus, there is empirical support that one's general ethical perspective or ideology does affect issue-specific norms.

Hypotheses 3, 4 and 5 were also tested using multiple regression analyses (see Table 3). However, in this case a separate regression was run for each of the scenarios tested. The results of these hypotheses tests are mixed. Hypothesis 3 was supported for scenarios 1 and 2 (only .10 level) while hypothesis 4 was supported for scenarios 3 and 4. That is, the more relativistic marketers were less likely to agree with the consumers' ethical choice (i.e., agree more with the marketer's actions depicted in the scenarios) than less relativistic marketers for scenarios 1 and 2, but not scenarios 3 and 4. In addition, the more idealistic marketers were more likely to agree with the consumers' ethical choice (i.e., disagree more with the actions depicted) than the less idealistic marketers for scenarios 3 and 4, but not scenarios 1 and 2. Hypothesis 5 was fully supported as one's perception of an ethical problem was a significant

TABLE 2
REGRESSION ANALYSIS
DEONTOLOGICAL NORMS AS DEPENDENT VARIABLE

R ² = .142		F = 39.89		Significant F less than .01	
VARIABLES		BETA	T	Sig. T	
Relativism		-.17735	-4.178	.0000	
Idealism		.31370	7.391	.0000	

TABLE 3
REGRESSION ANALYSES

(a) Ethical Judgment* (Scenario 1) as Dependent Variable

R ² = .041		F = 6.709		Significant F less than .01	
VARIABLES		BETA	T	Sig. T	
Perceived ethical problem **		.16735	3.712	.0002	
Relativism		.09540	2.104	.0359	
Idealism		.05387	1.191	.2343	

(b) Ethical Judgment* (Scenario 2) as Dependent Variable

R ² = .133		F = 24.32		Significant F less than .01	
VARIABLES		BETA	T	Sig. T	
Perceived ethical problem**		.34585	8.048	.0000	
Relativism		.07792	1.803	.0721	
Idealism		-.02569	-0.597	.5510	

(c) Ethical Judgment* (Scenario 3) as Dependent Variable

R ² = .2261		F = 46.54		Significant F less than .01	
VARIABLES		BETA	T	Sig. T	
Perceived ethical problem**		.42623	10.503	.0000	
Relativism		.02918	0.717	.4736	
Idealism		-.16884	-4.163	.0000	

TABLE 3 (CONTINUED)

(d) Ethical Judgment* (Scenario 4) as Dependent Variable

	$R^2 = .4913$	$F = 153.24$	Significant F less than .01	
VARIABLES	BETA	T	Sig. T	
Perceived ethical problem**	.68616	20.888	.0000	
Relativism	.02271	0.688	.4919	
Idealism	-.09811	-2.979	.0030	

* 1 = "strongly disagree," 7 = "strongly agree"

** 1 = "a problem," 7 = "not a problem"

determinant of ethical judgments for all the scenarios tested.

What these results seem to indicate is that a marketer's ethical ideology does impact upon both deontological norms and ethical judgments, but that the particular dimension of ethical ideology that helps determine ethical judgments varies with the situation. That is, for some situations the extent of one's idealism seems to determine ethical judgments while in other situations the extent of one's relativism determines ethical judgments. Both dimensions seem to determine deontological norms; however, idealism in a positive direction and relativism in a negative direction. Additionally, whether or not one perceives an ethical problem within a given situation seems to impact upon one's ethical judgments relative to that situation and this relationship seems to hold for various situations. Specifically, those who are more likely to perceive an ethical problem seem to be those who agree more with the consumers' ethical choice.

CONCLUSIONS AND IMPLICATIONS

The major contribution of this study is that it examines the impact of one's ethical ideology on ethical judgments relative to specific marketing situations. The results show that one's ethical perspective does influence ethical judgments indicating that the firm should be concerned with the ethical perspective of its employees. However, what was not tested by this study is the influence that the organization may have, if any, on the extent of a marketer's idealism and relativism (i.e., ethical ideology). This needs to be done in future research. Jones (1991) argues that the impact of the

corporate culture is just as important in shaping one's ethical decision-making processes such as one's moral philosophy, and previous research has examined the impact of the organization on an employee's values (e.g., Jackall 1988 and Balazs 1990). However, no one to our knowledge has specifically examined marketers or the impact of the organization on the extent of their idealism and relativism.

One limitation of the study is that only nine items were used to measure marketers' deontological norms, while the AMA code of ethics is comprised of 30 separate, identifiable issues. Still, these nine items were representative of the entire set of thirty. Another limitation is the somewhat low R^2 values obtained. However, these might be explained by the fact that only a small percentage of all possible independent variables were examined.

Our findings generally support Schlenker and Forsyth's (1977) contention that individual differences as predictors of moral judgment may be partially explained by the two basic components of ethical ideology, idealism and relativism. Additionally, deontological norms also appear to be explained, in part, by the components of ethical ideology. Finally, one's perceptions of an ethical problem help predict ethical judgments.

These findings also support the theoretical models in marketing ethics (e.g., Ferrell and Gresham 1985; Hunt and Vitell 1986; and Ferrell, Gresham and Fraedrich 1989). More specifically, the linkage between "personal experiences" and "deontological norms" as expressed in the Hunt-Vitell model was supported. Additionally, both "personal experiences"

and "perceived ethical problem" seem to be linked to one's "ethical judgments."

Even though these constructs, while significant, only explained a small percentage of the variance in ethical judgments and deontological norms, one implication is that some kind of ethics training to sensitize marketers to ethical issues and problems may be useful in directing marketers toward an ethical alternative. For ex-

ample, just making marketers aware of the ethical issues that are involved in certain situations (i.e., "perceived ethical problem") may result in ethical judgments that are more "ethical." Managers may also need to sensitize trainees to the fact that relativism is not the best philosophy for guiding business practices, and to the fact that the rules and codes of both their profession and the company need to be closely followed.

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APPENDIX A

ETHICAL IDEOLOGIES*

- (1) A person should make certain that their actions never intentionally harm another even to a small degree.
- (2) Risks to another should never be tolerated, irrespective of how small the risks might be.
- (3) The existence of potential harm to others is always wrong, irrespective of the benefits to be gained.
- (4) One should never psychologically or physically harm another person.
- (5) One should not perform an action which might in any way threaten the dignity and welfare of another individual.
- (6) If an action could harm an innocent other, then it should not be done.
- (7) Deciding whether or not to perform an act by balancing the positive consequences of the act against the negative consequences of the act is immoral.
- (8) The dignity and welfare of people should be the most important concern in any society.
- (9) It is never necessary to sacrifice the welfare of others.
- (10) Moral actions are those which closely match ideals of the most "perfect" action.
- (11) There are no ethical principles that are so important that they should be a part of any code of ethics.
- (12) What is ethical varies from one situation and society to another.
- (13) Moral standards should be seen as being individualistic; what one person considers to be moral maybe judged to be immoral by another person.

- (14) Different types of moralities cannot be compared as to "rightness."
- (15) Questions of what is ethical for everyone can never be resolved since what is moral or immoral is up to the individual.
- (16) Moral standards are simply *personal* rules which indicate how a person should behave, and are not to be applied in making judgments of others.
- (17) Ethical considerations in interpersonal relations are so complex that individuals should be allowed to formulate their own individual codes.
- (18) Rigidly codifying an ethical position that prevents certain types of actions could stand in the way of better human relations and adjustment.
- (19) No rule concerning lying can be formulated; whether a lie is permissible or not permissible totally depends upon the situation.
- (20) Whether a lie is judged to be moral or immoral depends upon the circumstances surrounding the action.

* Items 1 through 10 are idealism items. Items 11 through 20 are relativism items. Source: Forsyth (1980)

APPENDIX B

DEONTOLOGICAL NORMS

- DN1: The marketer's professional conduct must be guided by the adherence to all applicable laws and regulations.
- DN2: Being honest in serving consumers, clients, employees, suppliers, distributors and the public.

APPENDIX B (CONTINUED)

- DN3: Participants in the marketing exchange process should be able to expect that products and services offered are safe and fit for their intended uses.
- DN4: Participants in the marketing exchange process should be able to expect that communications about offered products and services are not deceptive.
- DN5: All parties intend to discharge their obligations, financial and otherwise, in good faith.
- DN6: Rejection of high pressure manipulations, or misleading sales tactics.
- DN7: Not manipulating the availability of a product for purpose of exploitation.
- DN8: Meet obligations and responsibilities in contracts and mutual agreements in a timely manner.
- DN9: Avoid manipulation to take advantage of situations to maximize personal welfare in a way that unfairly deprives or damages the organization or others.

APPENDIX C

SCENARIOS FOR MEASURING ETHICAL JUDGMENTS

Ethical Judgment 1

A person bought a new car from a franchised automobile dealership in the local area. Eight months after the car was purchased, he began having problems with the transmission. He took the car back to the dealer, and some minor adjustments were made. During the next few months he continually had a similar problem with the transmission slipping. Each time the dealer made only minor adjustments on the car. Again, during the 13th month after the car had been bought, the man returned to the dealer because the transmission still was not functioning properly. At this time, the transmission was completely overhauled.

Action: Since the warranty was for only one year (12 months from the date of purchase), the dealer charged the full price for parts and labor.

Ethical Judgment 2

A young man, recently hired as a salesman for a local retail store, has been working very hard to favorably impress his boss with his selling ability. At times, this young man, anxious for an order, has been a little over-eager. To get the order, he exaggerates the value of the item or withholds relevant information concerning the product he is trying to sell. No fraud or deceit is intended by his actions, he is simply over-eager.

Action: His boss, the owner of the retail store, is aware of this salesman's actions, but he has done nothing to stop such practice.

Ethical Judgment 3

A retail grocery chain operates several stores throughout the local area including one in the city's ghetto area. Independent studies have shown that prices do tend to be higher and there is less of a selection of products in this particular store than in the other locations.

Action: On the day welfare checks are received in this area of the city, the retailer increases prices on all of his merchandise.

Ethical Judgment 4

Sets of a well-known brand of "good" china dinnerware are advertised on sale at a considerable discount by a local retailer. Several patterns of a typical 45-piece service for eight are listed. The customer may also buy any "odd" pieces which are available in stock (for instance, a butter dish, a gravy bowl, etc.). The ad does not indicate, however, that these patterns have been discontinued by the manufacturer.

Action: The retailer offers this information only if the customer directly asks if the merchandise is discontinued.

SOURCE: Dornoff and Tankersley (1975, p. 100)