

## ETHICAL CRITERIA IN MARKETING RESEARCH

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*There are many different ethical theories that have been developed over the years by a number of philosophers. An overview of these theories, their strengths and weaknesses and how they can be applied by a marketing researcher to make decisions are presented in this paper. While the above theories all have pros and cons, ethical decision-making models, which are descriptive in nature, come into play. A few leading ethical decision-making models are presented, laying the foundation for a descriptive model for ethics in marketing research, that is developed further. The proposed theoretical model is backed up with an empirical example of marketing research.*

### Introduction

Marketing research incorporates important ethical issues. Research practice should be in line with the general ethical expectations of society. Marketing researchers must be very careful that in their aspiration to be successful researchers they do not violate the privacy of their research subjects or put their clients in an embarrassing situation. To achieve the proper respect and recognition from the public, marketers should incorporate ethical behaviour into all aspects of their decision-making.

There has been an explosion of studies in this area in the last fifteen years. The necessity for ethics in business and marketing has been pointed out in numerous references (Martin 1985; Ferrell and Fraedrich 1999; Vitell and Muncy 1992).

In an attempt to incorporate the area of marketing research into the latest marketing ethics

models, it seems worthwhile to analyse ethics literature with the **aim of this paper** – to note how a marketing research paradigm for ethical decision-making can be constructed. With this goal in mind, the **research tasks** are defined:

- To describe a brief synopsis of the major philosophical foundations of ethical decision-making models;
- To examine the players in marketing research ethics ;
- To develop a descriptive model for ethical decision-making in marketing research;
- To compare the model with some of those proposed in the literature.

The following methodology is selected – the analysis and generalisation of scientific literature.

Hopefully, this paper will help introduce other researchers to this important area of ethics in marketing research and spur their interest in

further widening the body of knowledge known as marketing research ethics.

### 1. Issue of Ethics in Marketing Research

Ethics, in a general sense, is a set of moral principles and values that governs the behaviour of a person or a group with respect to what is right or wrong. Ethics deals with moral standards, and it should serve as a guide for behaviour in making marketing decisions. There appears to be an increasing amount of interest in ethics in the business press and in academic literature. Some authors state that marketing is more vulnerable to criticism because marketing activities are more visible, but others believe that marketers may simply behave “less ethically” (Smith and Quelch 1993). The attention that ethics has been getting, therefore, may be constructive, leading to a better understanding of the issues.

Many professional institutions, including the marketing research associations, and some companies, have codes of conduct. These codes can be used as a check list to see if a course of action you are considering is acceptable to your insti-

tution or company. These codes motivate ethical behaviour through peer pressure, they uphold a generally recognised set of behavioural expectations that must be taken into account in decision-making, they can provide guidance in ethically ambiguous situations (moral dilemmas), they provide an excuse for a researcher to say, “I’m sorry but the company code forbids me to do that” and a code can help assure a customer that a profession or company will always act in their best interests.

Codes of conduct provide a relatively easy and painless way of conferring to ethics on a marketing decision process. However, these codes of conduct are not a panacea, as they may cause inconsistencies in some situations. For example when you observe a questionable case and your employer refuses to make any corrections, do you disobey the ethics rules saying you should be loyal to your employer?

This brings us to the more difficult task – ethical decision-making. As the numerous researchers who have wrestled with the topic of ethics can attest, this subject is not an easy one to deal with, since there are so many factors that contribute to decisions made in ethical dilemmas. Se-

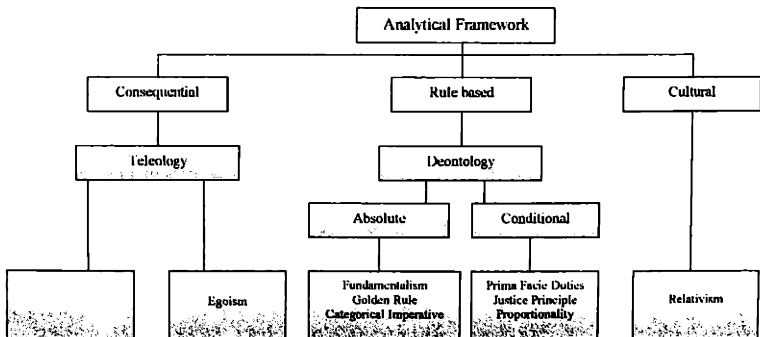


Figure 1. Classification of Ethical Frameworks

veral frameworks for ethical decisions have been advanced and received enthusiastically, although no single model has been accepted as proper.

The common feature of all the ethical models is their business perspective. These models assume that the ethical decision maker (DM) is a business or an individual acting on behalf of a business. Recent literature (Vitell and Muncy 1992; Pitts and Wong 1991) states that while this is true in some cases it is not the comprehensive model, which ignores the consumer. Upon reflection, it seems that not only do the more developed and accepted ethical decision-making models with business perspective figure into the ethical decision-making process, but also the newer consumer perspective models have a place. This consumer orientation seems to be only logical when viewed from a marketing perspective, bearing in mind the marketing concept which focuses on the consumer, and more specifically from the marketing research perspective, where ethical decisions involve not only the business (researcher) but also the consumer (client, respondents, and the public).

Remembering that the consumer is an essential part of the marketing process, it seems that more efforts should be devoted towards targeting the consumer (client, respondents, and the public) from an ethical perspective in marketing research, rather than solely through the eyes of the researcher. Along these lines, the consumer perspective on ethical decision-making has suggested that consumers' ethical beliefs are determined by who is at fault in the unethical behaviour (i. e., to whom the behaviour is attributed) – the buyer or the seller. Even in similar ethical situations, the attribution of unethical behaviour, not surprisingly, frequently depends on whether the evaluator of the behaviour was the performer of the behaviour (the DM) or merely an observer (also a DM, since, even if the individual does not ma-

ke the actual decision that results in an ethically questionable act, a decision still has to be made by the individual in an effort to determine, if the behaviour they have observed is ethical). Such attribution is also determined by the role of the evaluator – whether the evaluator is the buyer or the seller (i. e., the perspective of the ethical evaluator) in the decision-making dilemma. It, therefore, seems that to have a more comprehensive and complete model of the process, all positions or perspectives should be explained in a descriptive model.

## **2. Background of Ethics and Marketing**

One can quickly be overwhelmed by the volumes of information that have been written about ethics. The general topic deals with individual and organisational behaviour in the context of what is “right and wrong.” It has major roots in philosophy but cuts across religion, sociology and history. It is in some way associated with almost all disciplines that involve human behaviour. Various theories or ideas can be traced from Aristotle to well-known business writers such as Smith, Galbreath, Friedman, Alderson, Leavitt, Bartels etc.

The traditional way of reducing the volume and variety of values is to attempt to seek the general principles and theories trying to avoid the arbitrary treatment of individuals and cases, this allows for the consistency in policy and judgements. In order to reason, articulate and discuss ethical issues in the marketing research context, it is important to understand some of the basic philosophical theories surrounding the field of ethics. These philosophies provide the foundation for the ethical decision-making models and are pursued further.

The discussion of each of the ethical theories follows the groupings shown in Figure 1.

### 2.1. Rule Based Ethics

The central thesis of rule based (deontological) ethics is that the consequences of actions are not the primary consideration in deciding what ought to be done, it is the consideration of fairness and justice that takes precedence over the consequences of actions. These rule-based theories can be broken down into two different types; absolute and conditional theories. The absolute theories, the main one of which is *Kant's Categorical Imperative*, say that people must do certain things if they are to be morally right. The conditional theories such as *prima facie duties*, however, also advocate a set of rules but suggest how and when it is appropriate to modify these duties.

### 2.2. Categorical Imperative

The Categorical Imperative form of ethics was developed by I. Kant (1724–1804). In this theory he attempted to show that there are certain moral rights and duties that all humans must follow, regardless of the benefits or otherwise that the exercising of these rights will accrue for the individual or for others. This theory assumes that everyone should be treated as a free person equal to everyone else. Everyone has a right to such treatment and everyone must treat others in this way.

The essence of the Categorical Imperative is based on *three criteria for moral correctness*:

- 1) **Universality.** The individuals reasons for acting must be reasons that everyone could act on, at least in principle.
- 2) **Transitivity.** The person's reasons for acting must be reasons that he or she would be willing to have all others use as a basis of how they treat him or her.
- 3) **Individuality.** The person should treat each human being as a person whose existence as a free rational person should be promoted.

Translated into the role of a Marketing Research Project Manager this would mean that the-

re is no excuse for late report preparation of the research. Perhaps, a more poignant one, is that the researcher must be totally honest with the client, telling him as soon as there is a slight deviation from the plan (despite the fact that this may not be in his best interests or that of the project). The reasoning for this is that he would wish all other project team members to inform him as soon as there is a deviation from their expected performance. The marketing specialist may believe he can rectify the situation but the client may not appreciate this and wish to stop the project, rescope it or sack the researcher concerned. The Marketing Research Project Manager must act in a way that he would be willing for all others to act on.

There is much criticism of the Categorical Imperatives, perhaps the most severe is that the universal ideals of this theory are not always applicable to every situation. There may be situations, in which the ethical action in one set of circumstances may not be ethical in another, this has the knock on effect of making the theory too imprecise to be always useful. There is no clear way to balance the conflicting rights of different groups. Other criticism of Kant says, that the theory sometimes breaks down, the critique focuses on fact that a person may be generally willing to be the subject of his own prejudices. In the view of other people this may be wrong.

Despite the above criticism it is generally considered that this form of ethics is superior to many others, particularly *Utilitarian* ethics.

### 2.3. Conditional Rule Based Ethics

In some circumstances there are rules that need to be broken. In this respect the rule based theory may not prove to be one that gives justice. At first sight it may be right to follow this rule but on closer inspection the negative consequences of this action are too great. Thus, these theories

address both rights and justice, while not being narrowly focused on only means and ends.

The conditional rule based ethics from the utilitarian aspect can be summarised in these principles:

- An action is right from an ethical point of view if, and only if, the action would be required by those moral rules that are correct.
- A moral rule is correct if, and only if, the sum total of the utilities produced if everyone were to follow that rule is greater than the sum total utilities produced if everyone were to follow some alternative rule.

In the *rule-utilitarian* approach the fact that a certain action would maximise utility does not make it moral. In this approach you must first find the correct rule and then apply the utility criterion.

The most common form of conditional rule based approaches from the adaptation of rule based ethics is Prima-Facie Duties. The theory states that there are prima facie (at first sight) duties that are morally binding and that ethical decisions constitute deciding which is the more obligatory, if and when there is a conflict. *The six prima facie duties are:* 1) fidelity, 2) gratitude, 3) justice, 4) beneficence (the act of doing good), 5) self improvement, 6) non-maleficence.

The main problem with this theory is determining, which is the appropriate rule, and causing the user to focus too narrowly on the means, rather than the ends. Another problem is that when the duties conflict determining what weight and merit should be applied to each. Some argue that this form can degenerate into traditional utilitarianism, by allowing the rules that give beneficial expectations more utility than those that do not allow such expectations.

#### 2.4. Utilitarian Ethics

Utilitarian Ethics is variously known as best result ethics, egoism and end point ethics. A succinct definition of this theory is:

“An action is right from an ethical point of view if and only if the sum total of the utilities produced by the act is greater than the sum total of the utilities produced by any other act” (N. Nicholson 1994, p. 586).

There are, however, many problems with this approach to ethics. The first of which is how one estimates the plurality of values – happiness, pleasure, health, knowledge, friendship, comfort, pain, harm etc., to evaluate the consequences of a proposed course of action. Even if one can estimate the utility of an action, you cannot simply add and subtract the various positive and negative consequences of the alternative courses of action. Further problems arise with this theory, mainly due to the concept of justice. If you are a marketing researcher and you observe what you believe to be an unconfidential practice, where do your responsibilities lie, with your client firm, or the public? The problem of justice also arises when the aim of producing the greatest amount of good will violate the rights of the minority, or a sizeable part of society.

Despite the above problems with the theory it is very useful as a decision making tool by beginning with the consequences for those affected by the decision. The notion that all decisions can be broken down into a number of separate factors and built up into a solution fits into what many people prize, an efficient decision-making tool, not only in the process, but also in output. If we read “decision output” in the place of benefits and “resource input” in place of cost, utilitarianism implies that the right course of action is always the most efficient one.

#### 2.5. Relativism

This theory is perhaps the most contentious theory of all those discussed so far. It has become most fashionable since World War II. The essence of this argument is that ethics is merely a matter of taste, and if one culture or country prefers one set of rules there is little that can be said

or done about it. In this form of ethics what man makes of himself is of his own free actions, he creates his values depending on his own situations and circumstances.

This type of theory can be used to justify bribing foreign officials in order to gain a contract. If this is the accepted practice in the host country but not in the home country of the competing firm it is still ethical to indulge in this practice. This form of action can be extended to environmental contamination and low levels of safety for respondents which are acceptable in the society in which the projects are undertaken.

There are many arguments against this form of ethics. Authors have argued that if this theory were accepted without any restrictions, no order could be maintained in society and no state could function. The above guidance is not perfect as people from different backgrounds, cultural norms, countries and their legal systems may see the same issue from two completely different perspectives.

Thus, there is no absolute ethical course of action; as a result, whatever the action taken, it can not be disagreed with ethically (Ferrell and Fraedrich 1991; McDaniel and Gates 1993). Some have argued that this theory is limited and "this extreme position would not be very helpful to marketers faced with important ethical decisions" (Nicholson 1994, p. 587). Others have gone to the extent of stating that ethical relativism is no theory of ethics at all.

While the above theories all have merit and limitations, the biggest drawback they suffer from is their normative or prescriptive nature. It has been widely espoused in the literature that marketing managers really need a more descriptive approach that helps them to understand and hopefully, influence the ethical decision-making process in a way that more ethical decision result. This is where ethical decision-making models, which are descriptive in nature, come into play.

### 3. Models for Ethical Decision Making

Many models for ethical decision-making have been proposed in the literature; however, the author focuses on four descriptive models that are most applicable to developing a descriptive model for ethical decision-making in marketing research:

1. General theory of marketing ethics (Hunt and Vitell 1986);
2. Interactionist theory (Trevino 1985);
3. Contingency framework (Ferrell and Gresham 1985);
4. Synthesis model (Ferrell, Gresham and Fraedrich 1989).

Fritzsche (1991) models ethical decision-making as a combination of personal values and organisational influences in an attempt to address the gaps left by the three most comprehensive and descriptive models of ethical decision-making. He identifies these models as Hunt and Vitell's General Theory of Marketing Ethics (1986), Trevino's Interactionism Model (1986), and Ferrell and Gresham's Contingency Framework (1985), and acknowledges that these three descriptive models provide guidance in studying the ethical decision-making process. These three descriptive models are comprehensive in nature, describe the ethical decision-making process in its entirety, and are derived from the normative philosophical theories discussed earlier. For these reasons, the author focuses on these three models in addition to a fourth model which synthesizes the first three, as a basis for developing a descriptive model for ethical decision-making in marketing research.

We now briefly discuss each of the four models. We begin our summary of the four descriptive ethical decision-making models by first reviewing the *General Theory of Marketing Ethical model by Hunt and Vitell (1986)*. This model is examined first since it is based on the theories of

teleology and deontology as they affect decision-making behaviour. As in subsequent models, the General Theory (GT) model begins by first requiring that the decision maker (DM) recognize that they are faced with a decision of an ethical nature. The DM then must realize the different alternatives available to resolve the ethical dilemma. At this juncture, each of the alternatives is then evaluated from a deontological and teleological viewpoint. The result of these evaluations is an ethical judgment, which influences, but may not determine intentions (i. e., the individual may intend to take a course of action other than the one evaluated as the ethical one), and finally leads to the actual behaviour. Situational constraints, such as the opportunity to choose a specific alternative, may intervene between intentions and / or ethical judgments and behaviour. Finally, the four factors of personal experiences (this contains the concept of cognitive moral development theory which is explained later), organisational norms, industry norms, and cultural norms may affect all other aspects of the model. As will be seen later, the GT model is a powerful one (as demonstrated in empirical tests – Hansen 1992; Mayo and Marks 1990; Vitell and Hunt 1990) and certain components of it appear in the Synthesis of Ethical Decision Making (Ferrell 1989), which is explained later in this section.

The second model, we examine was developed by Trevino (1986). *The Trevino Interactionist Model* operationalizes ethical decision-making through three components: CMD, individual differences, and situational variables. The cognitive moral development (CMD) facet comes from Kohlberg's (1969) CMD theory, which proposes that in similar ethical dilemmas, different people make different decisions because they are in different stages of CMD. According to Kohlberg (1969), one's moral development occurs through six stages, which can be simplified into three levels of two stages each. At the

first level, one is concerned with oneself and the external rewards or punishments that come about as a result of one's actions. The second level moves beyond individual needs, and permits one to make decisions based on society's or another significant reference group's expectations of what is right. Movement beyond individual and group expectations defines the third level. Here right that are beyond individual or group values and laws are used to make decisions (Ferrell and Fraedrich 1991). While useful, the CMD is not without limitation or criticisms (Fraedrich 1994).

The second component of Trevino's model, individual differences, is broken into three factors: ego strength, field dependence, and focus of control. The final factor, situational variables, includes variables related to the job, such as: immediate job context (e. g., reinforcement), organisational culture (e. g., referent others, obedience to authority etc.) and characteristics of the work (e. g., role taking and resolution of moral conflict) (Ferrell and Fraedrich 1991).

A third model community seen in the literature is *O. C. Ferrell and L. Gresham's (1985) Contingency Framework*. This model also draws from CMD, but is comprised of three factors that influence decision-making behaviour:

1. individual factors (e. g., knowledge, values, attitudes, and intentions),
2. significant others (e. g., peers, managers etc.),
3. opportunity (e. g., conditions that limit barriers or result in rewards).

An extension of this model offers an even better model of the ethical decision-making process, and is the fourth model we review.

In 1989, Ferrell, Gresham, and Fraedrich combined aspects of Trevino's Interactionist Model (1986), Ferrell and Gresham's (1985) Contingency Framework, and Hunt and Vitell's (1986) General Theory of Marketing Ethics to arrive at what they termed a *Synthesis Model of*

**Ethical Decision Making (Ferrell, Gresham and Fraedrich 1989)**, which describes how people make decisions with regard to ethical dilemmas. In this model the first stage in the decision maker's (DM) awareness that an ethical decision exists within their environment. It is crucial that the individual have this awareness, as without it the decision is not one involving ethical concerns, hence the model is not applicable. If an ethical dilemma does exist, the decision maker's stage of CMD must be considered, as it will affect how the ethical issue is dealt with. At this point, the DM identifies a set of alternative solutions to the dilemma and evaluates each one on each of the three approaches: deontological, teleological and judgmental. Next the intention, or final decision by the DM with regard to which course of action to take, is made and then the action itself. The last component, which contains organisational culture, opportunity, and individual variables, influences the whole ethical decision-making process. Finally, after taking an action, the DM evaluates the decision, and this may feed into the last component and influence future decisions (Ferrell and Fraedrich 1991).

#### **4. A Descriptive Model for Ethics in Marketing Research**

In an effort to move toward accomplishing this task, the author has developed a descriptive model for ethical decision-making in marketing research that incorporates various perspectives and stakeholders, as shown in Fig. 2. The attempt to include all four stakeholders in the integrated model is supported by work of Vitell and Nwachukwu (1993), discussed earlier. The proposed model, while translating some of the Synthesis Model's (Ferrell, Gresham and Fraedrich 1989) salient points into the new model, represents a significant departure from any existing decision-making model by including the various perspectives of different role players in mar-

keting research (i. e., the client, the researcher, the respondent and the public). Next, the model will be briefly described and followed by a more detailed analysis of the model.

As in many other models, the descriptive model takes effect when awareness of an ethical dilemma occurs (Hunt and Vitell 1986) (watch the heart of the model – an interior box, Fig. 2). Next, the stage of CMD (Kohlberg 1969) of the decision maker (DM) determine, how the ethical issue is dealt with. At the point of ethical judgment, the DM identifies a set of alternative solutions to the dilemma and evaluates each one in terms of one or more of the ethical philosophies: ethical relativism, justice, objectivism, teleology – egoism and utilitarianism, deontology (e. g., Kantian Formalism), and combination of views, e. g., Ross's *prima facie* framework (Murphy and Lacznik 1981; Tsalikis and Fritzsche 1989). Next the intentions, or final decisions by the DM with regard to which course of action to take are made and then the action / behaviour itself is performed. Consequences of the action feed into the management of the marketing research project and the marketing research process via the behavioural evaluation process in a structured research. The alternative way of descriptive model application may be taken as well. The unexpected situations may occur during less structured marketing research and the project manager has the ability to refer to the ethics decision process scheme at any step of marketing research process.

##### *4.1. Awareness*

The marketing research (MR) process is conceptualized as a six-step one, as outlined by N. Malhotra (2000) (Fig.2). From any one or all of these steps in the MR process, many different ethical dilemmas might arise, initiating the decision maker's entry into the first stage of the Descriptive Model. The first step in the marke-



ting research process is problem definition. This is crucial step in the MR process, as a well-defined problem is necessary for the research to be carried out efficiently and effectively. Ethical issues in the stage might involve the researcher deciding whether to proceed with the research project, if in defining the problem it comes to light that research or at least primary data collection is not necessary, or may be focused on whether the client chooses to disclose the true nature of the problem to the researcher and avoid withholding information. Step two is concerned with developing an approach to the problem.

At this point, attention is focused on things like case studies, simulations, developing hypotheses, models and research questions. Here the researcher should be sure to use information that is current and relevant. Research design is the

third step in the MR process. This step encompasses everything from deciding on an exploratory, descriptive or causal design to secondary data sources, qualitative techniques, measurement and scaling, questionnaire design, and sampling techniques. Because this step includes several different activities, many ethical dilemmas can arise. Frequently occurring decisions might involve the researcher determining whether to inform respondents about the true purpose of the research up front rather than debriefing them, or the misuse of focus groups due to the researcher treating the data as conclusive when they are not. There is also the issue of the client combining the research proposals submitted by different marketing research suppliers. Data analysis is the fifth step. Ethical issues that commonly arise here are things like throwing out data that

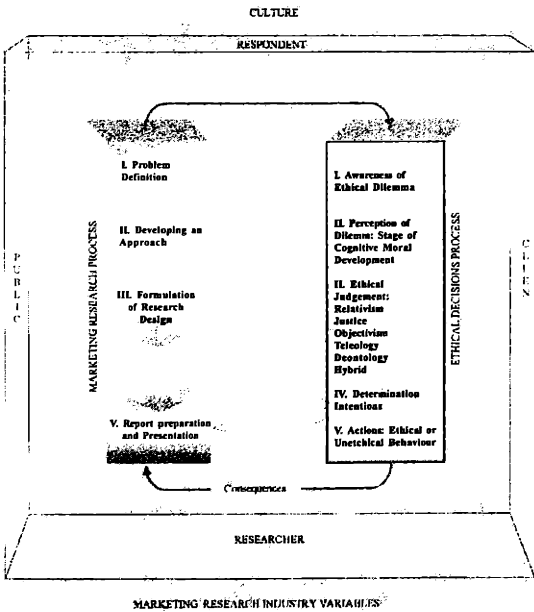


Figure 2. A Descriptive Model for Ethical Decisions in Marketing Research

**Table 1. A Sampling of (Un)Ethical Dilemmas Encountered in Marketing Research**

**Step I. Problem definition**

*Definition of a marketing research problem so as to support a decision already made by the management.* The marketing manager has already decided to introduce a new product without adequate marketing research. The marketing research problem is defined as how best to introduce this new product. This is done in spite of the preliminary analysis done by the researcher which indicates that the new product is likely to be a failure. The researcher thinks about advising the marketing manager that the problem should really be defined as determining whether or not the new product will succeed in the marketing place. However, given the enthusiasm of the marketing manager for the new product, the researcher refrains from pointing out that the new product is unlikely to succeed for fear of losing the assignment.

**Step II. Developing an approach to the problem**

*While developing an approach to the problem the researcher make use of secondary data which are not current and only marginally relevant to the problem.* In a project undertaken for a home builder the researcher has to estimate the population of high income households in 1994 (annual household income more than \$75,000) in a given area. In doing so, the researcher makes use of the conveniently available 1990 population data knowing fully well that there has been an influx of high income households into the area in 1991, 1992, and 1993. Thus the 1990 population figures considerably underestimate the actual population in 1994. Furthermore, the 1990 data define a high income household as having an annual household income of more than \$60,000 (rather than \$75,000 required by the project), thus overestimating. The researcher figures that these factors will compensate each other and does not report these sources of error to the client.

**Step III. Formulation of research design**

*The client combines research proposals solicited from various marketing research suppliers to develop the best research design.* Consider an instance where a toy manufacturer asked four research firm to develop competing approaches to the problem of researching attitudes of children towards toys. These four research firms develop competing research proposals including various theories, models, research questions, and data collection approaches. Obtaining information from children is an especially sensitive area. Research designs would tend to vary a great deal. These ideas are evaluated by the toy company, but instead of going with the best design the toy company uses the company that submits the lowest bid. This acceptance is contingent upon utilizing the best components of the other submitted research designs.

**Step IV. Field work**

*The field work conducted improperly.* A field work agency contracted for data collection discovers that two of its interviewers had misunderstood some of the open ended questions and therefore did not ask them properly. If the questionnaires administered by these interviewers are discarded, the agency will not be able to meet the data collection deadline set in the contract. It would have to a penalty for the delay and thinks that it will lose favour with the client. So these questionnaires are not discarded but made part of the data set. Nothing is said to the client about this problem.

**Step V. Data analysis**

*Descriptive analysis reveals that the data related to consumer preferences for competing brands are clearly nonmetric.* Yet, the data are treated as metric dependent variable and an OLS regression is run. While the researcher realizes that nonmetric regression rather than OLS is the appropriate procedure, software to run nonmetric regression is not available in-house and expertise is also lacking. So the data are analysed via OLS regression but limitations of this analysis are not mentioned.

**Step VI. Report preparation and presentation**

*Findings which seem intuitively implausible or which are difficult to explain are not reported.* For example in a study for a local bank, in one of the consumer banking segments, consumers are more willing to play a higher monthly fee for a checking account than a lower monthly fee.

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source: N. Malhotra and G. Miller, *An Integrated Model for Ethical Decisions in Marketing Research*, 1998, p. 274.

cause the analysis to give results other than what was hoped for, altering the results or the analysis to give the desired results, or using statistical techniques that are inappropriate for the data. The final step in the MR process is report preparation and presentation. Here ethical decisions may have to be made about the disclosure of the limitations of the project to the client, or avoiding misrepresentation of the findings. Thus, it should be recognized that ethical dilemmas that may exist in marketing research, may be reflected throughout all the six steps of the MR process, just a few steps, or even one step. Since much of the research in ethics has made use of ethical dilemmas (e. g., Akaah 1990; Laczniak and Murphy 1993), Table 1 gives a sampling of ethical dilemmas encountered in marketing research.

#### 4.2. Perception

An individual's perception of an ethical dilemma will depend on which stage of cognitive moral development they are in, and thus serves as one factor which influences which ethical philosophy or philosophies he / she will employ in the next stage of the Integrated Model – ethical judgment. For example if one is primarily concerned with one's own immediate interests and external rewards and punishments, that individual is in the first stages of CMD and likely to use ethical theories which reflect this orientation, such as egoism (Kohlberg 1969; Trevino 1986; Ferrell and Fraedrich 1991).

#### 4.3. Ethical Judgment

The ethical judgment process deserves more elaboration and is shown in Fig. 2. The DM could potentially make use of one or more of the ethical philosophies / theories that we have discussed. The number of philosophies and the specific philosophies, which are selected for ethical judgment, will be a product of the CDM (the precursor stage), the type of stakeholder (mid-

dle box of Fig. 2), and the environment (culture, individual variables, marketing research industry variables, and project / situational variables – outer box of Fig. 2). This potential use of multiple philosophies is consistent with the recent attempts measuring marketing and business ethics (Hansen 1992; Malhotra and Miller 1996). It should be noted that the original scale of Reidenbach and Robin (1988) for ethical evaluation of marketing activities incorporates scales for justices, ethical relativism, egoism, utilitarianism, and deontology. Subsequent attempts to purify this scale have also retained this basic framework (Hansen 1992; Cohen et al 1993; Reidenbach and Robin 1990). The objectivistic approach in relation to codes of ethics has also received attention in recent literature (O'Boyle and Dawson 1992).

Since an individual may apply one or more ethical philosophies to a given ethical dilemma, as discussed above, the possibility exists that there may be conflicting results between the philosophies the individual has chosen to employ. As shown in Fig. 2, if an individual is employing multiple philosophies and they do not all yield the same result or decision the individual must find a way to resolve this conflict. Therefore, if one of the philosophies employed suggests that a particular course of action is unethical and another theory that is utilized suggests that the same course of action is ethical, the individual must find a way to reconcile these differences. Typically, this is accomplished through the rationalization that one of the particular philosophies selected is not really appropriate for use with the current ethical dilemma; thus, overriding the result of the discarded philosophy. This rationalization frequently involves prioritizing one imperative over another, as in hybrid theories, such as emphasizing the right of one group of stakeholders over another. For example, perhaps the right of the group of stakeholders to which the decision maker belongs is emphasi-

zed if he / she is in the early stages of CMD or employs egoism in the decision making process. In the event of an overriding reason, the dilemma is then evaluated on the other remaining philosophies, which were originally determined to be relevant to the ethical dilemma under consideration. Ultimately, for a decision to be evaluated as ethical it must be consistent with all the philosophies judged to be applicable by the decision maker, or there must be overriding reason, which eliminate any inconsistencies between philosophies by excluding those philosophies from the judgment process as not being relevant to the given ethical dilemma.

#### 4.4. Determination and Action

Based on the outcome of the Ethical Judgment process, a particular decision alternative is selected and the individual forms the intention to act on that alternative (Hunt and Vitell 1986). It should be noted that the intention to follow a specific course of that action (behaviour) is related but not identical. In other words, the intention to engage in a particular behaviour may be affected by the role the decision maker is assuming (type of stakeholders) or external environmental factors (project / situation, marketing research industry, cultural, and individual variables). Then, once the consequences of the actions chosen reveal their effects on the MR process, the behaviour is evaluated and the evaluation is stored to be retrieved and fed back into future decision-making activities.

#### 4.5. Type of Stakeholder

Now that the core of the model has been described, we can move on to the outward level – type of stakeholders. The model assumes particular significance for ethical decision-making in MR since this box allows the decision process to be considered from all angles, namely the viewpoints of the *four stakeholders in marketing rese-*

*arch*: the public, the respondents, the client, and the researcher.

**Public.** With regard to the public as a whole, ethical concerns revolve primarily around the methods of gaining and reporting research results. In particular, care should be taken to avoid incomplete reporting, misleading reporting, and biased research (Table 1). Incomplete reporting is just what its name implies. Whenever a client firm, or researcher does not reveal the research results in their entirety, incomplete reporting has occurred. Obviously, this type of mistake is more likely to be committed when research uncovers negative information, which might not be favorably received by the client and / or the public at large.

Misleading reporting, on the other hand, does not involve the suppression of information, but rather the distortion of information. By distortion, it is meant that although the information presented to the public is correct, it leaves the public with an erroneous impression. For example, let's suppose a research project attempts to find out which brand of toothpaste is preferred by most dentist, and arrives at the following results: 90 % of dentists surveyed express no preference, 5 % prefer Brand A, 3 % Brand B, and 2 % prefer some brand other than A or B. If the client firm, which manufactures Brand A toothpaste claims in its advertising that more dentists prefer Brand A than other toothpastes – this is misleading. Not because it is necessarily untrue, but because it leaves the public with the inaccurate conclusion that an overwhelming majority of dentists prefer Brand A, when in fact the majority of the dentists expressed no preference. Biased research occurs when the research process is performed improperly using incorrect procedures or in a nonobjective manner, resulting in misleading findings.

**Respondent.** Few would argue that it is perhaps the respondent who is the most important stakeholder of them all. Mainly, because without

the respondent there would be no research at all, since there would be no one from whom to collect data. Therefore, it is to the marketing researcher's advantage to protect the respondent from unethical research practices as much as possible, in order to ensure continued respondent cooperation, which is essential to the research effort. In particular, it has been suggested by the literature (Smith and Quelch 1993) that two main ethical issues regularly confront researchers: conducting a survey as a guise to sell products ("sugging") or raise funds ("frugging"), and the invasion of the privacy of the respondent.

**Client.** The relationship between the client firm and the researcher is a very involved and thus complicated one; therefore, it is not surprising that the ethical issues surrounding the client are numerous. Six areas that should be considered from an ethical stand point are: abuse of position arising from specialized knowledge, unnecessary research, disclosure of identity, treating data as nonconfidential, and misleading presentation of data (Smith and Quelch 1993).

**Researcher.** As explained above, the researcher has an obligation to protect the client, the respondents, and the general public. However, the researcher also has the right to expect to be treated ethically in return. In particular, this covers three topics (Smith and Quelch 1993): improper solicitation of proposals, disclosure of proprietary techniques, and misrepresentation of findings.

When a researcher submits a proposal to a prospective client, he / she should be confident in the knowledge that the client is seriously considering employing him / her to conduct the research project. Furthermore, the researcher should be secure in the knowledge that, should the potential client decide to employ another researcher, the client will not attempt to use the proposal to their advantage by turning it over to another firm to execute, thereby saving themsel-

ves money, and thus avoiding paying a firm for the development of a marketing research plan.

Following along the lines of improper solicitation, a researcher also has the right to expect that any research techniques that are proprietary or original to the researcher will not be revealed to other researcher of firms. This also means that the client firm should refrain from using such techniques for their own future use – even if the technique was used in a project previously commissioned from the researcher in question – without the express permission of the researcher who developed the technique.

Once the researcher has fulfilled his / her obligation to the client by conducting the project and disseminating the findings in an ethical manner, the researcher can and should anticipate that the client firm will reciprocate in kind. This means that the client firm should not twist or distort the research findings to their own benefit at the expense of the researcher's reputation. Returning to the earlier example of dentists' toothpaste preference, suppose that researcher who conducted the study (Researcher X) made the research finding clear to the client firm, that most of those dentists that responded and expressed a preference (90 %). It would be unethical for the client to distort this information and advertise that Researcher X found most dentists prefer Brand A, without revealing that a majority of the dentists did not have a preference.

The influences of this perspective may provide the foundation for prioritizing objectives and /or choosing one theory of ethical judgment over another (Smith and Quelch 1993).

#### 4.6. Environment

The final, exterior box of the descriptive model includes the consideration of variables external to the decision-maker, but essential in the decision-making process. These variables have an effect on the decision-making process in all the sta-

**Table 2. A Comparison of Ethical Models**

	Model	Consumer public as stakeholders	CMD incorporation	Ethical philosophies	External variables incorporated
1.	General theory of marketing ethics (Hunt and Vitell 1986)	No	No	Taleology Deontology	Situational constrains Personal experience Industry norms Cultural norms
2.	Interactionist theory (Trevino 1985)	No	Yes	None	Individual differences Situational variables
3.	Contingency framework (Farrell and Gresham 1985)	No	Yes	None	Individual factors Significant others Opportunity
4.	Synthesis model (Ferrell, Gresham and Fraedrich 1989)	No	Yes	Taleology Deontology	Organisational culture Opportunity Individual variables
5.	Descriptive model	Yes	Yes	Relativism Justice Objectivism Taleology - Egoism - Utilitarianism Deontology Hybrid	Culture Individual variables Marketing research industry variables Situational variables

Source: Naresh K. Malhotra and Gina L. Miller, *An Integrated model for Ethical Decisions in Marketing Research*, 1998, p. 277.

keholder roles in the MR process. Cultural variables are somewhat self explanatory, however, by way of example, the corporate culture of the client or national culture of a respondent may affect whether ethical dilemmas are perceived at all by these role players, as well as their strategies for moral evaluations (Vitell 1993; Ferrell 1989; Akaah 1990; Alam 1993; Armstrong 1992). Second, and somewhat related are individual variables, namely knowledge, values, attitudes, intentions, ego strength, field dependence, and locus of control (Trevino 1986; Hunt and Vitell 1986; Ferrell and Gresham 1985; Ferrell 1989). Situational variables include resources and constraints (Trevino 1986; Hunt and Vitell 1985; Ferrell and Gresham 1985). For example, limited

time available to complete the research project or a limited budget to spend may impose certain constraints on the project and ethical decisions made during the MR process. Marketing research industry variables, such as what types of research practices are acceptable, and what technologies are available, also exert a significant impact on ethical decision-making in marketing research (Hunt and Vitell 1986).

### 5. A Comparison of the Descriptive Model to other Models

As can be seen from Fig. 2 and our earlier discussion, the descriptive model integrates various philosophies that have been popular in the

ethics literature. This integration is accomplished by the decision process at the ethical judgment stage in which each alternative is evaluated on the applicable philosophies. Furthermore, this model incorporates and is consistent with many of the salient aspects of the models discussed earlier. A comparison of descriptive model with these other models is presented in Table 2.

While sharing similarities with other models, the proposed model is different in that it incorporates the stakeholders, integrates the popular ethical philosophies, and realizes the effects of a more comprehensive set of external variables. Furthermore, it explicitly describes a decision-making process for ethical judgments. While developed in the specific context of marketing research ethics, the framework presented is more general and can be used for making ethical decisions in other areas of marketing as well.

## **6. An Illustrative Case-Study of the Model**

An application of the proposed descriptive model is illustrated with an example that concerns the ethical dilemma of a client combining research proposals solicited from various marketing research suppliers. This is a fairly significant ethical problem facing the marketing research industry. Consider a situation where three research firms are asked to develop proposals to research attitudes and feelings toward ice cream for an ice cream company, as illustrated with a similar example in Step III of Table 1. These three research firms develop competing research proposals including various theories, models, research questions, hypotheses, and other relevant characteristics. Different approaches are available for measuring attitudes and feelings, and each of the three research firms adopts a different approach. One research firm submits a particularly innovative approach, which is well liked by the client. These ideas

are evaluated by the client (ice cream company), but instead of going with the innovative proposal the ice cream company uses the research firm that submits the lowest bid. This acceptance is contingent upon utilizing the best components of other submitted research designs. Is the use of these proposals in this manner ethical?

In terms of the proposed model, this dilemma predominantly involves the project variables (attitudes and feelings toward photography and cameras) and the marketing research industry variables (the approaches to measuring attitudes and feelings vary considerably across firms in the marketing research industry). The primary stakeholders are the client and the marketing research firms. As mentioned earlier, the awareness of this ethical dilemma exists given the stage of cognitive moral development, which characterises the marketing research industry. How can this dilemma be morally evaluated based on the ethical philosophies, which are encompassed by the model?

While the stage of CMD, along with the type of a stakeholder and the environment, affect which ethical philosophies are employed in the ethical judgment stage, for the sake of this example this dilemma is examined from the viewpoints of all ethical theories. The decision to combine proposals is consistent with ethical relativism as the client obviously thinks it is ethical to do so. However, justice would evaluate this decision as unethical as it violates the equal liberty principle in that the ownership rights of the proposal material of the three research firms whose proposals have been rejected is violated. The difference principle is not relevant here. In applying the philosophy of objectivism, we can look at the norms of independent professional marketing research associations. The American Marketing Association guidelines state, the prospective user of research (the client) shall not solicit such a design from one research firm and

deliver it to another for execution without the approval of the design originator (AMA 1987). Thus, the objectivism perspective would lead to the conclusion that it would be unethical for the client to combine research proposals unless explicit permission to do so has been obtained from the marketing research firms whose proposals were rejected.

Perhaps egoism would argue that the client's self-interest comes first, and so it is acceptable for the client to combine the proposals. However, utilitarianism would argue against it as such an action would not only hurt the three suppliers whose proposals were rejected but, ultimately, also hurt marketing research. Deontology would also evaluate the action of combining proposals as unethical because the client would not be willing to be so treated by the marketing research firms were the positions of the parties reversed. One could argue that there are good reasons to override ethical relativism and egoism in this case since the viewpoints of all the stakeholders should be considered. Hence, the overall moral evaluation is that it would be unethical for the client to combine research proposals unless approval to do so has been obtained from the marketing research firms whose proposals were rejected.

Regardless of the action taken by the client, this ethical dilemma would affect the first three steps of the marketing research process. It should be noted that a standard proposal involves a definition of the problem, presents an approach to the problem, and formulates a detailed research design for executing the approach recommended (Malhotra 2000). The consequences of the client's action will not only impact the entire marketing research process but will also have a feedback into the ethical dilemma of combining research proposals.

## Conclusions

1. The transparency and interest in our decisions is increasing, as such the importance of considering the ethical dimension of our actions is becoming more and more important.
2. The decisions we take, those we are responsible or accountable for, affect a wide range of stakeholders. Their and our opinion of our decisions can influence how we and others feel about ourselves. The stakeholders can also affect the continued success of our companies and the image of our profession.
3. If we as marketers and managers are to maintain and improve upon the currently high standard we have set for marketing in this increasingly dynamic world, then the consideration of the ethical dimension of our decisions must form part of our everyday management tool kit.
4. While the authors in the field of business ethics have made great strides in developing ethical decision-making models and in gaining comprehension of the complex process of ethical decision-making, there are still a great many more issues to be studied to reveal the true nature of such a process. One area that merits such attention is that of marketing research ethics.
5. The model proposed makes a number of contributions. It introduces the consumer / public perspective into the literature, a facet, which must be included in any paradigm of the ethical decision-making process in which marketing is involved. It integrates the relevant philosophies into a decision ethical judgment process. Finally, it takes a more comprehensive view of the external environmental variables which influence ethical decision-making.



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## ETINIAI MARKETINGO TYRIMŲ KRITERIJAI

### Živilė Vaitkūniene

#### Santrauka

Straipsnyje pabrėžiama, kad marketingo tyrimams tu-  
rėtų būti taikomos etikos mokslo koncepcijos. Mar-  
ketingo tyrimų specialistai turėtų vadovautis bendro-  
mis verslo etikos normomis ir nepažeisti tyrimo sub-  
jektų – respondentų – privatumo. Taigi reikėtų siekti  
etikos normų pripažinimo visais sprendimų priėmimo  
lygmenimis: nuo marketingo tyrimų organizatoriaus iki  
respondentų. Straipsnyje apžvelgiami pastarųjų 15 metų  
tyrimai ir nagrinėjami kai kurių autorių darbai: J. Mar-  
tin 1985; O. Ferrell and J. Fraedrich 1999; S. Vitell  
and A. Muncy 1992 ir kt.

Pagrindinis *straipsnio tikslas* – pasiūlyti hipotetinį  
marketingo tyrimų ir etinių kriterijų, darančių įtaką  
marketingo tyrimui, modelį, kuris atspindėtų sprendi-  
mų priėmimo etapus ir jų raišką. Siekiant tyrimo tikslo  
reikėjo išspręsti šiuos *uždavinius*: (1) išnagrinėjus keletą  
sprendimų priėmimo modelių, pateikti filosofinių sam-  
protavimų sintezę; (2) nustatyti marketingo tyrimų  
etikos dalyvius; (3) plėtojant marketingo tyrimus su-  
kurti deskriptyvų etinį sprendimų priėmimo modelį;  
(4) pateikti lyginamąjį hipotetinio ir esamų modelių  
analizę. Taip buvo nustatytas ir logiškas dėstymas.