

Ethics in Marketing

By

Dr Mary Kinoti
School of Business
University of Nairobi

Ethical Issues in Marketing

- Ethics in marketing is taking center stage in today's business.
- Ethics are a collection of principles of right conduct that shape the decisions people or organizations make.

Ethical Issues in Marketing

- Ethical issues
 - i. Ethics and pricing

Ethical Issues related to pricing may affect competing firms they are discussed below

Ethical Issues in Marketing

i. Ethics and pricing

Predatory Pricing

(also **undercutting**) : is a pricing strategy where a product or service is set at a very low price, intending to drive competitors out of the market, or create barriers to entry for potential new competitors.

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Price War- Price war is "commercial competition characterized by the repeated cutting of prices below those of competitors".

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Bid rigging is a form of fraud in which a commercial contract is promised to one party even though for the sake of appearance several other parties also present a bid.

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Price fixing: is an agreement between participants on the same side in a market to buy or sell a product, service, or commodity only at a fixed price, exploit consumers

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Price Gouging-is selling of products at very high prices which are unreasonable or unfair altogether.

It occurs mostly where there is a sharp rise in demand or a sharp drop in supply.

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Price skimming is when the price for a product is first sold at a very high price and then gradually lowered.

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Placing a product at a special offer price without making the consumer aware that there is a limited stock/availability

Falsely stating that the product will only be available for a limited time with a view to persuade consumers to make an immediate purchase of the product

Ethical Issues

- Ethical issues and distribution

- **Gray markets**
- Involves the selling of products through channels of distribution that are not authorized
- Slotting allowances demanded by distributors to carry new products

Ethical Issues

- Shoddy or unsafe products in terms of
 - i. quality
 - ii. Benefits

product recall: Recall involve return, repair by manufacture and or removal from sale of products in the distribution channels and with consumers because of some actual or perceived safety or quality problem or some legal infringement

Ethical Issues

Poor service to
disadvantaged
consumers

Deceptive promotion on
the advertisement,
packaging and labelling