Ethical Corporate Marketing and Societal Expectations

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This is an age where many members of society are becoming more affluent than ever before. Coupled with the increased competition which results from globalization, consumers are now presented with more power over their purchasing decisions than ever before. Changes in communication and technology have also led to changes which mean that the general public is more aware of societal issues across the world. In particular, consumers may be becoming increasingly aware of how the behaviour of certain organisations either contributes to or alleviates these issues. This paper discusses the ethical decision making process, introduces the various elements of societal expectations, and discusses how these various expectations may influence the corporate marketing of the organisation.

INTRODUCTION

This is an age in which societies across the world are generally becoming more affluent, with greater levels of disposable income than ever before (Burtless 1). Although the growth of consumerism makes this quite evident in many Western countries, the developing economies across many other regions of the world, particularly Asia, indicate that this is a developing global trend. Along with globalization this is opening up the choice which is available to consumers across the entire range of goods and services to which they have access. The implications of this are that consumers are being granted greater discretion over which products and services they wish to purchase (Werther & Chandler 319). This means that in order for a company to sustain a competitive advantage against its global competitors, it must be able to meet the expectations of consumers. This involves not only creating products which meet the expectations of the customer, but also engaging in business practices which meet the expectations of the customer (Clarke et al. 231). For this reason, ethics in business and marketing has become a popular area of study for many researchers.   Although there appears to be overwhelming amounts of literature which relate to isolated areas of corporate social responsibility and ethics in corporate marketing there appears to be scant literature which actually draws the concepts together for a holistic perspective. There are several papers which examine the potential expectations of consumers in isolated areas, but many do not discuss the precise implications of how these may be used to market the company. What is more, many of the published articles available do not consider the implications to organisations when various elements of societal expectation of the firm are combined. Although it is true that each individual element may create its own set of consequences for the organisation, the implications may not be fully appreciated until all factors are combined. The interaction of different factors may lead to quite different conclusions when taken as a whole. For example while one approach taken by an organisation may be successful in addressing society's economic expectations of the company, these actions may in fact be quite detrimental to environmental expectations. This review therefore aims to address the gap in the literature,

by synthesising current research into the societal expectations of organisations with reference to corporate social responsibility, and discussing the implications of these expectations on ethical corporate marketing.

The first section of the review will focus on a discussion which introduces the specific concept of ethical corporate marketing. This section will discuss the definition and theoretical basis of the concept, with some discussion also given to the various elements of which the concept may be comprised. The second section will then go on to discuss the various expectations which society has for any organisation. This will include discussion of economic, legal, ethical, environmental and philanthropic expectations. This section will aim to build a comprehensive set of general expectations across these five key areas which will then be discussed in the subsequent sections. The third section of the paper will discuss how these various expectations relate to ethical corporate marketing, and identify the implications for organisations. The aim of this chapter will be to discuss the various expectations not only in isolation, but also when considering them as a comprehensive framework of expectations. Finally, the paper will conclude with a summary of the discussion and a set of recommendations which may ensure that societal expectations are observed in organisations' ethical corporate marketing practices.

INTRODUCING ETHICAL CORPORATE MARKETING

Clearly, in order to fully appreciate how societal expectations may impact on ethical corporate marketing, there needs to be a comprehensive understanding of the concept described by this term. The aim of this first chapter is therefore to introduce the concept of ethical corporate marketing. This will include discussion on the definition, and various elements which may be included in the concept. There will also be some discussion as to how companies may currently choose to embrace the concept and the implications of doing so. This chapter should therefore provide an adequate grounding in ethical corporate marketing so that it is quite clear to what the subsequent chapters refer.

Towards a Definition of Ethical Corporate Marketing
Corporate Marketing
In order to understand the concept of ethical corporate marketing, there must first be some discussion as to what exactly comprises corporate marketing itself. While in the past marketing may have focused on one particular product or an individual area of a company, marketing has undergone somewhat of a paradigm shift in recent years, and corporate marketing marks a logical stage of the evolution of marketing. The new institutional-wide focus which has emerged has been termed 'corporate marketing' (Balmer 248). This in itself incorporates a range of marketing-based concepts, such as corporate identity, corporate branding, corporate image, corporate reputation and corporate communications.[1] Balmer and Greyser (730) suggest that the question which best summarises the concept of corporate marketing is: "Can we, as an institution, have meaningful, positive and profitable bilateral on-going relationships with customers, and other stakeholder groups and communities?"

There are a number of misconceptions which surround corporate marketing which must also be rejected while discussing this concept. The first of these is that, despite the terminology, corporate marketing does not only apply to corporations or large companies, but applies to a diverse array of organisations, including corporations, companies and not-for-profit organisations amongst other. Another misconception is that marketing is always directed at consumers. This is also not the case, as a key feature of corporate marketing is that it is concerned with multiple stakeholders, as a means of promoting the company to all involved in decision-making, and all affected by decisions made. Finally, it must be understood that corporate marketing is concerned with past and future relationships, not only those in the present (Balmer & Greyser 730).
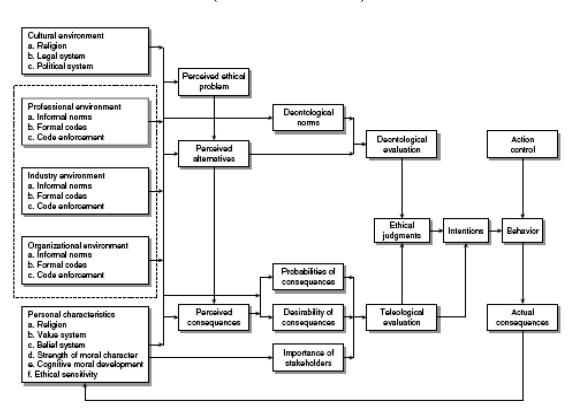
Ethical Corporate Marketing
The term 'ethical corporate marketing' appears to be a relatively new term when used in its entirety. This is based on the observation that there are very few papers which refer specifically to this term, yet there are calls for papers on the topic at this time by many of the world's well-known business journals.

The relative newness of the term means that there has been little discussion as to the meaning. This may however be inferred simply as an organisation taking an ethical approach towards their corporate marketing strategy. Although this would be an appropriate definition for the term, this is not complete, as there is more to the term than this. Given that the practice of using a company's 'ethical' behaviour may also be used as a marketing tool (Becker-Olsen 46), ethical corporate marketing may also refer to the practice of using ethics as a corporate marketing strategy. For example, many companies such as Innocent (Smoothies), Co-operative Bank and Green & Black's have incorporated a strong ethical stance into their corporate identity (Balmer et al. 4), thereby utilising ethical corporate marketing. In order to further understand how the use of ethical principles may be utilised in corporate marketing, it is important to first understand how ethical behaviour is determined.

WHO DETERMINES BEHAVIOURS ARE ETHICAL?

Ethical Decision Making

In order to understand how ethical behaviour is determined, it is important to understand how an individual derives whether a particular behaviour is ethical or not. The Hunt-Vitell Theory of Ethics is a model which was originally proposed in the 1980s which represented the process of ethical decision making. The model is represented in Figure 1. The theory assumes that the presence of a perceived ethical element to a decision which must be made triggers the process which is described by the model. This therefore indicates that if the individual does not perceive there to be any ethical dimension to a problem which is faced then the model will not apply. The process generally involves the decision-maker comparing the available alternative actions which are available to them with a set of predetermined

FIGURE 1
THE HUNT-VITELL MODEL OF ETHICAL DECISION MAKING
(HUNT & VITELL 144)

norms. These norms will be formed on the basis of both local norms and hypernorms, which are the norms which are absolutely fundamental to human existence. This indicates that while there are some norms within the ethical decision-making process which may be universal and unchanged, there are others which are highly dependent on the society which surrounds the organisation. In all, these judgements may also take into consideration the consequences of each outcome, the probability of the occurrence of the outcome within each stakeholder group, the desirability of each outcome, and the importance of each stakeholder group. Even then, it is argued by Hunt and Vitell (146) themselves that the information processing elements of the model may vary depending upon the decision maker's own moral codes.

Corporate Ethical Values

The Hunt-Vittel model predominantly involves the ethical decision making process which occurs within an individual faced by a problem containing an ethical dimension. It is therefore an important process within the ethical behaviour of a company, whose actions are a culmination of the decisions and behaviours of various individuals. Corporate ethical values are defined by Hunt and colleagues as a "composite of the individual ethical values of managers and both the formal and informal policies on ethics of the organisation" (79). This therefore indicates that the ethical decision-making model may be considered key, as wherever there is no formal policy in place as to how decisions should be arrived at, this is the informal process which individuals within the organisation would use.

Judging Ethical Decisions

Not only is the Hunt-Vittel model important to understand how a company's ethical behaviour may be influenced, but also how consumers are likely to perceive these decisions. The same model is likely to be used by a consumer who is evaluating a particular organisational behaviour in terms of its ethical value. It must however be considered that there are two issues which could potentially result in the consumer reaching a different decision as to the most appropriate course of action than the manager within the organisation reached.

The first of these is that there are many individual factors which may influence the manner in which ethical decisions are derived. This includes elements such as personal philosophy and value orientation, education, work experience, nationality and age (O'Fallon & Butterfield 376-97). One element which has received a particularly significant amount of attention is religion. Vittel and colleagues (175) showed that religion had a significant impact on the ethical decision making process in those who incorporate religious beliefs intrinsically into every aspect of their lives. This would indicate that given the same set of circumstances, any individual may arrive at an alternative decision. This does also however mean that even if a manager perceives their organisation's behaviour to be ethical, not all may agree.

The second factor which must be considered which will influence this is also that the consumer may not possess all of the facts which are necessary to arrive at a comprehensively reviewed decision. For example according to the model detailed in Figure 1, an analysis of the likely probability of each outcome is necessary in the decision-making process, although these details may not be known to consumers. This may then lead them to different conclusions as to the most ethical course of action in the given situation.

Impacts on the Judgement of Behaviour

There are numerous influences which may impact on an individual's judgement regarding actions which constitute ethical and unethical behaviour. While some of these, as discussed above, are highly individualized, there are others which work on a much larger scale. One such influence is the media. An example of this lies in the coverage which occurred relating to several high-profile cases such as Enron and WorldCom. The large amounts of global media coverage and subsequent discussion which has been afforded to cases such as these has greatly increased public awareness as to how behaviour which may be deemed 'wrong' may proliferate in some businesses(Carson 389). Furthermore, the coverage may have also highlighted some practices in which the average citizen would be unaware of the problems associated with that particular behaviour. As a result of the increased awareness however, public opinion is likely to

have changed, with individuals now realising that such behaviour is unethical, and therefore judging other organisations according to this new-found awareness. In a situation such as this, it could be argued that it is actually the media who have predetermined whether the behaviour of the company was ethical or not. This predetermined judgement is then that which is broadcast, and as a result may gain widespread acceptance, without individuals undergoing the judgement process themselves.

HOW COMPANIES MAY CAPITALIZE ON ETHICS THROUGH CORPORATE MARKETING?

So far, this essay has focused on defining ethical corporate marketing and discussing how judgements of ethics are arrived at. While this is useful, the critical question which arises at this point is how is this so? While it is clear that creating an 'ethical' dimension within the company's image may be a marketing strategy, why is this so, and how may it be achieved? These questions warrant a lengthy discussion all by themselves, and as such, a detailed examination of the literature on the topic is beyond the scope of this review. Here, there will be a brief summary of the main points of the discussion presented. This will be sufficient to demonstrate the importance of including an ethical component within corporate marketing, which will be important when discussing the impact of societal expectations.

The Importance of Ethics in Marketing

It has been noted for many years that the consumer must be accepted by organisations as the final judge in their actions, which is reflected in the heavy customer focus which may companies elect to adopt (Balmer & Greyser 730). The reason for this is that, after all the marketing activities have been performed by the company, it is the judgement of the consumer which will determine whether they actually choose to purchase from the organisation. Many researchers have argued that a core element of the consumer's judgement of a company will be based on the company's perceived ethical values, and as such these perceived values will therefore influence buyers' behaviour. This is often quoted as being reflected in the performance of an organisation. Companies which have a core set of well-defined ethical values are generally found to be superior performers (Hunt et al. 81). Companies which ignore public opinion over their ethical values do however risk placing the reputation of their company in jeopardy (Laczniak & Murphy 158).

Although this demonstrates that ethically-based decisions and values may be important to the company, this does not necessarily demonstrate how they are important in a corporate marketing context. The ethical values which are held by an organisation are generally acknowledged to influence their products, advertising and marketing content, pricing, treatment of employees, and their relations with customers, other businesses and the wider community (Hunt et al.79).Despite this, it is unlikely that many customers would be aware of the ethical decisions which are made on a daily basis by the companies from which they choose to purchase. Therefore even if a company possesses these well-defined ethical values, they may not be common knowledge to the general public. This is therefore why the inclusion of these ethical principles in corporate marketing is so important. It is only through inclusion within corporate marketing campaigns that the awareness of the public and other company stakeholders may be increased relating to the ethical practices of the company. It is therefore important for companies to not only realise that ethical values may be important in maintaining high public regard, but may be used as a marketing tool in gaining/retaining customers.

As already discussed, there are numerous influences which may impact on how consumers view behaviour as ethical or not, although the collectivized public opinion is what may be more important to the company. Although there may be some concern to a company if a substantial number of persons deem their activities to be unethical, this would not usually be of great concern unless the majority of the public share this opinion. The general principle of putting people first in marketing activities should be used as a guide by companies if they wish to prosper in the long-term. It is generally accepted that marketing activities should cater to the customer (Laczniak & Murphy 158) and the ethical perspective of marketing should be no exception to this concept. Therefore one of the most important things to any company which

wishes to pursue ethical corporate marketing strategies is to establish how they may put the customer first. That is they must establish the general societal expectations of ethical behaviour if they are to meet these criteria and advertise this achievement in their corporate marketing. The next section of the review will therefore discuss societal expectations of different varieties and discuss their implications.

The Expectations of Society for Organisations

The role of organisations within the community these days spreads beyond that of supplying consumers with their desired goods and services. For example Sagawa and Segal (105) argue that there is an ever increasing societal expectation for organisations to work in partnership with others to solve humanitarian crises and endemic problems. This may involve working together to fight such issues as environmental damage, disease, poverty and infringements of human rights. If companies are to be able to adequately meet these increased roles it is however necessary for them to understand exactly what the societal expectations for them are. If this is not so then it is unlikely that the business will be able to fully meet these expectations through chance alone. Furthermore, if organisations are able to learn the most pressing expectations, then this may allow those organisations to capitalise on their achieving associated goals, in order to improve their public relations. This would indicate that understanding societal expectations may therefore be used to gain competitive advantage.

The aim of this section is therefore to establish what generic societal expectations there may be for all companies, and how expectations may vary by region and industry. The section begins with a discussion of corporate social responsibility (CSR), the generally accepted responsibility that organisations have to meet certain societal expectations. Each different element of expectation will then be discussed in turn. The section also aims to establish how these expectations may be expected to change in the future, and whether it may be possible for organisations to accurately predict these future changes.

CORPORATE SOCIAL RESPONSIBILITY

Definition of Corporate Social Responsibility

Corporate social responsibility (CSR) first became born as a concept during the 1960s and 1970s in the specific area of marketing (Maignan & Ferrel 5). CSR has been defined in a number of ways. The first conceptualisation was by Bowen (6) who defined CSR as the pursuit of policies and decisions which "are desirable in terms of the objectives and values of our society." In its early years of conception the emphasis of work on CSR was in the social duties of marketing rather than the overall social duties of the company.

This has since evolved into the field of ethical corporate marketing, concerned with the contribution of marketing activities to socially desirable goals (Maignan & Ferrell 5). Therefore when we discuss societal expectations, we are generally discussing the perceived CSR of the organisation, and the contribution which that organisation is expected to play in society. Although this section will discuss the different areas of expectations, such as environmental or philanthropic expectations, the general collective of these expectations is that which is referred to be CSR. The first logical step in understanding how these individual sets of expectations impact on an organisation is to understand how is determined within an organisation, and the associated impact, as this is the area in which most previous research has been conducted.

Establishing the Extent of Corporate Social Responsibility

CSR is generally considered as a social obligation, although there are a number of subcategories which may be distinguished within CSR. These are (a) economic obligations, (b) legal and ethical obligations, and (c) philanthropic obligations, which indicates the responsibility to give back to society in a positive manner (Maignan & Ferrell 4). Environmental obligations may however also be added to this list, to complete the obligations included within CSR. The composition of CSR of these various elements indicates that for a company to adequately meet their CSR they must ensure that they address each of the different elements.

So, how do companies go about meeting these obligations? The first logical step in the process is to decide who the organisation actually has an obligation to, as there may be conflicting ideas about which is actually the right course of action to meet these obligations. Establishing who the priorities lie with may also help the organisation to balance meeting their CSR with their actual business and profit-making functions. Henriques and Sadorsky (89) argued that CSR is not actually an obligation to every member of society but rather to those who are stakeholders of the company's actions. That is, the persons who either affect or are affected by the company's activities. This would include both those who are affected directly and those indirectly affected. These stakeholders may be divided into (a) organizational, (b) community, (c) regulatory, and (d) media stakeholders. This would therefore indicate that these are the individuals whose expectations are the most important to the company, as it is these groups' judgements on whether CSR has been addressed which will actually impact on business function. Many companies may choose to focus predominantly on the expectations of the customer, as these are the individuals whose judgement will impact directly on sales. As a result, much of the previous work has been conducted primarily on the effects of consumer expectations. The framework which is proposed by Maignan and Ferrell (3) suggests that marketers may improve their success if they expand their focus in CSR beyond consumers to other stakeholders. This is important, as other stakeholders may have an important influence over the customers and the business indirectly. For example, as already discussed, the media may be an important influence over public opinion, and as such should always be considered in this age as a crucial stakeholder in any major organisation.

An important consideration when discussing CSR is that it is predominantly motivated by self-interest on behalf of the company, and the choice of CSR practice generally reflects this. CSR may be used as a legitimate manner for organisations to gain consumer confidence and therefore may neglect a positive commitment to society in the long-term (Maignan & Ferrell 4). It has been proposed that there should be a more ethics-driven view of CSR adopted which would judge the rightness or wrongness of an organisation's actions (Swanson 43). While this may be true, the fact remains that the very nature of business would dictate that stakeholder opinions over the company's ethical behaviour would remain the most important. The responsibility of the company would therefore most likely remain with its stakeholders irrelevant of how other members of society perceived their actions.

Corporate Responsiveness

After determining the main priorities in terms of CSR, the next step for the organisation is to establish how these expectations will actually be achieved. There have been three major processes which have been described as representing corporate responsiveness, the description applied to the physical activities carried out by an organisation under CSR. These are the monitoring and assessment of environmental conditions, attendance to the demands of stakeholders, and the design of plans and policies which are aimed at improving the positive impact of the organisation (Ackerman 4). This is a proposal supported by Wood (691) who also suggested that the management of issues and environmental assessment were key actions associated with CSR. It is clear however that for all three of these actions to be achieved, there must be a clear description available of the precise stakeholder expectations.

WHY CSR IS INADEQUATE AS A FRAMEWORK FOR MARKETING?

This section so far has shown that CSR is the generally perceived responsibility of the organisation to address a number of different societal issues. Although society as a whole may have opinions about the exact extent of an organisation's CSR, the opinions which matter most to the organisation are those of its stakeholders. This generally means that even if there is a heavily ethics-driven view taken about which of their actions are right or wrong, the fact is that the company will generally aim to meet the expectations of stakeholders above all others. In terms of corporate marketing, the impact on the organisation is then that they should seek to demonstrate at every opportunity how they are meeting, or intend to meet, these various expectations.

Maignan and Ferrell (4) suggest that the main problem which has prevented adequate comparison and synthesis of previous work on CSR is that there is a lack of agreement across studies as to the conceptual basis of CSR. Previous studies have also examined the concept at different levels, for example some have examined CSR in general business settings, some in terms of an individual firm, and others in terms of an individual decision maker. This conflict over the nature and purpose of CSR has led to different perspectives being adopted within the studies. The three main perspectives which have been adopted are (a) the normative approach, (b) the managerial approach, and (c) the instrumental approach. Each of these perspectives is concerned with establishing different information relating to CSR. The normative approach is concerned with establishing the duties of an organisation to society as a whole. In contrast, the managerial approach is concerned instead with how management of CSR may best be conducted, while the instrumental approach is concerned predominantly with how CSR may best be used to generate benefits for the organisation.

On way in which these previous issues may be addressed is to start again from a lower level, and examine societal expectations at a basic level. This removes the necessity of taking any of the perspectives above, as the discussion relates solely to the general expectations of society for any organisation. This then allows for the groundwork to be rebuilt, taking the expectations and discussing them from a normative, managerial or instrumental approach, according to requirements. The next section of the review therefore focuses on these general societal expectations of how organisations should behave.

Current Societal Expectations

While it is not possible to establish one isolated generic set of stakeholder expectations, it is possible to describe the basis of the various types of expectation, and where these may be derived from. This section therefore focuses on a discussion of the different types of expectations which stakeholders may have for society.

Economic Expectations

Despite the increasing economic growth in the world at the present time there are undeniably large disparities in the distribution of the associated benefits. There are many of the world's population which are left in areas of high population growth and poor levels of income-earning opportunity (Warhurst 160). This would indicate that while a selected proportion of the world's population is enjoying improvements to quality of life, there are many left for which this is not improving, and for some may even be deteriorating. It is quite likely that society would perceive businesses to be able to play and important and necessary role in addressing these global economic issues.

A set of UN Millennium Development Goals were agreed between United Nations agencies and state governments after the Rio Plus 10 Earth Summit in 2002. These goals each have measurable targets to be achieved by 2015 and are aimed at improving the lives of people across the globe and stimulating economic growth in developing countries. This is expected to not only benefit the countries which are targeted, but also the global economy as a whole (Warhurst 161).

Legal Expectations

There is an expectation that before a company pursues issues on a greater societal level they must first address issues within their own organisation to ensure that they are operating in a fully legitimate manner. This may include addressing labour standards to ensure that they are based on frameworks of international law. This would include actions such as the elimination of discrimination, harassment and bullying, promotion of diversity and equal opportunities, and the maintenance of equitable working terms and conditions across worldwide operations. There are many important human rights which society would expect any organisation to operate by, including the rights of freedom of association, the rights of children, and the rights to choose and work freely (Warhurst 154). These are important issues which would be expected of any organisation which is trading in global business. As such it is unlikely that any

corporate ethical marketing campaign would be taken seriously by any company which was known to be in breach of these basic legal parameters.

The framework for human rights comprises of the Universal Declaration of Human Rights (UN 1948), the Labour Standards which are taken from the Fundamental Conventions of the International Labour Organisation (ILO, 1930-1999) and the 1992 Rio Declaration on Environment and Development. These three elements are each binding for states, and it is then the state's responsibility to transfer the components of these elements to their national laws which govern businesses. These laws, once established, then become the generally recognised norms for ethical practice (Warhurst 154).

Environmental Expectations

The expectations which society generally has for organisations in respect to the environment are well documented and is generally one of the main foci of research when discussing ethical behaviour. This is evident in terms of a number of journals which specifically publish research related to ethics and the environment (Lockett et al. 115). Initiatives which focus specifically on the ethical behaviour of companies are often some of the most popular in terms of achieving marketing expectations. Examples of this include organic food and free-range eggs, both of which are considered more ethically correct than their alternatives. The popularity of these initiatives indicates that consumers generally expect organisations to operate in a manner which produces goods which do not impact negatively on the environment. The examples given demonstrate that the awareness of these expectations may be greatest in an industry such as agriculture in which the impacts on the environment may be obvious and direct.

The rising awareness of climate change may however indicate that environmental concerns are growing in areas other than those which directly influence the environment. There are an ever-increasing number of sectors in which consumers are believed to be becoming more demanding in terms of environmental ethics of the firm. This may include the travel sector, for example initiatives such as carbon-offsetting may be a successful marketing initiative used by airlines and other travel companies (Revkin). In the building industry, the growing popularity of carbon-neutral developments may also be a further indicator that consumers have high expectations for companies to behave in a manner which conserves the environment.

Philanthropic Expectations

The nature of present media and 'always-on' technology means that society may now have a greater awareness than ever before of events and conditions across the globe. In effect this means that consumers are able to observe and judge the impact of organisations from their home countries on countries and communities abroad. Although there may be variations in how different countries perceive living standards, it is likely that most consumers would judge local living conditions by their home country standards (Werther & Chandler 320).

This would therefore indicate that consumers may have an expectation that companies operate in such as manner as to equalise the conditions within other countries in which they operate. This means that there is generally an expectation that operations which are conducted overseas should be perceived as being conducted in the same manner as those within the home country. The fact that organisations within the home country are often observed to donate to the community, for example by supporting schools and local sports teams, means that there is also an expectation by customers to produce these same benefits for any community in which they operate. It would be expected that any decisions which are made by the company would be made in such as manner as to not be detrimental to the local community and generally society as a whole.

Ethical Expectations

Generally, all of the other forms of expectations which have been, or will be, discussed within this section may be considered to be encompassed under the general umbrella of 'ethical expectations'. The ethical expectations of stakeholders therefore encompass all of the elements discussed already, but may also include additional expectations. For example stakeholders would expect the organisation to behave in

a manner which is generally trustworthy and responsible, and may also include the organisation to be entirely transparent and truthful in terms of consistency within its marketing and practice (Podnar & Golob 329). While ethical corporate marketing is aimed at presenting the ethical behaviour of a company as a marketing strategy, societal expectations would also include the expectation that this marketing is a true representation of the company's actions.

A study by Tsalikis and Seaton discusses the development of the Business Ethics Index (BEI) which is designed to be used as a tool for industry self-regulation, by measuring consumer reaction to ethical (or unethical) practices. The measurement tool is designed based on a combination of the University of Michigan's Index of Consumer Sentiment (ICS) and the Conference Board Consumer Confidence Index (CBCCI). Both of these tools have been used successfully since the 1940s to judge general consumer sentiment, and it would therefore seem logical that a similar framework should be used for measuring reaction to ethical behaviours. This index may be useful in determining the general atmosphere with relation to business ethics, but is unlikely to generate any significant changes within specific businesses. This is due to the non-specific nature of the tool, which measures only consumers' experience with business in the general sense, with no specific details requested. It would however be possible for businesses to adapt this index to their own needs, using it as a template for their own market research.

Future Societal Expectations

The ever evolving nature of societal expectations means that the various elements of CSR may overlap and change over time. For example there may be societal expectations which relate to economic factors which may become so important that they are transferred to legal issues. The latest generation of technology, including the spread of the Internet have greatly accelerated the rates at which these shifts may occur (Werther & Chandler 321). Certain numbers of stakeholders inevitably share the same expectations for organisational behaviour. There are also always likely to be different groups of stakeholders which hold almost every conceivable expectation of an organisation's behaviour.

The general societal expectations are generally based on whichever are the largest group of stakeholders in terms of shared belief. This indicates that if there is even a small shift in the opinions of significant members of society then this may result in changes to an area of general societal expectation if a different opinion holds the majority. The individualised nature of ethical judgement which was discussed earlier indicates that there may be many factors which may influence individual decisions, and hence the overall societal opinion. This would therefore also indicate that the formation of general societal expectations may be highly complex and therefore difficult to predict. It is therefore important for organisations to keep abreast of current developments which may impact on opinion, such as political and other world events.

HOW SOCIETAL EXPECTATIONS IMPACT ON ETHICAL CORPORATE MARKETING

This final section, which is the focus of the review, discusses how the societal expectations discussed in the previous section impact on ethical corporate marketing. The section is aimed at establishing whether societal expectations are truly important in influencing consumer behaviour, and if so, how corporate marketing may capitalise on these expectations. The impact will be discussed in relation to the stakeholder model, which therefore forms the introductory discussion in this section.

The Stakeholder Model

When considering the implications of societal expectations on ethical corporate marketing it is generally the stakeholder view of CSR which is being considered. The stakeholder theory proposes that the firm is associated with a large number of diverse stakeholders, all of which are motivated to participate in activities associated with the organisation by various interests. The stakeholders in the organisation may be divided into four distinct categories, which are (a) organizational, (b) community, (c) regulatory, and (d) media stakeholders. The organisational stakeholders are generally involved directly in coordination of the company's activities, and may include those working for the company such as

managers and employees. Other stakeholders may be involved partially and indirectly with organisation of the company, for example investors in the organisation. A third and final type of stakeholder are those who may affect the control of organisational activities from a distance, for example customers, the media and the local community (Maignan & Ferrell 5).

Stakeholder theory also suggests that the behaviour of an organisation may be predicted by a number of factors related to CSR. These are (a) the nature of the organisation's stakeholders, (b) the expectations of right and wrong which are held by these stakeholders, and (c) the stakeholders' influence over the company. As the organisation depends upon the support of stakeholders this indicates that their continued support is required, therefore indicating that the company must conform to their norms and expectations. As each of these different groups of stakeholders exerts some degree of influence over the organisation it is also important that each is considered when selecting the ethical norms to adopt (Maignan & Ferrell 6).

Individual stakeholders may also be regrouped into communities which are a collection of stakeholders which interact with each other and share a set of common norms with respect to a given issue. It is also possible however that stakeholders may share a set of common norms even when they are not regrouped into these communities (Maignan & Ferrell 7). This is important to ethical corporate marketing given the previous section's discussion about how societal expectations are formed as a composite of many individuals' expectations. The implications of this are that ethical corporate marketing needs to be dynamic in its approach to ensure that the groups of stakeholders which share the dominant opinion are addressed. This may need to take account of not only the number of stakeholders which share a particular opinion, but also the importance of the stakeholders involved.

TO WHAT EXTENT ARE CONSUMER BEHAVIOURS GOVERNED BY EXPECTATIONS?

General Ethical Expectations

There is a great deal of inconsistency in the findings of current research in terms of how far customer behaviours are actually influenced by their expectations of CSR. Belk and colleagues conducted interviews with participants across eight countries, including China, Australia, USA and Spain. These interviews presented scenarios to participants, each of which involved questionable ethical behaviour on behalf of the product supplier. The interview therefore acted as a test of how the obviously unethical behaviour would influence the purchasing behaviour of the participant. This was a means therefore of establishing the exact extent which unethical behaviour by an organisation would influence the consumer behaviour. Manipulations of the scenarios were also performed in order to change the details of the unethical behaviour, and expel consumer behaviours which may have been related to other factors. The respondents generally showed in this study that they had little concern for unethical behaviour, and that it would hold little influence over their purchasing decisions. Although other studies may have previously shown that consumers are concerned, the results of this study would be considered more reliable given that the video-taped interviews would have made it far more difficult to conceal their true feelings and intentions than an anonymous survey, or even an audio interview. The most interesting element of this study was however that it displayed that when prompted, some consumers were influenced to bring ethical factors into their purchasing decisions. This would therefore suggest that if a company were to specifically target marketing at identifying why consumers should consider ethical factors, they may be successful in influencing some consumers.

Other studies have however shown that there may be significant impacts of societal expectations on consumer behaviour towards organisations. For example early work by Creyer and Ross showed that the extent to which an individual would reward or punish a company's behaviour was a direct result of an interaction between their expectations and the importance with which they associated ethical behaviour (421). This makes sense, as those who believe ethical behaviour to be highly important are most likely to choose to act on that behaviour. Those who regard ethical behaviour with much lower importance are less likely to be influenced and probably also have lower expectations. Other studies have also shown that the use of ethical corporate marketing may be highly influenced by societal expectations, as consumers who

rate ethical behaviour as important often select to purchase these ethical brands (De Pelsmacker et al. 363).

Environmental Expectations

The majority of the research which has been conducted into the reaction of stakeholders to environmental issues has focused on the reactions of consumers to environmental marketing within the tourism industry. This research generally suggests that while consumers may not have reacted as favourably as anticipated to so-called 'ecolabels' this may be due to lack of experience and lack of awareness. Despite this, most tourists involved in the studies indicated that they were concerned about the environmental impacts of companies with which they travelled and would consider this in their purchasing decisions (Fairweather et al. 82).

Another element of environmental ethics which is pursued by many companies as a marketing concept is that of organic foods. Research in this area has validated the conclusion that specifically focusing consumer marketing on the ethical behaviour of the company does produce positive impacts on the buying behaviours of customers. Research has also shown there to be a need of a trust interaction between the consumer and organisation, given that it is not possible for consumers to verify that the produce was indeed produced organically. The use of organic produce as a marketing tool therefore creates strong trust linkages, which then creates the positive impact on consumers (Pivato et al. 3). The effects which were witnessed in research into the organic food market is likely to carry through into other areas of ethical marketing. Most areas of ethical activity may not be observed directly by consumers and other stakeholders, and therefore trust relations may be an integral part of all ethical corporate marketing.

THE IMPORTANCE OF MEETING SOCIETAL EXPECTATIONS

Although there still appears to be some level of contention as to the exact implications which societal expectations may have for company performance it would certainly appear that there may be implications for ethical corporate marketing. Research indicates that as awareness of the public increases over ethical issues consumers may be electing to become more proactive in their approach to selecting ethically produced goods. If this is becoming a trend within consumers than this would indicate that other stakeholders may also be undergoing similar transitions. For example the media stakeholders are a major influence over consumers, and may also be considered to be general representatives of popular opinion. In addition to this, the community stakeholders may be considered as small groups of general society, and are also therefore likely to be influenced by societal expectations. Finally, organizational and regulatory stakeholders are likely to institute changes in the face of increasing public support for certain ideas, and hence these too are expected to be impacted by societal expectations.

The importance which therefore appears to be associated with societal expectations indicates that the integration of CSR into marketing strategies has become a strategic necessity, particularly for brands and large global companies. The failure to include CSR considerations in any marketing strategy may result in exposure of these companies, which has the possibility to destroy the company's perceived legitimacy. Companies also risk being pursued for punitive damages if they fail to meet specific social expectations. An important element of this is not only being able to meet the current expectations and standards, but to be able to anticipate future expectations (Werther & Chandler 318).

As many customers in Western society are becoming more affluent this grants them greater discretion over which products and services they wish to purchase (Werther & Chandler 319). This means that consumers may now be in a position to consider the societal consequences of their personal purchasing decisions in a way which was not previously practicable. This may have led to a change in the types of companies which are now acceptable to consumers, with the cheapest companies no longer automatically those which are embraced. This means that if consumers are to be attracted to the company, organisations must ensure that the image which they portray is one which does not isolate their societal impact from their actions. This indicates that in terms of ethical corporate marketing there is a further consequence in which companies should not only be considering ethical behaviours and meeting societal expectations as

a proactive marketing strategy. Meeting consumer expectation should not be viewed merely as a benefit of a product, but a necessity if the company is to retain any form of stakeholder relationship and integrity.

Meeting Expectations in Ethical Corporate Marketing

It is clear then that societal expectations are an integral part of ethical corporate marketing, and that meeting these expectations is no longer an added value of a company, but instead a necessity. The final stage in the discussion is therefore to consider the processes by which organisations should ensure that these expectations are indeed met. Preble discusses the process which organisations should undergo in order to effectively incorporate societal expectations within their marketing strategies. The review uses the stakeholder concept, as discussed earlier in this section, and therefore the initial step which is suggested is that of stakeholder identification.

The next step suggested is then to establish the general nature of the stakeholder claims, which generally means to establish the actual expectations of the stakeholders. The third step in the process is to determine performance gaps, which is the stage at which the company should establish whether they are currently meeting consumer expectations, and where there is still a need to change practice if this is to be achieved. The model then suggests that stakeholders should be prioritised, in a similar manner to the process which occurs in actual ethical decision making. As a result of this, organisational responses should then be formulated, followed by the final stage, which is monitoring and control of these responses. By initiating this process, organisations should be able to ensure that the gaps between societal expectations and their performance are minimised, thereby improving performance. Once this sequence is initiated, regular review would ensure that the organisation was able to keep abreast of evolution of societal expectation, hence maintaining their performance.

SUMMARY AND CONCLUSIONS

It is clear from the review of the literature which has been conducted here that while there may be large volumes of data which have thus far been conducted into business ethics, the literature on societal expectation and its implications is far from complete. The literature reveals that while there is some controversy over how far societal expectations may directly impact on consumer behaviour, there is some potential to influence consumers through meeting stakeholder expectations. It is important that meeting expectation does not only account for the expectations of consumers, as other stakeholders may hold influence over consumer behaviour, either directly or indirectly. It is for this reason that the wider societal expectations should be established and assessed, with prioritisation of the most important stakeholders to satisfy.

Recent changes which have occurred, such as the evolution of always-on media mean that consumers may be increasingly aware of major issues which face society not only in their own country but across the world. This also means that the behaviour in which organisations around the world engage is also more public than ever before. It is inevitable that these behaviours will be judged by the all members of society in terms of how ethical they are, and that not all individuals will come to the same conclusions. The changes which have occurred in awareness, along with the greater choice which is now presented to consumers, means that consumers are able to base their purchasing decisions on wider considerations than they may have done so in the past. This means that consumers may proactively choose whether or not to purchase from companies which they perceive to be ethical, or that they perceive to be contributing to society's problems.

This therefore presents an entirely new area of strategy for organisations to pursue, with ethical corporate marketing offering organisations an opportunity to actively portray an ethical image. Companies which use this opportunity to include an element of CSR in their image are likely to increase their competitive advantage and perform better. Not only this, but as changes in societal expectations progress even further, meeting societal expectations is becoming a necessity, which signals that demonstration of this is becoming an integral part of ethical corporate marketing. This therefore indicates

that the impacts of societal expectations on ethical corporate marketing is immense, and it is in every organisation's interest to ensure that they are fully versed in the present set of societal expectations.

Limitations of the Review

Although the review has established the probable impact of societal expectations on ethical corporate marketing, there remain some limitations. One of the main limitations in determining societal expectations is that it may be difficult to account for the viewpoints of all stakeholders. This may lead to the need to forecast the expectations of some groups of society rather than actually establishing them in person. One example of this is the expectations of environmental activists. Organisations may not be able to establish open channels of communication with groups such as these due to conflicts of interest (Polonsky 29). This estimation of societal expectations may lead organisations to inaccurate conclusions. Therefore, given the importance of societal expectations which has been established, future work should focus on the development of procedures by which organisations can accurately obtain and measure societal expectations on various topics.

ENDNOTE

1. A thorough overview of these concepts is described by Balmer and Greyser in their 2007 paper.

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