

Marketing Environment & Ethics

Dr. P.V. (Sundar) Balakrishnan



Internet Exercise

1 What is the current (to the minute) population of the United States? The World? What is the projected population of the United States in 2050?



FEDSTATS



American Demographics



Internet Exercise

2 What social or consumer trends are described in a recent edition of *American Demographics*?



FEDSTATS



American Demographics

FIGURE 3-5 University of Michigan Consumer Sentiment Index and automobile sales: 1970-2000

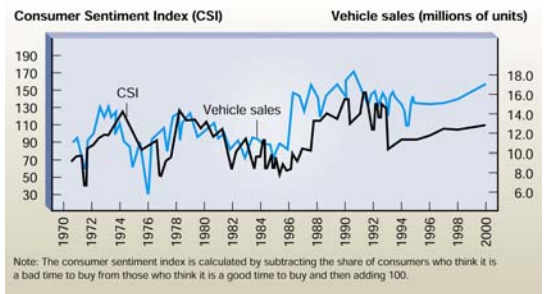
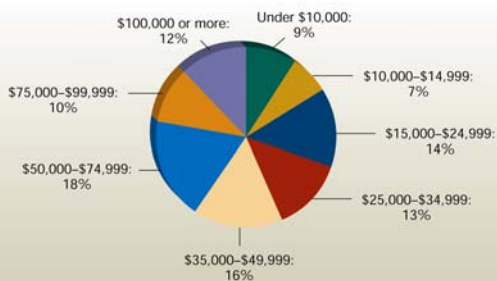


FIGURE 3-6 Income distributions of U.S. households



1. What is the difference between a consumer's disposable and discretionary income?

A: Disposable income is the money a consumer has left after paying taxes to use for food, clothing, and shelter. Discretionary income is the money that remains after paying for taxes and necessities.

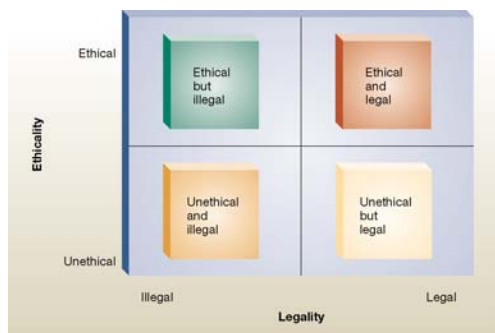
Regulatory Forces

- Pricing Related Legislation
- Distribution-Related Legislation
- Advertising and Promotion-Related Legislation
- Control Through Self-Regulation

Concept Check

1. The Sherman Antitrust Act was punitive toward monopolies, whereas the Clayton Act was preventive.

Classifying Marketing Decisions



1. What are ethics?

A: Ethics are the moral principles and values that govern the actions and decisions of an individual or group. They serve as guidelines on how to act rightly and justly when faced with moral dilemmas.

Possible Reasons For Present State Of Ethical Conduct?

- (1) Increased pressure on business people to make decisions in a society characterized by diverse value systems,
- (2) Growing tendency for business decisions to be judged publicly by groups with different values and interests,
- (3) Public's expectations of business ethical behavior has increased, and
- (4) Ethical business conduct may have declined.

Concept Check

1. What is meant by social responsibility?

A: Social responsibility means that organizations are part of a larger society and they are accountable to that society for their actions.