ABSTRACT. In this article, we explore ethical perceptions of three product packaging issues as viewed by packaging professionals, brand managers, and ethically-interested consumers. We examine differences between business practitioners and consumers with respect to ethical sensitivity, perceived consequences of business practices, and perceived industry norms. Additionally, we explore the prevalence of two types of values, pragmatic and moral, to determine if the use of these value-types differs among the three groups. We find that business practitioners exhibit less ethical sensitivity. Businesspeople also feel that the likelihood and severity of negative consequences resulting from a packaging practice is lower than do ethically-interested consumers. Finally, business practitioners do not differ from consumers with respect to moral values.

Introduction

Marketing practices are often perceived by consumers to be the most unethical component of business (Goolsby and Hunt, 1992; Akaah and Lund, 1994). Among the possible reasons for this perception is the fact that some aspects of marketers’ actions are highly visible to the public and under constant scrutiny by highly involved third parties, such as public interest groups, the Federal Trade Commission, the Federal Drug Administration, competitors, and media commentators (Hensel and Dubinsky, 1986; Miles, 1980; Singhapakdi and Vitell, 1992; Zinkhan, 1994). Alternatively, it has been suggested business practitioners are often less sensitive to the fact that what they term a “business decision” may also be an ethical decision impacting the lives of others by affecting societal well-being (Sparks and Hunt, 1998). Still other researchers suggest an over-reliance on the use of utilitarian economic cost-benefit analysis by business decision-makers may impact consumers’ poor perception of marketing ethics. Such analysis tends to position utilitarian outcome at the pinnacle of human concern (Hensel and Dubinsky, 1986). Finally, some writers have emphasized consumers’ belief that marketers, in general, lack moral integrity, suggesting that marketers lack the moral value system needed to support ethical decision-making (Cox, Goodman, and Fichlander, 1965; Beisel and Fugate, 1981).

The various research efforts in this brief review of the ethics literature provide insight into a variety of potential explanations for the existence of perceptual differences between business practitioners and consumers. Specifically identified as contributing factors to the poor reputation of
marketing ethics among consumers are variables such as individual characteristics (ethical sensitivity and values), industry norms and perceived consequences of an act. However, to date, no one has examined the ethical perceptions of both parties in the exchange dyad. In this study, explanatory variables, included in many of the seminal works in marketing ethics (e.g., Hunt and Vitell, 1986, 1992; Ferrell, Gresham and Fraedrich, 1989), are empirically tested.

We chose packaging as the domain of our study because modern packaging is a cross-functional and multi-dimensional aspect of marketing that has become increasingly important in consumer need satisfaction, cost savings, and the reduction of package material usage leading to substantial improvements in corporate profits. Packaging decisions impact production and distribution efficiency, product containment and protection, consumer safety and use assistance, and environmental considerations, as well as marketing communications. Packaging plays a strategic role in seven out of ten in-store purchase decisions (Brand Packaging Magazine, 1999), and is therefore likely to continue to serve as a focal point of criticism aimed at professional marketers and foster the development of a broad range of ethical considerations.

Further, packaging is important in maintaining profitable marketing exchange relationships. First, as new product introductions proliferate, firms are spending millions of dollars researching, developing and manufacturing packaging. According to William Pflaum, Director of the Institute of Packaging Professionals, “packaging represents anywhere from 1.5 percent to 2.5 percent of the gross domestic output of an economy” (Pflaum, 1999). Accordingly, most estimates place U.S. packaging expenditures at about $100 to $150 billion a year, and growing.

Second, our understanding of professional ethics in marketing has been advanced by the investigation of various marketing contexts including ethics in industrial and retail sales (Dubinsky, Berkowitz, and Rudelius, 1980; Levy and Dubinsky, 1983; Bellizzi and Hite, 1989; e.g., Dubinsky et al., 1992; Bellizzi, 1995; Chonko, Taner and Weeks, 1996); advertising (e.g., Hyman and Tansey, 1990; Treise, et al., 1994; Robin, Reidenbach and Forrest, 1996); marketing research (e.g., Hunt, Chonko, and Wilcox, 1984; Sparks and Hunt, 1998) and even the ethical beliefs of the final consumer (Muncy and Vitell, 1992). Yet, there is little empirical research directed at understanding differences in how consumers and business practitioners perceive highly visible and common packaging practices fundamentally important to both.

Finally, an increasing number of regulatory events underscore the importance of packaging ethics in today’s business environment. The enactment of the FDA’s Nutritional Labeling and Education Act 1994 (that carefully regulates the format of commercial packaging), the legal action taken by the Federal Trade Commission in FTC versus Kraft 1991 (that allowed that packaging graphics – a picture of milk being poured into a glass – contributed to inaccurate consumer beliefs regarding calcium content of cheese), and the adoption of the Environmental Protection Agency’s Guides for the Use of Environmental Marketing Claims 1992 (that, among other things, regulates environmental claims regarding the product’s package) make it clear that policy makers and regulators are very interested in packaging ethics issues in the marketplace. Given the above, it is essential that we better understand how consumers and other interested third parties view practitioner’s efforts as they make packaging decisions in order to avoid continued conflict and criticism.

In this article, we investigate several theoretical explanations for why ethically-interested consumers and marketing practitioners (specifically, brand managers and packaging professionals) may differ with respect to their perceptions of issues involving packaging ethics. We then discuss the results of a mail survey used to test our propositions. Finally, we discuss implications and present our thoughts about future studies.

Existing literature and theory

Hunt and Vitell (1992) provide a framework-based model of ethical decision-making. Their model draws heavily from cognitive approaches