Traditional Ethical Issues Facing Marketing Researchers

This article is the first of two articles examining traditional and emerging ethical issues facing marketing research practitioners. The authors initially discuss professionalism and the duties/obligations of researchers, then turn to what researchers owe respondents and what researchers and clients owe one another. In the next article they will examine what researchers owe the public and the ethics of intelligence gathering in marketing.

As the six scenarios in Table 1 show, a range of ethical dilemmas confront marketing research practitioners. The questions posed at the end of each vignette are not easy ones to answer. For example:

—Is it ethical to use fictitious names of research organizations to guard against possible respondent bias?
—How should cost overruns be handled between a research supplier and the client?
—Should the public receive information about the technical details of how a widely disseminated poll was conducted?

Possible ethical difficulties flowing from market research practices involve technical, managerial, and societal issues. Researchers must also decide how to treat the respondent, client, and the general public fairly in discharging their ties. We return to the particular scenarios in Table 1 in the course of developing the specifics of our discussion.

Professionalism and Ethics

Within the marketing profession, researchers generally have received more academic training, especially in methodological and statistical techniques, than persons in other marketing positions. Also, the research field commonly is believed to have a higher degree of professionalism because the scientific method and objectivity are two of its hallmarks.

However, ethical issues do come into play in marketing research for two reasons (Schneider 1982, p. 591). First, marketing research often involves contact with the general public, usually through the use of surveys. Because this activity relies so heavily on information from the public—often including sensitive information—marketing research is open to abuse or misuse (see scenario 4 in Table 1). Second, most marketing research is conducted by commercial (i.e., for-profit) firms as either independent research agencies or departments within corporations. The emphasis on the profit mo-
Table 1

ETHICAL DILEMMAS FOR MARKETING RESEARCHERS

Scenario 1*
The research director of a large corporation is convinced that using the company's name in surveys with consumers produces (1) low response rates and (2) distorted answers. Therefore, the firm routinely conducts surveys using the title, "Public Opinion Institute." Is this an ethical practice?

Scenario 2*
A survey finds that 80% of the doctors responding do not recommend any particular brand of margarine to their patients who are concerned about cholesterol. Five percent recommend brand A, 4% recommend brand B, and no other brand is recommended by more than 2% of the doctors. The company runs an advertisement that states: "More doctors recommend brand A margarine for cholesterol control than any other brand." Does this represent a proper usage of marketing research findings?

Scenario 3*
A research supplier estimates that a study will cost $10,000 ±10%. The client agrees that this price is reasonable. However, when the study is completed, the research supplier submits a bill for $15,000, claiming that the cost increased because of changes the client wanted made during the course of the study. The client, though acknowledging that certain unplanned changes were made, argues that such changes should have cost no more than an additional $2,000. How should this problem be resolved?

Scenario 4*
"We’re conducting a survey," reads the letter from the XYZ Survey Research Company. The survey will be sent to 50 million homes this year. The questionnaire asks for the respondent’s preferences on consumer products plus demographic and personal information such as name, address, telephone number, occupation, and family income. To improve respondent cooperation, the sponsoring company offers free samples of various consumer products. What is not said is that the personal information as well as the product choices collected will be compiled onto data tapes and sold to other marketers so they can promote their products. Is this ethical?

Scenario 5*
A marketing research firm conducted an attitude study for a client. The data indicate that the product is not being marketed properly. This finding is ill-received by the client’s product management team. They request that the damaging data be omitted from the formal report—which will be widely distributed—on the grounds that the verbal presentation is adequate for the client’s needs. What should the research firm do?

Scenario 6*
Automated polling devices often are placed in malls, airports, and other locations with substantial pedestrian traffic. The hardware includes a computer, monitor, and keyboard. Through graphics, music, and a taped message, passers-by are attracted to these devices, which invite participation in a self-administered survey. The results of these “polls” regularly appear in newspaper articles that analyze upcoming elections. Is this a proper use of marketing research?

*Adapted from Tull and Hawkins (1990).
*Parasuraman (1986).
*Dillon, Madden, and Firtle (1990).
*Advertising Research Foundation (1986).

Concern for ethics can benefit marketing research practitioners in several ways (Tull and Hawkins 1990, p. 721). First, and probably most important, an ethical approach enhances the profession through the increased public acceptance of the marketing research process. This acceptance is essential for marketing research to flourish because the research com-

TRADITIONAL ETHICAL ISSUES
munity depends on candid and time-consuming responses of the public. A second benefit is that the thoughtful study of ethical problems can help improve market researchers’ sensitivity and professionalism. Third, voluntarily maintaining high ethical standards can forestall negative publicity and restrictive government regulation. For example, the expanding use of computerized random dialing for telephone calling along with computer-assisted questioning has led some state governments to consider licensing or disclosure requirements for researchers.

**Duties and Obligations of Researchers**

The dominant philosophical perspective most observers seem to use in evaluating marketing research ethics is *absolute obligations* (i.e., a duty-based approach). Because marketing research ought to be built on a foundation of professional conduct, the field is rooted in a set of obligations (Skinner, Dubinsky, and Ferrell 1988). In addition to the obvious duties to one’s client and respondents, the researcher has a professional responsibility to uphold the integrity of the research process. The American Marketing Association has developed a code of ethics for marketing research (Appendix), which contains normative guidelines for researchers. These guidelines include, among others, the duties to avoid misrepresentation of research methods and to identify a survey’s sponsor.

Other approaches focus on the *rights of subjects* in the research process and the obligations of researchers, clients, and others involved in the research process (Tybout and Zaltman 1974; Tull and Hawkins 1990, p. 52–58). Kant’s categorical imperative holds that rules of conduct should be applied universally. Marketing researchers ideally try to implement this approach. One experienced researcher offered the following rationale for rejecting more pragmatic utilitarian theories for evaluating ethics in marketing research (Blankenship 1971):

Too often, we have taken the position that if our efforts don’t really damage the consumer (respondent), they aren’t really all that bad. . . . Let’s be honest with ourselves; that is merely saying that the end justifies the means.

Another philosophical perspective refers to the notion of *stakeholders*. Within marketing research, several publics must be considered. They include respondents, clients, research suppliers, employees, and the general public. If one or more of these groups is harmed by the research process, the whole field of marketing research suffers. For example, in scenario 6 of Table 1 the polling results could possibly mislead the voting public and harm the credibility of the research profession.

The purpose of our two articles is to examine in detail researchers’ duties to their various stakeholders. We begin with ethical concerns emanating from the relationship of the researcher with respondents, and then proceed to interactions with clients. In the second article, we will examine the researcher’s responsibilities to the general public, discuss the competitive intelligence-gathering process, and propose several ideas for ethical action aimed at enhancing the ethical posture of marketing researchers.
What Researchers Owe Respondents

Several ethical concerns arise in the relationship between the researcher and respondent. A respondent could be an individual answering questions by telephone, mail survey, or personal interview or a subject in experimental research. Table 2 lists the most prevalent activities in this context that raise ethical questions. Questionable research tactics fit into three categories—deceptive practices, invasion of privacy, and lack of concern for respondents (Schneider 1982). *Deceptive practices* occur when the researcher misrepresents the purpose of the research, the investigative procedures, or use of the results. Some of these activities are illegal as well as unethical. *Invasion of privacy* is a sensitive issue and one that is becoming more complex with the growth of sophisticated technology. The practices listed under *lack of concern for the respondent* do not raise as serious a set of ethical problems as the other two categories, but they represent a long-term threat shaping public opinion against marketing research.

The Duty Not to Engage in Deceptive Practices

Table 2 lists four major types of deceptive marketing research practices. The first is *unrealized promises of anonymity*. Most of survey research is predicated on the presumption that the respondent will remain anonymous and therefore can give his or her candid opinion. The use of invisible ink and other devices to trace specific respondents is considered to be unethical and unprofessional.

A second concern is *falsified sponsor identification*. The researcher may believe that the respondent's knowledge of the

<table>
<thead>
<tr>
<th>Table 2 ETHICAL CONCERNS IN THE RESEARCHER-RESPONDENT RELATIONSHIP*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deceptive Practices</strong></td>
</tr>
<tr>
<td>Unrealized promise of anonymity</td>
</tr>
<tr>
<td>Falsified sponsor identification</td>
</tr>
<tr>
<td>Selling under the guise of research</td>
</tr>
<tr>
<td>Misrepresenting research procedures</td>
</tr>
<tr>
<td>Questionnaire or interview length</td>
</tr>
<tr>
<td>Possible followup contacts</td>
</tr>
<tr>
<td>Purpose of study</td>
</tr>
<tr>
<td>Uses made of results</td>
</tr>
<tr>
<td>Undelivered compensation (premiums, summaries of results)</td>
</tr>
<tr>
<td><strong>Invasion of Privacy</strong></td>
</tr>
<tr>
<td>Observation studies without informed consent</td>
</tr>
<tr>
<td>Use of qualitative research techniques</td>
</tr>
<tr>
<td>Merging data from several sources</td>
</tr>
<tr>
<td>Overly personal questions and topics</td>
</tr>
<tr>
<td><strong>Lack of Concern for Subjects or Respondents</strong></td>
</tr>
<tr>
<td>Contacting respondents at inconvenient times</td>
</tr>
<tr>
<td>Incompetent or insensitive interviewers</td>
</tr>
<tr>
<td>Failure to debrief after deception or disguise</td>
</tr>
<tr>
<td>Research producing a depressing effect on respondents</td>
</tr>
<tr>
<td>Too frequent use of public in research</td>
</tr>
<tr>
<td>Nondisclosure of research procedures (length, followup, purpose, use)</td>
</tr>
</tbody>
</table>

*Adapted from Schneider (1982, p. 594).
sponsor may bias the results. For example, would the users of radar detectors respond honestly to a survey conducted by the highway patrol? Some researchers therefore create fictitious names (e.g., "U.S. Research Inc." or "Public Opinion Institute" in scenario 1) to mask the identity of the firm doing the research. In a recent survey, only 30% of marketing researchers and marketing executives disapproved of this practice (Akaah and Riordan 1989). Though the practice is common and accepted in industry, it does raise ethical questions.

A better approach, and one the public finds more acceptable, is to hire an external consultant to conduct the research for the sponsor, using the consultant's name.

A third area of potential respondent deception is selling or fund raising under the guise of research. In the trade, these techniques are called "sugging" and "frugging," respectively. Such tactics have received much criticism over the years and almost 40% of the population has been exposed to them (Table 3). In the business-to-business sector, both telephone and personal interviews have been used to generate leads for follow-up sales presentations. Also, mail surveys and even focus groups (Figure 1) are sometimes utilized for this purpose. In recent years, fund raisers for nonprofit organizations and political parties have borrowed this technique (Figure 1). Researchers need to be aware of this practice and help suppress it because respondent experiences with unscrupulous practices may decrease their willingness to participate in future legitimate research studies.

The fourth type of possible ethical concern between researcher and respondent in Table 2 fits under the general title of misrepresenting research procedures. Part of the research challenge is selling the idea of participation to potential respondents. If deception or false pretenses are used to gain their cooperation, several problems can occur. For example, if the researcher greatly understates the time it will take to

---

**Table 3**

**IMAGE OF THE MARKETING RESEARCH INDUSTRY**

(Base: Representative Sample)

<table>
<thead>
<tr>
<th>Negative Image Attributes</th>
<th>1980</th>
<th>1982</th>
<th>1984</th>
<th>1986</th>
</tr>
</thead>
<tbody>
<tr>
<td>(500) (499) (495) (500)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some questions asked in polls or research surveys are too personal</td>
<td>47</td>
<td>49</td>
<td>51</td>
<td>45*</td>
</tr>
<tr>
<td>The information obtained in polls or research surveys helps manufacturers sell consumers</td>
<td>45</td>
<td>43</td>
<td>44</td>
<td>43</td>
</tr>
<tr>
<td>products they don't want or need</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The term &quot;poll or research survey&quot; is used to disguise a sales pitch</td>
<td>38</td>
<td>38</td>
<td>39</td>
<td>40</td>
</tr>
<tr>
<td>Polls or research surveys are an invasion of privacy</td>
<td>25</td>
<td>26</td>
<td>28</td>
<td>24</td>
</tr>
<tr>
<td>Answering questions in polls or research surveys is a waste of time</td>
<td>18</td>
<td>21</td>
<td>22</td>
<td>19</td>
</tr>
<tr>
<td>The true purpose of some surveys is not disclosed</td>
<td>68</td>
<td>65</td>
<td>61</td>
<td>68*</td>
</tr>
</tbody>
</table>


\*Significant difference from 1984 to 1986 at the 95% confidence level.
Focus groups disguised as sales pitch

To the editor:  

June 2, 1988

It has recently come to my attention that certain ethical drug companies and their marketing research consultants are engaged in a practice which, if true, represents a serious breach of professional ethics.

It seems that otherwise reputable research companies have hired former drug salespeople as “focus group moderators” to conduct group detailing and sales promotion sessions among physicians, under the guise of conducting market research focus groups. The purpose of such sessions is to brief the physicians on the client’s product and manipulate the “discussion” in such a way as to positively affect their attitudes toward the product.

These “focus groups” are then followed up by a direct sales effort on the part of the client company, involving a letter and personal call to those physicians who participated in the “focus group.”

Because none of the physicians know the true nature of the “focus group,” they are unwitting participants. Since this practice is a gross misuse of legitimate market research and violates basic ethical principles by which researchers ought to be guided, I feel a personal responsibility as a qualitative research consultant to expose this practice and call for its condemnation in the strongest terms.

As with the unscrupulous telemarketer who conducts sales campaigns under the guise of conducting a survey, AMA members who are engaging in this practice should be put on notice that their behavior and continued AMA membership is not compatible.

Not only do ethical considerations warrant the halting of this practice, but so does enlightened self-interest. Such behavior can only sully the profession’s reputation and discredit all practitioners of the discipline. We all stand to be “tarred by the same brush” unless we, as a profession, expose those amongst us who threaten our integrity.

While any commercial practitioner will understand that the realities of the marketplace often present situations that are often in an ethical gray area and call for a rational and balanced judgment, the amount of money alleged to be involved in such “focus group” projects has clearly prompted those firms involved to abandon any pretense of professional integrity to pursue the lure of substantial financial gain.

Not that I am opposed to people making money, but let them do so openly and honestly, and not be a subterfuge that cheapens us all.

I call on all concerned professionals to demand an investigation and, if these allegations prove true, to cleanse our house.

Timm R. Sweeney
President
Sweeney International Ltd.
Brookfield, Conn.

[Reprinted from Marketing News, August 29, 1988.]

The American Institute for Cancer Research (AICR), a legitimate Washington-based nonprofit organization, surveyed a large sample of consumers including one of the authors in 1990. The “Survey on Diet and Cancer” contained 11 questions, including incidence of smoking and drinking, whether the respondent uses vitamins or mineral supplements, and family history of cancer. Near the bottom of the one-page survey in bold capital letters was: CONTRIBUTION REPLY. The respondent was asked to make a donation for either cancer research or a statistical profile of the eating habits of Americans. The seven categories for contributions ranged from $5 to $500.

If the interview or survey, respondents are being purposely misled. At minimum, they may become irritated or uncooperative. Similarly, other forms of deception (e.g., false promises about followup contact or lying about the true purpose of the study) can undermine the integrity of the research. The researcher who cannot disclose some of this information (because it may bias the results) should say nothing rather than lie to the respondent. Moreover, promises about compensation for the respondent should always be kept.

TRADITIONAL ETHICAL ISSUES 13
The Duty Not to Invade Privacy

The right of privacy is a derivative of the right of respondents to decide for themselves the extent to which they will share with others their thoughts, feelings, and the facts of their personal lives (Tull and Hawkins 1990, p. 728). Table 2 lists several research practices that have privacy implications. The U.S. Privacy Act of 1974 was designed to protect individual privacy in data collection and storage by federal agencies. Personal privacy is a "right" protected by the Constitution and therefore legislators are sensitive to violations of this right by researchers.

One issue related to respondent privacy is observational studies without informed consent. The general rule of thumb is that observational studies conducted in public places (e.g., specialty store or supermarket) are acceptable. When behavior is observed in private or semiprivate settings, ethical problems arise. For example, it is generally considered to be unethical to videotape someone in a department store dressing room to prevent shoplifting. Illustrations of questions with less clear answers are:

- Is it ethical for researchers to sort through collected trash to measure a household's consumption of liquor or other products?
- Should researchers use electronic monitoring vans to tabulate television viewing habits without the consent of persons whose sets are being monitored (Schneider 1982, p. 602)?

The use of qualitative or projective research techniques also raises privacy issues. A projective technique is an indirect method of measuring an individual's personality characteristics, underlying motivations, or basic value structure. An example of such a research method is having consumers fill in open-ended sentences. Sometimes researchers seek knowledge about a respondent's purchasing behavior that can be gained only through the use of projective techniques. Why? Because some consumers have difficulty expressing their reasons for buying some products—toiletries, for instance. Projective techniques may uncover unconscious buying motives.

In the marketing research profession, the following standard seems operative: if there is no psychological or physical harm to the respondent, the research is considered acceptable. This standard has been labeled the "no harm, no foul" approach. It does require strict attention to anonymity and confidentiality, but does not demand informed consent. Essentially the perspective is that one's privacy cannot be invaded if one is unaware of the invasion and/or it causes no harm (Tull and Hawkins 1990, p. 721). This conclusion does not, however, extend to observational studies in dressing rooms or other private locations. Another principle is to protect privacy with anonymity. In other words, names, addresses, and telephone numbers should never be given to clients or others.

The merging of data from several sources has become a more important issue because of the extensive use of computerized lists for direct marketing purposes. Some direct marketing firms copy lists of especially good prospects from other sources of names. The Direct Marketing Association has developed a code of conduct to cover this practice, and some of the largest mail order firms such as L. L. Bean and Land's End
subscribe to a service that detects when their lists have been surreptitiously copied (Schwartz 1987; Zetmeir 1988).

The issue of overly personal questions and topics remains a sensitive one. Though Table 3 shows a declining percentage of people who consider some survey questions to be “too personal,” the “offended” group still represents almost half of all respondents. Researchers studying social problems such as drug abuse and AIDS are caught between the right of privacy and the need for good data and honest opinions. Financial institutions and marketers of highly personal products and practices (e.g., feminine hygiene, condoms) must also be aware that any questions about their offerings may be perceived to be too personal by some respondents.

A final privacy issue pertains to the growing use of computerized databases. In a cover story entitled, “Is Nothing Private?”, Business Week examined the alarming growth of computerized information about almost all U.S. citizens (Rothfeder et al. 1989). Credit bureaus were singled out as the assemblers of much of this information, which too often was then sold to credit card companies or other businesses. One informed observer commented, “For very little cost, anybody can learn anything about anybody.” Government policy makers as well as industry sources are studying this problem.

The overall issue is one of freedom of consumer information versus the right to privacy. Researchers must be more cognizant of potential privacy abuses in the future and establish and enforce acceptable marketing practices to protect privacy. One observer commented (Means 1991) that the discussion about privacy may

... stir thought within the professional community about how important the respondent-researcher relationship is and how it may be jeopardized by the unethical use of information under the guise of new and better technology. And with that thought, there may come a plan for merging the miracles of modern machinery with some good old-fashioned morals if not for goodness’ sake, for business’ sake.

The Duty to Manifest Concern for Respondents

The list of ethical concerns for this category (Table 2) does not demand as much attention as some of the other issues examined here. Most fit under the “good business practice” rubric. The failure to debrief respondents may lead to individuals becoming suspicious of all research and, as a result, they may refuse or even attempt to subvert future research projects. Furthermore, confusing questions, poorly trained interviewers, difficult-to-read questionnaires, and other factors that place an unnecessary burden on respondents should be avoided. When respondents agree to give the researcher their time and energy, it is the researcher’s responsibility to minimize the burden.

As a summary point on the researcher-respondent relationship, we note that the potential problem areas usually can be approached by several avenues that enable the research to be conducted. The choice is not to either be unethical or abandon the study. Rather, what should be done is to identify “ethical alternatives to questionable research practices and urge their immediate adoption” (Schneider 1982, p. 603).
What Researchers and Clients Owe One Another

The relationship between researcher and client presents several potential ethical issues. Table 4 gives three categories in which ethical abuse may occur: the research design, the researcher's responsibility to the client, and the client's responsibility to the researcher (Schneider 1982, p. 607-611; see also McDaniel and Gates 1991).

Forthright Research Designs

Ethical issues may arise at any stage of the research design. Problem definition is the first stage in the process. It is an arduous undertaking in many marketing research situations and the researcher has an ethical obligation to help clients define precisely the problem they hope to solve. One result may be that research is unnecessary. For example, the researcher may suggest to a fast food client that a survey is needed when secondary information (such as a simple traffic count already compiled by a regional planning authority) might suffice. Tull and Hawkins (1990, p. 730) give more guidance on the topic of protection from unnecessary research:

Researchers are frequently requested to engage in a specific research project that is unrelated to the underlying problem, has been done before, or is economically unjustified. The researcher can often benefit from such an activity. This gain will frequently exceed whatever goodwill might be generated by refusing to conduct unwarranted research. Should the researcher accept such assignments? . . .

This issue is not addressed in the American Marketing Association code of ethics. However, it seems to these writers that the researcher has a professional obligation to indicate to the client that, in his or her judgment, the research expenditure is not warranted. If, after this judgment has been clearly stated, the client still desires the research, the researcher should feel free to conduct the study. The reason for this is that the researcher can never know for certain the risk preferences and strategies that are guiding the client's behavior.

Table 4

<table>
<thead>
<tr>
<th>ETHICAL CONCERNS IN THE RESEARCHER-CLIENT RELATIONSHIP*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abuse of Research Design, Methodology, or Results</td>
</tr>
<tr>
<td>Conducting unnecessary research</td>
</tr>
<tr>
<td>Researching wrong or irrelevant problems</td>
</tr>
<tr>
<td>Use of unwarranted shortcuts to secure contract or save expenses</td>
</tr>
<tr>
<td>Misrepresenting limitations of research design</td>
</tr>
<tr>
<td>Inappropriate analytical techniques</td>
</tr>
<tr>
<td>Lack of sufficient expertise to conduct required research</td>
</tr>
<tr>
<td>Overly technical language in research report</td>
</tr>
<tr>
<td>Overstating validity or reliability of conclusions</td>
</tr>
<tr>
<td>Researcher Abuse of Researcher-Client Relationship</td>
</tr>
<tr>
<td>Overbilling the project</td>
</tr>
<tr>
<td>Failure to maintain client confidentiality</td>
</tr>
<tr>
<td>Failure to avoid possible conflict of interest</td>
</tr>
<tr>
<td>Client Abuse of Researcher-Client Relationship;</td>
</tr>
<tr>
<td>Inappropriate use of research proposals</td>
</tr>
<tr>
<td>Disclosure or use of the researcher's specialized techniques and models</td>
</tr>
<tr>
<td>Cancellation of project (or refusal to pay) without cause</td>
</tr>
<tr>
<td>Conducting research solely to support \textit{a priori} conclusions</td>
</tr>
<tr>
<td>Failure to act upon dangerous or damaging findings</td>
</tr>
</tbody>
</table>

*Adapted from Schneider (1982, p. 608).
Another common problem is that the research method may cost more than the client wants to pay. Similarly, implementation of the research may be more expensive than originally proposed. What should the researcher do? Too often the researcher just scales back the design, sometimes to the point that it becomes methodologically suspect. In other words, the "redesigned" research project really does not meaningfully answer the necessary questions. For instance, reducing the sample size or number of interviews by one half to meet budgetary restrictions may result in findings that do not meet the accuracy requirements of the client. Similarly, not using proper respondent verification procedures and not adequately pretesting a new questionnaire are common shortcuts (Tull and Hawkins 1990).

We believe the researcher should try to convince the client to spend more in the first place or admit to the client at the earliest possible point in the study that doing it right will cost more. Researchers should not wait until after the project has been completed, as discussed in scenario 3 of Table 1. If the client is informed of the impact of scalebacks on validity and the research provides the best possible project for the price, the ethical concern is probably satisfied. Alternatively, the researcher might be prepared to sacrifice some profit, much as physicians do when they treat low income patients.

Other points in the first section of Table 4 pertain to the expertise of the researcher. A client hires a researcher to secure professional expertise. Thus, limitations of certain research designs (e.g., experiments can best measure cause and effect, but they may be too artificial) and use of sophisticated analytical techniques often pose ethical dilemmas for researchers. For instance, researchers often must make judgments on how much methodological and analytical detail to share with clients. One situation in which researchers may let monetary considerations cloud their professional judgment is when they lack the expertise to conduct the required study for a client. For example, a firm specializing in focus groups may accept a client, even though that client would best be served by telephone interviews, rather than referring the client to another firm. An additional point here is that researchers should not try to "snow" clients with excessively technical jargon in the report and presentation. Ultimately, such tactics backfire because clients may get the impression that the researcher is trying to hide inadequacies of the research (even if there are none).

A final ethical issue in research design is the overstatement of conclusions. To please the client (and possibly secure future contracts), the researcher sometimes presents conclusions in the most positive light. For example, a report on a consumer satisfaction study might emphasize the fact that 70% of the respondents viewed the product favorably while downplaying the 20% of the users who were strongly dissatisfied with the product. Design and methodological abuses not only are unethical, but also represent poor long-run marketing strategy (Schneider 1982, p. 609). Therefore, marketing researchers should avoid these questionable practices.
Researcher Responsibility to Clients

The second section of Table 4 lists three areas in which researchers may abuse their relationship with the client. One practice is overbilling the client. It can be contrasted with the two usual forms of pricing by research firms—cost-plus pricing and market pricing. Most research agencies practice the first type of pricing, whereby the costs allocated to a particular study are determined and a percentage markup is added for administrative overhead and profit. The market-oriented method attempts to determine the market value of the research to the client; thus, more critical studies are going market price and bid at a higher level. Overbilling for research, however it is done, is somewhat analogous to “price gouging.” Several specific practices fit this category, including building in extra overhead, charging for “senior” researchers’ time when the work is done by a “junior” person(s), falsifying hours worked, and adding an override to subcontractors’ work. These practices are unethical because overbilling is not tied to either costs or potential payoffs to the client.

Confidentiality and conflict of interest are two concerns that marketing researchers must commonly address. The identity of a sponsoring firm should not be divulged to respondents or to other current or potential clients unless the firm so allows. For instance, letting a respondent or another client know who is funding the study is a breach of the researcher’s professional ethics and is covered in most codes (see point 2 in Research Practitioners section of the AMA code in the Appendix).

Conflict of interest is a growing concern, especially with the increasing specialization of some marketing research firms. Some researchers are now such specialists that they focus almost exclusively on narrow topics such as political polling, hospital patient satisfaction, or image studies for financial institutions. These firms must take great care not to work for two competing companies since mergers have reduced the number of potential clients.

There is also a temptation to use one client’s methodologies inappropriately for another. Similar survey instruments might be used (as long as each client is not charged for the development of the instrument), but research firms must be careful not to seek out direct competitors. For example, a northeastern advertising and research agency that worked with Lotus software solicited Microsoft with the question (Horton 1987): “You probably haven’t thought about talking to an agency in Boston . . . . But since we know your competition’s plans, isn’t it worth taking a flier?” They went on to say that several employees had worked on the Lotus account at another agency and were familiar with Microsoft’s competitive software product. Microsoft shared this information with Lotus, which won a restraining order barring the agency from revealing trade secrets and pitching any other competitors.

The Client’s Responsibility to the Researcher

The client has a responsibility to act ethically in dealing with the research firm. Soliciting proposals from several re-
search firms just to get free advice on how to solve a particular problem or to combine their approaches to develop an in-house study would constitute unethical behavior by the potential client. Table 4 lists other areas in which clients may abuse their relationship with the researcher. Clients obviously should not disclose or try to use proprietary techniques that are not their own. Payment delays for services or canceling standing contracts can cause major financial and organizational problems for the research firm.

The misrepresentation of findings by the client also can lead to problems for the researcher. For example, a colleague was involved in a taste test to determine whether consumers preferred potato chips made with corn oil or those made with vegetable shortening. The vast majority of respondents could not tell the difference. Of those who were consistent in their preferences, a small, statistically insignificant majority chose corn oil (the product of the client). The promotional campaign based on this research stated: “In a scientific test more consumers prefer potato chips made with corn oil.” This claim is a clear distortion of the findings (similar to scenario 2 in Table 1). The reputation of the research firm can be damaged if its name is used in such advertising because the message receiver is likely to be misled. This situation, though it occurred some time ago, can happen again and has ramifications not only within the researcher-client relationship but also with the public at large.

Conclusion

We cover several issues that relate to the ethical practice of marketing research. Though many of them are logically classified under the rubric of “good business practice,” they should be consciously discussed in the context of daily activities. These traditional ethical concerns are not new to marketing research professionals, but our intention is revisit them in this first article before turning our attention to several emerging ethical questions in the second article.

References


**Appendix**

**AMA Marketing Research Code of Ethics**

The American Marketing Association, in furtherance of its central objective of the advancement of science in marketing and in recognition of its obligation to the public, has established these principles of ethical practice of marketing research for the guidance of its members. In an increasingly complex society, marketing management is more and more dependent upon marketing information intelligence and systematically obtained. The consumer is the source of much of this information. Seeking the cooperation of the consumer in the development of information, marketing management must acknowledge its obligation to protect the public from misrepresentation and exploitation under the guise of research.

Similarly, the research practitioner has an obligation to the discipline and to those who provide support for it—an obligation to adhere to basic and commonly accepted standards of scientific investigation as they apply to the domain of market research.

For Research Users, Practitioners, and Interviewers

1. No individual or organization will undertake any activity which is directly or indirectly represented to be marketing research, but which has as its real purpose the attempted sales of merchandise or services to some or all of the respondents interviewed in the course of the research.

2. If respondents have been led to believe, directly or indirectly, that they are participating in a marketing research survey and that their anonymity will be protected, their names shall not be made known to any one outside the research organization or research department, or used for other than research purposes.

For Research Practitioners

1. There will be no intentional or deliberate misrepresentation of research methods or results. An adequate description of methods employed will be made available upon request to the sponsor of the research. Evidence that fieldwork has been completed according to specifications will, upon request, be made available to buyers of the research.

2. The identity of the survey sponsor and/or the ultimate client for whom a survey is being done will be held in confidence at all times, unless this identity is to be revealed as part of the research design. Research information shall be held in confidence by the research organization and department and not used for personal gain or made available to any outside party unless the client specifically authorizes such release.

3. A research organization shall not undertake marketing studies for competitive clients when such studies would jeopardize the confidential nature of client agency relationships.

For Users of Marketing Research

1. A user of research shall not knowingly disseminate conclusions from a given research project or service that are inconsistent with or not warranted by the data.

2. To the extent that there is involved in a research project a unique design involving techniques, approaches, or concepts not commonly available to research practitioners, the prospective user of research shall not solicit such a design from one practitioner and deliver it to another for execution without the approval of the design originator.
For Field Interviewers

1. Research assignments and materials received, as well as information obtained from respondents, shall be held in confidence by the interviewer and revealed to no one except the research organization conducting the marketing study.

2. No information gained through a marketing research activity shall be used, directly or indirectly, for the personal gain or advantage of the interviewer.

3. Interviews shall be conducted in strict accordance with specifications and instructions received.

4. An interviewer shall not carry out two or more interviewing assignments simultaneously, unless authorized by all contractors or employers concerned.

Members of the American Marketing Association will be expected to conduct themselves in accordance with the provisions of this code in all of their marketing research activities.

*Reprinted with permission from the American Marketing Association.

Reprint No. MR41102