**LEARNER GUIDE**

**Comply with legal requirements and organisational and professional codes of conduct**

Unit Standard 252216

Level 4 Credits 4

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PERSONAL INFORMATION

|  |  |
| --- | --- |
| **NAME** |  |
| **CONTACT ADDRESS** |  |
|  |
| **Code** |  |
| **Telephone (H)** |  |
| **Telephone (W)** |  |
| **Cellular** |  |
| **Learner Number** |  |
| **Identity Number** |  |
|  | |
| **EMPLOYER** |  |
| **EMPLOYER CONTACT ADDRESS** |  |
|  |
| **Code** |  |
| **Supervisor Name** |  |
| **Supervisor Contact Address** |  |
|  |
| **Code** |  |
| **Telephone (H)** |  |
| **Telephone (W)** |  |
| **Cellular** |  |

INTRODUCTION

#### Welcome to the learning programme

Follow along in the guide as the training practitioner takes you through the material. Make notes and sketches that will help you to understand and remember what you have learnt. Take notes and share information with your colleagues. Important and relevant information and skills are transferred by sharing!



This learning programme is divided into sections. Each section is preceded by a description of the required outcomes and assessment criteria as contained in the unit standards specified by the South African Qualifications Authority. These descriptions will define what you have to know and be able to do in order to be awarded the credits attached to this learning programme. These credits are regarded as building blocks towards achieving a National Qualification upon successful assessment and can never be taken away from you!

Structure

### Programme methodology



The programme methodology includes facilitator presentations, readings, individual activities, group discussions and skill application exercises.

Know what you want to get out of the programme from the beginning and start applying your new skills immediately. Participate as much as possible so that the learning will be interactive and stimulating.

The following principles were applied in designing the course:

* Because the course is designed to maximise interactive learning, you are encouraged and required to participate fully during the group exercises
* As a learner you will be presented with numerous problems and will be required to fully apply your mind to finding solutions to problems before being presented with the course presenter’s solutions to the problems
* Through participation and interaction the learners can learn as much from each other as they do from the course presenter
* Although learners attending the course may have varied degrees of experience in the subject matter, the course is designed to ensure that all delegates complete the course with the same level of understanding
* Because reflection forms an important component of adult learning, some learning resources will be followed by a self-assessment which is designed so that the learner will reflect on the material just completed.

This approach to course construction will ensure that learners first apply their minds to finding solutions to problems before the answers are provided, which will then maximise the learning process which is further strengthened by reflecting on the material covered by means of the self-assessments.

#### Different role players in delivery process

* Learner
* Facilitator
* Assessor
* Moderator

### What Learning Material you should have

This learning material has also been designed to provide the learner with a comprehensive reference guide.

It is important that you take responsibility for your own learning process; this includes taking care of your learner material. You should at all times have the following material with you:

|  |  |
| --- | --- |
| **Learner Guide** | **This learner guide is your valuable possession:**  This is your textbook and reference material, which provides you with all the information you will require to meet the exit level outcomes.  During contact sessions, your facilitator will use this guide and will facilitate the learning process. During contact sessions a variety of activities will assist you to gain knowledge and skills.  Follow along in the guide as the training practitioner takes you through the material. Make notes and sketches that will help you to understand and remember what you have learnt. Take and share information with your colleagues. Important and relevant information and skills are transferred by sharing!  This learning programme is divided into sections. Each section is preceded by a description of the required outcomes and assessment criteria as contained in the unit standards specified by the South African Qualifications Authority. These descriptions will define what you have to know and be able to do in order to be awarded the credits attached to this learning programme. These credits are regarded as building blocks towards achieving a National Qualification upon successful assessment and can never be taken away from you! |
| **Formative Assessment Workbook** | The Formative Assessment Workbook supports the Learner Guide and assists you in applying what you have learnt.  The formative assessment workbook contains classroom activities that you have to complete in the classroom, during contact sessions either in groups or individually.  You are required to complete all activities in the Formative Assessment Workbook.  The facilitator will assist, lead and coach you through the process.  These activities ensure that you understand the content of the material and that you get an opportunity to test your understanding. |

### Different types of activities you can expect

To accommodate your learning preferences, a variety of different types of activities are included in the formative and summative assessments. They will assist you to achieve the outcomes (correct results) and should guide you through the learning process, making learning a positive and pleasant experience.



The table below provides you with more information related to the types of activities.

| **Types of Activities** | **Description** | **Purpose** |
| --- | --- | --- |
| **Knowledge Activities** | You are required to complete these activities on your own. | These activities normally test your understanding and ability to apply the information. |
| **Skills Application Activities** | You need to complete these activities in the workplace | These activities require you to apply the knowledge and skills gained in the workplace |
| **Natural Occurring Evidence** | You need to collect information and samples of documents from the workplace. | These activities ensure you get the opportunity to learn from experts in the industry.  Collecting examples demonstrates how to implement knowledge and skills in a practical way |

### Learner Administration



#### Attendance Register

You are required to sign the Attendance Register every day you attend training sessions facilitated by a facilitator.

#### Programme Evaluation Form

On completion you will be supplied with a “Learning programme Evaluation Form”. You are required to evaluate your experience in attending the programme.

Please complete the form at the end of the programme, as this will assist us in improving our service and programme material. Your assistance is highly appreciated.

### Assessments

The only way to establish whether a learner is competent and has accomplished the specific outcomes is through the assessment process. Assessment involves collecting and interpreting evidence about the learners’ ability to perform a task.

To qualify and receive credits towards your qualification, a registered Assessor will conduct an evaluation and assessment of your portfolio of evidence and competency.

This programme has been aligned to registered unit standards. You will be assessed against the outcomes as stipulated in the unit standard by completing assessments and by compiling a portfolio of evidence that provides proof of your ability to apply the learning to your work situation.



**How will Assessments commence?**

#### Formative Assessments

The assessment process is easy to follow. You will be guided by the Facilitator. Your responsibility is to complete all the activities in the Formative Assessment Workbook and submit it to your facilitator.

#### Summative Assessments

You will be required to complete a series of summative assessments. The Summative Assessment Guide will assist you in identifying the evidence required for final assessment purposes. You will be required to complete these activities on your own time, using real life projects in your workplace or business environment in preparing evidence for your Portfolio of Evidence. Your Facilitator will provide more details in this regard.

To qualify and receive credits towards your qualification, a registered Assessor will conduct an evaluation and assessment of your portfolio of evidence and competency.

### Learner Support

The responsibility of learning rests with you, so be proactive and ask questions and seek assistance and help from your facilitator, if required.



Please remember that this Skills Programme is based on outcomes based education principles which implies the following:

* You are responsible for your own learning – make sure you manage your study, research and workplace time effectively.
* Learning activities are learner driven – make sure you use the Learner Guide and Formative Assessment Workbook in the manner intended, and are familiar with the workplace requirements.
* The Facilitator is there to reasonably assist you during contact, practical and workplace time for this programme – make sure that you have his/her contact details.
* You are responsible for the safekeeping of your completed Formative Assessment Workbook and Workplace Guide
* If you need assistance please contact your facilitator who will gladly assist you.
* If you have any special needs please inform the facilitator

### Learner Expectations

Please prepare the following information. You will then be asked to introduce yourself to the instructor as well as your fellow learners



|  |
| --- |
| Your name: |
|  |
|  |
| The organisation you represent: |
|  |
|  |
| Your position in organisation: |
|  |
|  |
| What do you hope to achieve by attending this course / what are your course expectations? |
|  |
|  |
|  |
|  |
|  |

# UNIT STANDARD 252216

#### Unit Standard Title

Comply with legal requirements and organisational and professional codes of conduct

#### Nqf Level

4

#### Credits

4

#### Purpose

The person credited with this unit standard will be able to prepare marketing information which comply with legal requirements and describe codes of conduct. Learners will also be able to identify and understand ethical issues in marketing.

The qualifying learner is capable of:

* Preparing marketing documentation which is compliant with legal requirements.
* Describing codes of conduct.
* Adhering to the organisational and professional code of conduct.
* Identifying and understanding ethical issues in marketing.

#### Learning Assumed To Be In Place And Recognition Of Prior Learning

* Learners accessing this unit standard will have demonstrated competence in:   
  Communication at NQF Level 3 or equivalent.
* Mathematical Literacy at NQF Level 3 or equivalent.

#### Unit Standard Range

* Marketing including all forms of marketing communications, direct marketing and relationship marketing, sponsorship, event marketing, sales promotions, public relations and alternative strategies.
* Standard applies to marketing management, customer management, marketing communications and marketing research.
* Codes of conduct include those of the marketing federation of South Africa or any other recognition professional marketing bodies.
* Marketing documentation includes but are not limited to applications for leasing, HP, credit, sales contracts, offers to purchase, or any legal documents use by the candidate in carrying out his/her marketing tasks on behalf of the organisation.
* Legislation, statutes including Advertising Standards Act; Harmful Business Practices Act, Credit Agreement Act, Prescribed Rate of Interest.

#### Specific Outcomes And Assessment Criteria:

**Specific Outcome 1**

Prepare marketing documentation which is compliant with legal requirements.

**Assessment Criteria**

* The legal documents most commonly used in the organisation's marketing activities are identified and their uses explained in general terms.
* Legal documentation is identified as current and suitable for purpose.
* Legal documentation is completed and checked for content, dates and signatures.
* Key laws related to marketing activities are described in terms of their impact.
* The necessary legal documents, used in the organisational marketing activities are examined to ensure their compliance with the relevant legal requirements.

**Specific Outcome 2**

Describe codes of conduct.

**Assessment Criteria**

* The general purpose of code of conduct is explained.
* The basic principles of code of conduct are identified in accordance with common practice.
* The relationship between a code of conduct and successful marketing is explained in terms of its impact on business behaviour.

**Specific Outcome 3**

Adhere to professional and organisational code of conduct.

**Assessment Criteria**

* The relevant professional and organisational code of conduct is explained with examples.
* Adherence to the code of conduct is demonstrated through complaint behaviour.
* Possible deviations from the professional and organisational code of conduct are identified and relevant remedial action is determined to ensure compliance.

**Specific Outcome 4**

Identify and understand ethical issues in marketing.

**Assessment Criteria**

The relationship between ethics and code of conduct is examined and explained in terms of generally accepted principles.

The organisation's ethical culture is explained through examples of how the organisation treats breaches of ethics.

#### Unit Standard Accreditation And Moderation Options

* An individual wishing to be assessed (including through RPL) against this unit standard may apply to an assessment agency, assessor or provider institution accredited by the relevant ETQA
* Anyone assessing a learner against this unit standard must be registered as an assessor with the relevant ETQA.
* Any institution offering learning that will enable achievement of this unit standard or assessing this unit standard must be accredited as a provider with the relevant ETQA.
* Moderation of assessment will be conducted by the relevant ETQA at its discretion.

#### Unit Standard Essential Embedded Knowledge

A comprehensive understanding of legal documentation required and used in a marketing business.

An all rounded understanding of legislation, rules and statutory requirements applicable in a marketing business.

A broad understanding of records required for legal processes in a marketing business.

#### Critical Cross-Field Outcomes (Ccfo):

**Unit Standard CCFO Working**

Work effectively with others in order to ensure that legal requirements are applied, documented and adhered to.

**Unit Standard CCFO Organising**

Organise oneself and one's activities to reflect the ongoing development of own and future legal competence and compliance.

**Unit Standard CCFO Collecting**

Collect, evaluate, organise and critically evaluate information, which might hinder or enhance legal compliance.

**Unit Standard CCFO Communicating**

Communicate effectively with all stakeholders to ensure that all parties fully understand all legal obligations, procedures and processes.

**Unit Standard CCFO Science**

Use science and technology to source acts and statutes.

# CODES OF CONDUCT

#### ***Specific Outcome 2***

Describe codes of conduct.

#### *****Assessment Criteria*****

* The general purpose of code of conduct is explained.
* The basic principles of code of conduct are identified in accordance with common practice.
* The relationship between a code of conduct and successful marketing is explained in terms of its impact on business behaviour.

#### ***Specific Outcome 3***

Adhere to professional and organisational code of conduct.

#### ***Assessment Criteria***

* The relevant professional and organisational code of conduct is explained with examples.
* Adherence to the code of conduct is demonstrated through complaint behaviour.
* Possible deviations from the professional and organisational code of conduct are identified and relevant remedial action is determined to ensure compliance.

#### ***What Is A Code Of Conduct?***

**A Statement And Description Of Required Behaviours, Responsibilities, And Actions Expected Of Employees Of An Organization Or Of Members Of A Professional Body. A Code Of Conduct Usually Focuses On Ethical And Socially Responsible Issues And Applies To Individuals, Providing Guidance On How To Act In Cases Of Doubt Or Confusion*.***

The following is an example of conduct, although it is not organisation orientated, it aims to give you an idea of a personal Code of conduct, on the internet, which a lot of people abuse. If one can stay code-orientated in such circumstances, then doing so in the organisation should be a lot easier.

## Define Your World - Conduct Becoming

By Phil Butler • June 26, 2008

***What exactly is a "blogger code of conduct” or any code after all? We all talked about it some time back when things got out of line with the "Kathy Sierra incident". Beyond simple humane activities, any code of conduct has to take into account that proper conduct is simply about being civil. Ok, what is civil? You see, here is where all the trouble starts in these discussions, with definitions. There seem to be a never ending line of definitions when measuring anything aren’t there? Well, as complex beings we are supposed to be able to process all this easily.***

***To one person being "civil" can simply mean not choking the hell out of someone when you are mad at them, while to another person being civil means actually respecting the other person. Wow, now we are into even more terms to define - what exactly is respect? If you stop right here, perhaps you might see how this can be confusing to some people.***

***Those with limited resources to rely on can easily get hung up on definitions. Okay, this is the "civil" or nice way of saying that some people are either stupid or course or both. Well, there you have it, a civil person like me crossing over into the world of bluntness and coarseness. Well this code of conduct thing can get "fuzzy" sometimes as you can see.***

***Face it, all of us are capable of being downright rude at times, and the only determining factor between a gentleman and a cur sometimes is a hair’s breadth of timing over frustration.***

***I think the point here is that people who adhere for the most part to a good ethic or conduct try really hard not to cross the line, however loosely defined it may be. Of course there are those who simply do not have any upbringing and who define the line all together differently. We know many of these types and most of them hang out at Digg. But perhaps the most frustrating group of "code breakers" are those who know better and still choose to act inappropriately. Ahaa! you are saying. You know some people in this category?***



***Well, let’s talk about some people who do not fall into this category. Sometimes powerful or popular folks see themselves as above common decency. This is particularly true on the Internet as everything is so removed from physical constraints. A good for instance here might be my friend Jimmy Wales , who though super busy and stressed by much, always responds to friendship and things of import.***

***Though he will hate the mention, he does actually pay attention to what goes on even on the most remote blog if it has import or a friend points it out. So you see, even the mighty can always seem to exhibit traits and respect befitting all people, even under the most unusual circumstances. We had a similar situation just the other day when Mihaela approached Guy Kawasaki about an issue.***

***Guy did not have to respond, but characteristically of this type person he gave a polite and genuine answer to an honest request. To the point, genuine and actually going above and beyond relatively, Guy is always a gentleman and a professional. As it turned out, he did not have the time or the inclination to stretch so far as to "dive into" the issue, but he did honestly pay "respect" to the request and to Mihaela. This is indicative of the way we should all interact with one another - respectfully, honestly and with a smidgen more cordiality than we might think we are capable of.***

***Ok, you are saying - who made you the "defender of the faithful?" No one. This is not rocket science to anyone who’s parents taught them respect. I am just mirroring everything most of you were ever told about proper action by your own parents. So what is the problem? The problem is that all our biggest issues come about because of a lack of respect for one another.***

***I can give you some examples of other situations in which myself, Mihaela or friends exhibited the very best intentions and qualities, and only received silence or disdain for our efforts. This is a sad reality that none of us talk about very much, the real world of human interaction. The Guy Kawasaki’s or Jimmy Wale’s of the world as something of a rarity these days.***

***Doing our bit to make the world a little bit better (or at least trying) we have hammered some startups or even individuals in an effort the make them better. Sometimes this comes off the wrong was and we are seen as antagonists, but quite honestly we just want everyone to do good.***

***There are those who feel they are above all this though. I cannot tell you how many times I have honestly tried to help or extend a hand of friendship to people who evidently just think they are better than the rest of us. This is some form of lunacy in my view!***

***Who’s time on this Earth is worth more than your’s or mine? Just because someone has a position does not add one day to their span here or detract from it either. This is an age old dilemma though. If the people on top who act inappropriately could equate themselves with those who are uneducated and ignorant on the other end of the spectrum then perhaps things might be much better for all of us. Power and influence would seem to be given for a purpose other than self aggrandizement.***

***This, of course, is the long way around the barn in saying that some people are just rude, crude and socially unacceptable. Disappointment is what we all have to swallow in the end. Even our most adamant support for people and movements can be dashed in a moment’s improper behavior as we all know. Extending ourselves is what we are all here to do it would seem. So, why can’t we all do this more? Extend ourselves to other people and issues just a tad beyond what we think we can endure? Jimmy and Guy do this, I do it, I know you do it, so why can’t so many others?***

***Perhaps they are and we are only seeing our end of the equation, but if I email Michael Arrington 20 times with a sincere gesture, why can’t there be an equitable answer? Not picking on Michael singularly, as there are so many non-responsive ones. Are they that busy?***

***A code of conduct for bloggers or anyone else should be to respond in kind I suppose. A better code might be to respond or act just a slight bit more appropriately than we think is comfortable. I really want to applaud all those who try and respect other people, especially when their own time has so many demands on it. I wrote to Jimmy just the other day; "What if one hour were worth a million kids having food?" How many opportunities have we all missed out of apparent expedience? I think we should all weigh what we lose in improper behavior as opposed to what we might gain at the other end of the spectrum.***

***I feel as if this were a post about nothing so to speak, but we all need to think and that is what I started this blog for, just to make my friends think. Think about extending our time and effort towards one another. My greatest disappointments have come when I put energy and faith in people and they act as if it were nothing. I know you all identify.***

The Code of Business Conduct covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide all employees and officers of the Company (Company includes Company A. and all its subsidiaries). All of your employees and officers must conduct themselves accordingly and seek to avoid even the appearance of improper behaviour.

The Code should also be provided to and followed by the Company’s agents and representatives. In addition, Company policies apply to various Company operations and you need to know and follow those policies that apply to your Company work.  
  
If a law conflicts with a policy in this Code, you must comply with the law. Also, if a local custom or policy conflicts with this Code, you must comply with the Code. If you have any questions about these conflicts, you should ask your supervisor how to handle the situation. Employees and officers are responsible for understanding the legal and policy requirements that apply to their jobs and reporting any suspected violations of law, this Code or Company policy.

## Code of conduct – The lighter side

#### Dress Code

It is advised that you come to work dressed according to your salary:

If we see you wearing R500 Prada sneakers and carrying a R600 Gucci Bag, we assume you are doing well financially and therefore you do not need a raise.

If you dress poorly, you need to learn to manage your money better, so that you may buy nicer clothes and therefore you do not need a raise.

If you dress in-between, you are right where you need to be and therefore do not need a raise.

#### Sick Days

We will no longer accept a doctor's note as proof of sickness. If you are able to go to the doctor, you are able to come to work.

#### Holidays

Each employee will receive 104 holidays a year. They are called Saturday & Sunday.

#### Toilet Use

Too much time is being spent in the toilet. There is now a strict 3 minute time limit in the stalls. At the end of three minutes, an alarm will sound, the toilet paper roll will retract, the stall door will open and a picture will be taken.

After your second offence, your picture will be posted on the company bulletin board under the "Chronic Offenders" category.

#### Lunch Break

Skinny people get 30 minutes for lunch as they need to eat more, so that they can look healthy. Normal size people get 15 minutes for lunch to get a balanced meal to maintain their average figure. Fat people get 5 minutes for lunch, because that's all the time needed to drink a Slim Fast.

#### Thank You For Your Loyalty To Our Company

We are here to provide a positive employment experience. Therefore, all questions, comments, concerns, complaints, frustrations, irritations, aggravations, insinuations, allegations, accusations, contemplations, consternation, and input should be directed elsewhere.

Have a nice week!

The Management

# IDENTIFY AND COMPLY WITH ETHICAL ISSUES IN MARKETING

#### *****Specific Outcome 4*****

Identify and understand ethical issues in marketing.

#### *****Assessment Criteria*****

The relationship between ethics and code of conduct is examined and explained in terms of generally accepted principles.

The organisation's ethical culture is explained through examples of how the organisation treats breaches of ethics.

#### Specific Outcome 1

Prepare marketing documentation which is compliant with legal requirements.

#### Assessment Criteria

* The legal documents most commonly used in the organisation's marketing activities are identified and their uses explained in general terms.
* Legal documentation is identified as current and suitable for purpose.
* Legal documentation is completed and checked for content, dates and signatures.
* Key laws related to marketing activities are described in terms of their impact.
* The necessary legal documents, used in the organisational marketing activities are examined to ensure their compliance with the relevant legal requirements.

## What Constitutes Ethical or Unethical Behaviour

Ethical behaviour refers to that conduct that is beyond reproach and is in accordance to the laid down standards of a society, organization or institution

#### ***Ethical Behaviour In Society***

This varies from place to place. The behaviours considered unethical in one society can be acceptable in another. For instance, it is an unethical social behaviour to engage in favouritism in the public. Refusing to relate with others on the basis of their age, sex and race are also unethical social behaviours.

#### ***Ethical Behaviour Within The Work Place***

This refers to conduct that organizations expect their employees to hold while at work. Most organizations have formulated documents referred to as ‘codes of conduct’, that set out the accepted behaviours within the work place.

They have set out the rules and regulations that need to be adhered to by those in their employ. This is mainly because an individual’s conduct can affect the relationships within an organization, thereby taking a negative toll on the overall performance of an organization.

#### ***Employee’s Unethical Behaviour***

In any organization, it is unethical of an employee to be corrupt. One is not supposed to accept or give out bribes in exchange for services or goods. An employee who engages in corruption is said to have acted in an unethical manner. Taking excessive breaks or repeated sick leave are also unethical behaviours. This should only happen when there is a serious need to do so.

Mild headaches do not count. Again, taking office supplies home is extremely unethical. Office property should be kept separately from one’s personal property. In some organizations, this conduct can be translated to theft.

#### ***Employer’s Unethical Behaviour***

It is not only employees who can behave in unethical ways. Employers also have a common code of conduct and are required to act in a given manner. For instance, an employer is not supposed to use the company money for his personal expenses.

#### ***Ethical Behaviour In Academic Institutions***

For students within learning institutions it is unethical behaviour to cheat during examinations.

Ethical behaviour is to be cultivated within an individual from an early age. Without strong moral convictions, one can be easily swayed to engage in contrary behaviours.

### Three types of statements in the Codes

How the Committee proceeds once it receives a question or concern depends on the nature of the issue, since there are three different types of statements in the Code.

* The **vision** of development sets out ideals that focus on the poor, on environmental and economic sustainability, and on the equitable distribution of power and wealth.
* **Ethical principles** relate to such things as fair and impartial governance, integrity, transparency, appropriate use of funds, accountability to donors, and truth in fundraising.
* The specific **rules of conduct** include, for example, that each organization shall have an independent, active, and informed Board, that each organization shall submit an audited financial statement.

These three types of statements form a continuum, from shared vision to high principles to good housekeeping.  This is a useful continuum many organizational codes contain a vision that goes beyond strictly ethical concerns to lay out the substantive goals of the organization; the vision is followed by some universal ethical principles, and some detailed rules specific to the organization.

### The nature of each type of statement

The crucial point here is that the Ethics Review Committee must use different procedures to deal with questions and concerns involving each of these types of statements.

* The **vision** is an ideal which member organizations must approach together with their partners -- it is by its nature an area where understanding is required and where compromise may be called for.  The vision gives a direction; taking small steps in that direction may be all that is possible in some circumstances.
* The **ethical principles** are goals to be attained.  Conflicting principles, such as transparency and confidentiality, need to be balanced.  Judgment is called for in applying the principles in everyday decision-making.  Member organizations are expected to do their very best to live up to the spirit of these principles at all times.
* The **rules of conduct** are straightforward "do’s" and "don’ts".  They involve good housekeeping, and compliance is a must.  However, the interpretation of the rules may require some adjustment if effective new ways to keep house are introduced.

### Separating the three types of statements

Ethical principles and rules of conduct are found together in another part.  This can be somewhat confusing if the distinctions between the two kinds of statements are not kept firmly in mind.

For example, in the fundraising section it states that the Board of each organization must exercise prudent judgement in its stewardship responsibilities.  Prudence, judgement, stewardship and responsibilities are not defined -- they must be understood as a reasonable person would understand them.  We have here a classic ethical principle.

The Code also states that donors must have access to the organization’s most recently audited financial statements.  This is a classic rule of conduct -- donors either have access to the books or they don’t.

For the ethical principle of prudent stewardship, the Guidance Document goes on to explain that respect for donors must be demonstrated by competent use of contributions, and that operating costs should be kept to a minimum.  For the simpler rule of conduct on financial statements, the Guidance Document has nothing further to add.

### The Committee process

What are the different procedures that the Ethics Review Committee uses for questions and concerns on the three types of statements in the Code?

* Questions about conformity to the **vision** will be judged primarily on the basis of the vision statement itself, and less on universal ethical principles.  The Committee will ask member organizations to describe their understanding of the vision, and their path to realizing it with their partners.  A key test will then be reasonableness.
* Questions and concerns about violations of the **ethical principles** call for ethical reasoning -- applying the principles as understood by reasonable persons to a concrete situation.  The Committee will, obtain relevant documentation from those involved.  The Committee members will then deliberate until a consensus emerges.

Questions about compliance with the **rules of conduct** will involve checking of facts and the organization concerned.  The matter could be resolved at this stage, with minimal involvement of the Committee.  In a more complex case, the Committee would seek a reasonable application of the rules, and propose an amendment to the Guidance Document if necessary.

Many times different industries have been slammed due to a lack of comprehension and adherence to their industries’ ethical norms and values. These guidelines assist the industry in laying a foundation for their customers to measure them up and ensure that their actions are in line with the generally accepted standards. Let’s look at some ethical norms and values in marketing:

#### Ethical Norms

As Marketers, we must:

***1. Do no harm.***

This means consciously avoiding harmful actions or omissions by embodying high ethical standards and adhering to all applicable laws and regulations in the choices we make.

***2. Foster trust in the marketing system.***

This means striving for good faith and fair dealing so as to contribute toward the efficacy of the exchange process as well as avoiding deception in product design, pricing, communication, and delivery of distribution.

***3. Embrace ethical values.***

This means building relationships and enhancing consumer confidence in the integrity of marketing by affirming these core values: honesty, responsibility, fairness, respect, transparency and citizenship.

#### Ethical Values

#### ***Honesty***

To be forthright in dealings with customers and stakeholders; to this end, we will:

* Strive to be truthful in all situations and at all times.
* Offer products of value that do what we claim in our communications.
* Stand behind our products if they fail to deliver their claimed benefits.
* Honour our explicit and implicit commitments and promises.

#### ***Responsibility***

To accept the consequences of our marketing decisions and strategies; to this end, we will:

* Strive to serve the needs of customers.
* Avoid using coercion with all stakeholders.
* Acknowledge the social obligations to stakeholders that come with increased marketing and economic power.
* Recognize our special commitments to vulnerable market segments such as children, seniors, the economically impoverished, market illiterates and others who may be substantially disadvantaged.
* Consider environmental stewardship in our decision-making.

#### ***Fairness***

To balance justly the needs of the buyer with the interests of the seller; to this end, we will:

* Represent products in a clear way in selling, advertising and other forms of communication; this includes the avoidance of false, misleading and deceptive promotion.
* Reject manipulations and sales tactics that harm customer trust.
* Refuse to engage in price fixing, predatory pricing, price gouging or “bait-and-switch” tactics.
* Avoid knowing participation in conflicts of interest.
* Seek to protect the private information of customers, employees and partners.

#### ***Respect***

To acknowledge the basic human dignity of all stakeholders; to this end, we will:

* Value individual differences and avoid stereotyping customers or depicting demographic groups (e.g., gender, race, sexual orientation) in a negative or dehumanizing way.
* Listen to the needs of customers and make all reasonable efforts to monitor and improve their satisfaction on an ongoing basis.
* Make every effort to understand and respectfully treat buyers, suppliers, intermediaries and distributors from all cultures.
* Acknowledge the contributions of others, such as consultants, employees and co-workers, to marketing endeavours.
* Treat everyone, including our competitors, as we would wish to be treated.

#### ***Transparency***

To create a spirit of openness in marketing operations; to this end, we will:

* Strive to communicate clearly with all constituencies.
* Accept constructive criticism from customers and other stakeholders.
* Explain and take appropriate action regarding significant product or service risks, component substitutions or other foreseeable eventualities that could affect customers or their perception of the purchase decision.
* Disclose list prices and terms of financing as well as available price deals and adjustments.

#### ***Citizenship***

To fulfil the economic, legal, philanthropic and societal responsibilities that serve stakeholders; to this end, we will:

* Strive to protect the ecological environment in the execution of marketing campaigns.
* Give back to the community through volunteerism and charitable donations.
* Contribute to the overall betterment of marketing and its reputation.
* Urge supply chain members to ensure that trade is fair for all participants, including producers in developing countries.

Before we commence with this section, let’s take a look at some standards which have been set with regards to marketing and its associated activities. Next you will find some extracts of guidelines when conducting marketing research.

### Mystery Shopping

Mystery Shopping is a long-established research technique used by a wide variety of commercial, governmental and other organisations. Its purpose is to help such (groups) to assess and improve the standards of service they provide to their customers by comparing their achieved performance against their own targets and against the standards provided by competitors and other organisations. The approach involves the use of evaluators who are specially trained to observe and measure the nature and quality of the services being offered to customers.

**1** These evaluators, or Mystery Shoppers, pose as consumers and chronicle detailed information about their Mystery Shopping experience using questionnaires or narrative reports.

Mystery Shopping is used not only by Marketing Researchers but also by merchandisers, security firms, private investigators and employee training groups and organisations. Provided that it is carried out professionally and with appropriate safeguards, Mystery Shopping is a valid and legitimate form of marketing research. It does have certain unique characteristics that distinguish it from other types of research. In particular, “respondents” are not aware that they are the subjects of research.

**2**Also, contrary to other Marketing Research standards, identifying the respondent’s name to the sponsor is usually part of the process. This is because one of the most common uses of Mystery Shopping is to evaluate a company’s training program as it relates to customer service delivery. An individual respondent’s performance may be assessed as part of the process. Additionally, it is not unusual for companies to use the outcome of Mystery Shopping as a way to identify employees who need further training or who deserve bonuses or rewards.

Marketing Associations considers Mystery Shopping a legitimate form of Marketing Research when it is employed for Customer Satisfaction purposes; that is, to determine likely customer perceptions and needs.

It is not considered Marketing Research when it is used for non-research purposes such as identifying individuals for disciplinary actions, falsely elevating sales by creating a demand for products or services that does not really exist in the current marketplace or obtaining personal information for non-research purposes.

### Sales Waves

Sales Waves are respondent contacts that take place immediately upon the conclusion of a Marketing Research interview or in successive waves thereafter. A Sales Wave offers to the respondent the product or service that was the subject of the initial interview.

The product or service is made directly available to the respondent at the regular or expected retail price and then is delivered to the respondent after money is exchanged via cash or the setting up of an account in the respondent’s name.

Almost always, at the conclusion of the Sales Wave portion of a study, all monies are returned to the respondent or the account is never collected upon. The purpose of Sales Waves is to gauge actual purchase intent and, ultimately, likely sales volume.

Data gathered from Sales Waves are considered more reliable than data gathered from hypothetical purchase intent questions because the respondent is making an actual commitment with his or her own dollars. It is a discrete choice test where respondents can receive the product of service of their choice or, perhaps, no product or service at all. In this scenario it is essential that respondents have the mind-set that they are paying real rands for whatever they order. Sales Waves are considered by some manufacturers and service providers to be essential in Marketing Research projects that involve new food products, breakthrough products or services, or line extensions.

Because the intent is to generate information and not sales, Sales Waves are considered legitimate Market Research. The controversy arises over respondent perceptions of sales vs. research: can respondents make this subtle but important distinction? There seem to be contradictions in the standard Marketing Research practice of utilizing Sales Waves. We make promises to respondents that we will not sell them anything and then we offer a product or service for sale at the end of the interview (or at sometime thereafter).

Marketing Researchers have worked diligently to differentiate between selling and researching; “sugging”, or Selling Under the Guise of Research is considered a violation of research ethics. However, there is a clear distinction in the motivation or underlying reason for sales waves.

Sales Waves: sales are employed to generate profits; Sales Waves are employed to generate data and information. Measuring expected sales or sales volume is a legitimate Marketing Research outcome.

It is the position of MRA that Sales Waves represent a legitimate Marketing Research technique. However, extreme care must be taken to safeguard the integrity of the Research process and the privacy of respondents.

It is recommended that before MRA members accept a study involving Sales Waves they include the following questions in their discussion of the project with their client: Will all of the respondent’s money be returned (or never collected on the established account) at the conclusion of the Sales Waves?

Will product fulfilment be the responsibility of the manufacturer, and if so, how will respondent confidentiality be safeguarded? Will respondents receive an explanation of the Sales Wave process at the conclusion of the study so that they can be assured that this process was for information and not for profit?

With recent concerns over respondent cooperation and privacy, Sales Waves are not used as often as they once were. However, they continue to be used in our industry by many large manufacturers and service providers. Ultimately, the decision as to whether to accept studies that incorporate Sales Waves is a business decision that must be made by our members on a case-by-case basis.

### *Transaction*-Based Customer Satisfaction Confidentiality

#### Background

Customer satisfaction research is a long-established field of marketing research, which is used by a wide variety of business organizations. A specialized area within this field is transaction-based customer satisfaction. In transaction-based customer satisfaction research, customers are called shortly after using a company’s product or service.

The purpose of transaction research is to help the client firm assess and improve its customer service.

#### Discussion

Transaction-based customer satisfaction is especially prevalent and important where new more efficient technology, processes, budgets and work force changes are affecting customer service.

The purpose of this research is to use the ‘voice of the customer’ to fine-tune customer service processes, so that internal client company changes result in optimal customer service. The analysis involved in this form of research is done by statistically comparing customer responses to internal records for the same events.

Occasionally during this analysis, client company employees contact the customer for additional information concerning their service transaction. The focus of such contact is understanding and improving service and products, not marketing or sales.

In transaction-based customer satisfaction research, confidentiality is not expected because data collection is tied to a specific customer service event and the respondent is told during the survey that the purpose of the research is to improve the customer’s future service.

In this type of research, confidential customer responses are not shared outside the client company.

In addition, some industries conducting transaction-based customer satisfaction research are regulated by governmental bodies. An example of such an industry is telecommunications. In regulated industries, government agencies sometimes focus upon dissatisfied customers and require the regulated companies to resolve customer issues. As a result, regulated companies cannot keep confidential customer responses from government bodies.

#### Summary

Confidentiality is important to marketing research and must be maintained. An exception to this confidentiality rule is transaction-based customer satisfaction research. In transaction-based customer satisfaction research, strict confidentiality is not possible because: The customer and client are following-up on a specific transaction/event in order to improve

1. Future service. In this situation, the customer and client are working together toward a common purpose and confidentiality within the client company is not expected. In regulated industries, government regulation often does not permit satisfaction research

2. To remain confidential.