

Ethical Marketing. W thomas

by Wayne Thomas

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University of Wales Trinity Saint David

School of Engineering

Ethical Marketing

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Wayne Thomas

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1 Introduction

The following report will outline the use of Corporate Social Responsibility (CSR) in the motorsport marketing industry and its impacts.

An explanation of the CSR theory and its impact on this sector of sport and the positive and negative effects it has introduced, a few definitions of the CSR ideal are as follows there are many more versions of this ideal (Carroll. 2010)

“a concept whereby companies integrate social and environmental concerns in their business operation and in their interaction with their stakeholders on a voluntary basis” (European Commission. 2000).

Another definition of the CSR ideal is

“the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life” (World Business Council. 2000).

The view of a CSR in simplified terms is reduction of social negatives along with reducing negative impacts of motorsport business marketing actions globally. The following Fig1 gives a simple view of a CSR.



Fig 1. The Giving Machine. corporate-social-responsibility-simple-guide.

The above fig1 on page 1 outlines the component parts of a CSR ethos they are broken down as follows.

The long-term results of a CSR are to provide a sound ethical and transparent process to its activities.

Sustainable results from its activities that enables the activity it is involved in to carry on with as little harm as possible.

A responsible approach to its use of resources whether it be material, social or economic.

Due diligence to the market it serves.

Sincerity in all processes associated with its activities including corruption

To achieve its goals with limited negative affects to its stakeholders.

There are many variations on what these different components are labelled but the underlying principles remain the same.

2 Literature Review

2.1 Introduction of Literature Review.

The reading of literature for this report was conducted using the following sources" Marketing an Introduction" (Armstrong,2009) concurrently with research utilising online Databases such as University of Wales Trinity St David's (UWTSD) Library portal, Google Scholar PDF searches involving the use of corporate social responsibility (CSR) involving ethical marketing practices in motorsport applications.

2.2 Examination.

After the examination of information supplied by the sources the author of this report agrees with the information gleaned from the publications and find most of the sources to be competent in their findings in the authors opinion.

2.3 Conclusion.

The conclusion is that in the previous publications mentioned, the information gleaned from such sources give an accurate view of the use ethical marketing in the motorsport industry but with a bias towards the positive and does not reflect the use of such practices for nefarious purposes (Devinney et al ,2013) i.e. deceiving stakeholders or to give an alternative view of the of the negatives a CSR ethos policy (Fauset.C .2006)

3 Methodology

The Report was compiled by reading of material from various sources, online libraries and physical libraries, web resources using Google Scholar and UWTSD sources.

Also, through the viewing of relevant motorsport organisations and their relevant CSR articles.

4 Discussion

A CSR must be taken onboard by the whole of the enterprise that wishes to have this concept succeed to its full potential this must encompass the whole organisation including all internal and external stakeholders in its activities and to ^{Awk. □}id upon a company's standards of behaviour and its values, this is quite a difficult concept for motorsport as it is in its nature utilizing harmful actions in its basic core operating actions i.e. noise, environmental concerns venue concerns and movement of fans just to name a few.

This is being addressed on one issue with the introduction of regulations limiting engine size and fuel consumption with a reduction in engine emissions as introduced by Formula1 (Karlsen.2011) also with the introduction of FormulaE (Robbers,T.2016) as eventually the electrification of the sport will be forced through legislation and stakeholder pressure, a commitment to a CSR ideal itself, another aspect that will be focused upon and that will be how the energy (fiaformulae.2016) is produced for Formula E electric vehicles and is the energy from a sustainable and ethical source, yet another aspect that is being scrutinised is the sourcing of the victuals including the packaging it is distributed in.

This will be an ongoing struggle as the finite resources of the world become more restricted and the marketing of such practices become more difficult due to increased scrutiny from the social and the environmental aspect.

Motorsport organisations like the Motorsport Industry Association (MIA) have a membership section and when joining all participants must accept to act in a bona fide and ethical manner and accept a code of practice, this demonstrates to external interrogation that there is a framework for ethical support in motorsport organisations and its marketing actions be it in full public view or internally as shown by its actions.

Unfortunately these are businesses (Milton Friedman has been given credit for the line “the business of business is business” 1970) ^{Citation Needed} and they need to be able to make a return on the investment in them be ^{Grammar} tary or have added value to the associated company, an example of this is Ferrari ,as to be the winning team reflects on their successful image and relates to the sale of road going vehicles that is associated with this success.

Having CSR ethos can be very advantageous to the motorsport arena and its associated partners by marketing the benefits of such a social conscience can prove to be an effective way of increasing the fan base of that motorsport ^{Citation Needed} Formula 1, World Rally Cross (WRC), World Superbike (WSBK) and Moto GP.

McLaren has a well worded policy concerning the actions of its company (Neale J, 2019). Yamaha also has a corporate philosophy of “Kando” (Yamaha,2019) which incorporate the CSR ethos.

The previously mentioned motorsport businesses have taken CSR practices to the heart of their companies to ensure greater brand loyalty and an ongoing successful relationship with their various stakeholders whether it be from a retail consumer point of view or a business to business relationship.

The Paris Dakar cross country race has highlighted the need for a more integrated way that motorsport is utilised in society and has a CSR policy highlighted on the official website(Dakar.2019) and the effect of local situation can affect the motorsport event i.e. terrorism which ultimately led to the event being moved to Peru in South America after the event was cancelled in 2008 and since 2009 has been held in Peru South America .The movement of the event highlighted the responsibility of the organiser to provide a safe and secure location for the event which is now called “The Dakar” and to avoid the bad publicity if a terrorist event occurred while in Africa and the stakeholders suffered a harmful impact at a personal level.

The movement of the event obviously had negative impact on the environmental aspect as most teams are based in Europe and moving it to south America has increased the emissions by moving it to a more distant location and using more resources to implement that move. So, using a CSR ethos has improved on a part of the ideal which is to protect stakeholders on a personal level but has made another part less socially responsible due to the extra travel requirements being utilised by the partakers involved and that will have a detrimental effect on the environment and the less thought about the extra time that participants are away from a home environment and the effect on the social relationships between participants and family.

A recent example of a devastating CSR (Mačaitytė.2018) failure is the emissions scandal from the German carmakers Volkswagen the effect of them putting cheat software into their vehicles had a huge environmental impact and economic cost for the company and detracted from their image of a trustworthy brand This will be a longstanding example of CSR failure and one that many companies will wish to avoid.

5 Conclusions.

This author through the reading of pertinent material associated with the importance of ethical marketing and its impact on the motorsport industry has concluded that the impact of these marketing methods has been overall successful and has involved the use of a CSR ethos to promote a greater understanding in all aspects of the activities including marketing

The motorsport industries and its affiliates have incorporated these CSR ethical marketing ideals to ensure the ethics in the CSR approach that motorsport industries are utilising for their business and for strategic decisions going forward are the most ethical for all parties involved and ensure that the industry prospers and survives into the future in these ever changing times especially as business practices come under closer scrutiny especially due to the ethical and social responsibilities that are ever present these days in a highly public and well scrutinised industry that is so well discussed in main stream media and on the current social media of today and any perception on misdeeds be it deliberate or accidental can have a devastating effect on the motorsport activity and its associated stakeholders especially if there is a hint of greenwashing(Miller T,2018).

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Yamaha, 2019. **Kando* is a Japanese word for the simultaneous feelings of deep satisfaction and intense excitement that we experience when we encounter something of exceptional value. <https://global.yamaha-motor.com/about/philosophy/> Retrieved 04/03/2019

Fig 1 The Giving Machine .<https://www.thegivingmachine.co.uk/corporate-social-responsibility-simple-guide/retrieved> 04/03/2019.

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FINAL GRADE

50/100

GENERAL COMMENTS

Instructor

Well researched and good use of mostly reliable and credible sources.

A good understanding of CSR demonstrated but could have been enhanced with a more concise definition.

A fair analysis with good examples but arguments presented very much from one perspective and more discussion is required to command higher marks in this area.

Well structured but grammatical errors, punctuation and sentence structure need attention.

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QM

Awk.

Awkward:

The expression or construction is cumbersome or difficult to read. Consider rewriting.

Additional Comment

sentence too long

QM

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Grammar

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