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Businesses have a legal obligation to comply with government regulation in areas of marketing, ~~and~~ ~~but~~ but also, should strive to more than just complying with the law by carrying out marketing processes that are ethical and responsible.

In a competitive business environment, companies need to find ways to differentiate themselves from similar businesses. Amongst numerous points of differentiation, ethical and social practices are an important method of differentiation as consumers look to purchase products from businesses who do more than just complying with regulations, but also exceeding their expectations through integrating processes that do not exploit cheap labour or any other unethical practices.



Billabong identifies its obligation to comply with law, so it constantly scans the global political and legal environment to ensure its activities remain legal amongst different regions. This includes areas such as OH and S, trade practices, financial activities and labour standards.

Although businesses may be in compliance with legal regulation, ~~deceptive advertising~~ ~~can~~ deceptive advertising can result in a negative business image. Techniques such as fine print, false survey results, altered before and after images, bait and switch selling, and dishonest advertisement are utilised by many businesses to entice a customer base. These practices are seen as unethical and misleading, often resulting in a loss of customer base, market share and decreased customer loyalty. ~~Methods~~ Methods such as these

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are also illegal under the Competition and Consumer Act (2010), administered by the ACCC.

Billabong is a company which owes its core to the natural elements, therefore they engage in ethical practices which are both responsible to consumers and the environment. Billabong CEO Laura Inman sees the process of corporate social responsibility as an "ongoing process of social, ethical and legal excellence".

The business acknowledges its responsibility of engaging in ethical practices which do not harm the environment, and achieves this through the design and development of clothing lines made out of recycled plastic bottles, ~~and~~ organic fibres and other recyclable materials. The ethical practices are major factors contributing to their



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success as one of the leading youth apparel and outdoor sports retailers in the world.

Many ethical ~~marketing~~ criticisms exist regarding marketing and although legal, impact negatively on a business and its image.

Promotion of materialism, sex to sell products and stereotypical images of men and women used throughout advertising present major ethical issues which customers will ultimately identify and perceive the business under a negative light.

Invasion of privacy such as internet marketing companies utilising individuals web history to direct advertisements

towards or product placement within entertainment may influence customer buying behaviour, <sup>initially</sup> but ~~the~~ ~~will~~ will

~~conclusively~~ ~~influence~~ ~~the~~ ~~attitude~~ ~~held~~ ~~by~~ ~~consumers~~ ~~to~~ ~~that~~ ~~of~~ ~~dishonesty~~ ~~and~~ ~~manipulative~~.  
conclusively influence the attitude held by consumers to that of dishonesty and manipulative.



Government regulation compliance contrasts with the principle of ethical behaviour as breaking these regulations can result in civil ~~or~~ or criminal proceedings, infringement notices to individuals and businesses, and impact the business's public image through negative publicity. The ACCC is responsible for dealing with businesses or individuals who fail to comply with the Competition and Consumer Act or ~~the~~ Australian Consumer Law through court or tribunal convictions, and on the spot infringement notices. With 11,000 retail stores in over 100 countries, Billabong ensures that its marketing strategies remain ethical and, promote a responsible and positive image such as setting reasonable prices for their products in terms of labour used and level of quality and not exploiting higher ~~demographic~~ demographic regions with over pricing.

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Therefore, it appears evident that the nature in which businesses carry out marketing processes, ~~ultimately~~ ultimately influences the attitudes of consumers and thus impacts on the business's performance.

Business who carry out ethical practices or incorporate an appropriate CSR into operations are reflected with a positive image as opposed to misleading, deceptive and dishonest marketing processes. Government regulations have a major impact ~~on~~ on a business's marketing plan, and will need constant monitoring and controlling with a constantly changing legal environment.

⇐ Tick this box if you have continued this answer in another writing booklet.

