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Are Your Marketing and Communication Efforts Ethical? Consider These Six Aspects

By Ed Burghard, Executive Director, Ohio Business Development Coalition

How do you know if your economic development communications are ethical or unethical, and why isn't the concept of *caveat emptor* (buyer beware) sufficient? These are important questions in our profession, and the answers aren't always easy. Professional ethics is a matter of both moral and legal considerations.

In the world of economic development communication it can quickly get confusing if we let the desire to win compromise our ethics. Most everyone in the field wants to do the right thing – the real challenge is to understand what that right thing is.

To illustrate the complexities of ethical communication in economic development, below are six areas in which it may be most common to cross an ethical line.

1. Truth. You would expect it easy to describe what "truth" means. But truth can be interpreted in different ways (relative versus absolute, as one example). When it comes to economic development communication, the legal definition is the most appropriate: "The actual state of things, a completely accurate account of the facts." Take a look at the printed material you are using as handouts to describe your community. Ask yourself: Are they truthful?

2. Claim substantiation. A statement can be false in different ways – it can be false on its face, or implicitly false. The first is easier to identify than the second. An implicitly false claim is one in which you imply something is true, but don't come right out and say it directly. Another way of thinking about it is as creating a false impression. So, what you don't say might be as important as what you do say.

3. Use of rankings. In economic development, rankings are used often to provide a reason to believe a community is a good choice for capital investment. But rankings can be misused. A community may rank low in violent crime, but high in robbery/theft. Is it ethical to say the city is safe, and share the low ranking without disclosing the high one? What if there are two different rankings looking at the same thing but reporting very different results because of sampling methods? Is it ethical to present the results of one and not the other?

4. Testimonials. Capital investors want to know about the experience of other CEOs in your community, because nothing is more convincing than peer perspective. Is it ethical to use the testimonies of CEOs who just received significant incentives for investing in an expansion – but the quotes don't mention the incentives?

5. Disclosure. We demand that our personal financial advisors disclose any financial interest they might have when recommending we make a specific investment. But what if an employee recommends in their personal blog post that the reader invest money in a particular company's service without disclosing that he or she is an employee of the company? Is that ethical? Or, say a CEO is interested in

a property in your community that you subsequently suspect may have an issue with asbestos. Is it ethical to withhold the concern pending further research?

6. Taste and decency. Every culture has different standards of taste and decency, and even within a culture the standards shift over time. Wally Snyder, President Emeritus of the American Advertising Federation, suggested that communication meets the test of taste and decency if it advances the image of the industry. Does a billboard with the headline "Kiss Your Assets Goodbye" advance the image of the economic development profession, or not?

Many people do believe that caveat emptor is appropriate and that trying to regulate ethics is a fool's game. As an economic development professional, you must decide for yourself what you believe the right thing is. But I would like to suggest a pledge that would be appropriate for practitioners to adopt:

"As an economic development professional, I pledge to compete vigorously and effectively, but never unfairly or unlawfully; to make truthful statements about the assets available and cost of doing business in my community; to ensure the claims I communicate to potential capital investors are authentic; and to be committed to living up to the spirit, as well as the conditions, of all promises made by me and my economic development organization."

For more information about ethics in the profession, see the [Code of Ethics](#) that IEDC adopted in 2008. IEDC also created a Committee on Professional Conduct to help enforce the code and address alleged violations of ethical standards, and now provides ethics training at two conferences annually and in its Managing Economic Development Organizations training course. As professionals, we should each become familiar with the [Code of Ethics](#) and work hard both to ensure our personal adherence and encourage our colleagues to do the same.

In addition to his role as executive director of the Ohio Business Development Coalition, Ed Burghard is the author of strengtheningbrandamerica.com, a free educational resource for economic developers.

From the Author: An Ethical Culture, Instilled from the Top

I received my business ethics training over my 33-year career at Procter & Gamble. The company has a remarkably simple way of describing the essence of ethical employee behavior: "Do the Right Thing." P&G employees are expected to operate in a manner consistent with the company purpose, values and principles (PVP). I still carry my P&G PVP card in my wallet as a reminder that whenever I am in doubt, I need simply to do the right thing.

I encourage you to visit www.pg.com and download a copy of the company's Worldwide Business Conduct Manual, titled "We Do the Right Thing." It is not titled "We *Strive* to Do the Right Thing," or "We *Want* to Do the Right Thing." It is a clear declarative statement that can only be interpreted one way – We *Do* the Right Thing. It is who a P&G employee is...it is who I am as a P&G retiree.

Many industries recognize the challenges of maintaining ethical behavior in communication and author specific codes of ethics to provide guidance. The American Marketing Association, American Federation of Advertisers, and the Federal Trade Commission have issued code documents. Even the Vatican issued specific guidance on ethics in advertising through the Pontifical Council for Social Communication. P&G's guidance is succinct: "We are expected to compete vigorously and effectively, but never unlawfully. For this reason, we are truthful in all of our sales and marketing. We must make only truthful statements about our Company and its products and services. All marketing claims must be substantiated and live up to their promises."

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