1994

A code of ethics for newspaper advertising people

Jack C. Quinton
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A code of ethics for newspaper advertising salespeople

Quinton, Jack C., M.S.

San Jose State University, 1994

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**300 N. Zeeb Rd.
Ann Arbor, MI 48106**

A CODE OF ETHICS FOR
NEWSPAPER ADVERTISING PEOPLE

A Thesis
Presented to
The Faculty of the School of Journalism & Mass Communications
San Jose State University

In Partial Fulfillment
of the Requirements for the Degree
Master of Science

by
Jack C. Quinton
May, 1994

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ABSTRACT

A CODE OF ETHICS FOR NEWSPAPER ADVERTISING SALESPeOPLE

by

Jack C. Quinton

This thesis addresses the topic of ethics as applied to the job-related responsibilities of newspaper advertising salespeople. It examines classic ethical thoughts and theories and combines them with contemporary comment on appropriate ethical behavior for those involved in business in general and the communications industry in particular. The ethics of a newspaper advertising salesperson are examined in three areas: (1) the salesperson's responsibility to the newspaper's readers; (2) the salesperson's responsibility to the newspaper's advertisers; and (3) the newspaper salesperson's responsibility to the newspaper.

Research on this subject indicates a clear need and a desire within the newspaper advertising industry to adopt a formal, written code of ethics by U.S. newspapers.

Concluding this thesis is a proposed Code of Ethics recommended for adoption by the Newspaper Association of America.

ACKNOWLEDGMENTS

This thesis is dedicated to Carl F. Edwards, Jr., Retail Advertising Manager, the San Jose *Mercury News* for more than 40 years. Carl is a personal hero and the most ethical newspaper advertising executive I have encountered in my 32 years in the newspaper business. Professionally, it is his example upon which much of this thesis is based.

My mother, Virginia Elizabeth (Garrett) Quinton, was a Navy wife during the trying Second World War, became the mother of five, and as a fifth grade elementary teacher, helped to formulate the personal values and ethics of hundreds of her students. She held three full-time jobs concurrently and did them all superbly--all the while instilling ethical behavior, personal values, and the all-important self-esteem that one feels when "doing the right thing."

This thesis has been seven years in the writing. When I was not writing about ethics, I was thinking about them. Throughout this process, my wife Barbara Jane Quinton has been my best friend, my most severe critic, and my proofreader. One cannot put many years into a project this important without taking time from others. We are in this together. I appreciate the love, help, support, and gentle nudging it took to complete this phase of a very ambitious project.

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INTRODUCTION

The newspaper industry has gone through a dramatic transformation in the past 30 years. Beginning in the mid-1950s, newspapers began to automate their production facilities, add to and improve their editorial departments, and place a greater emphasis on actively selling advertising. Classified advertising grew as a percent of the industry's advertising totals coupled with a reduction in the amount of national advertising. The retail advertising base hovered around 45% to 50% of the total advertising generated by most newspapers.

Between 1955 and 1990, the number of daily newspapers in the United States declined from about 2,400 to the present level of less than 1,600. Many evening newspapers became morning editions, reflecting the decline of blue collar America: More white collar workers desired AM editions they could read before leaving for work or to take with them to work.

Huge newspaper chains grew and proliferated. Such behemoths as Gannett, Knight, Times Mirror, Tribune, and Ridder gobbled up lucrative individual newspapers in selected growth markets and formed headquarters from which to direct these combined operations. By the end of the 1980s, these giant combines operated their own international news services, running their own national sales organizations

representing all newspapers within the chain. They maintained their own satellite and microwave transmission facilities for sharing reports on world events, and instantly disseminated syndicated stories and features to chain members simultaneously. It has been said that the newspaper industry has seen more improvement in the 30 years between 1960 and 1990 than it had experienced in the 300 or so years of newspaper publishing prior to that.

A significant change affecting the advertising department of the larger dailies (and, in fact, smaller dailies owned by the chains) occurred through the development of corporate personnel departments and the consequent pooling, recruiting, transferring, and employee promotions within the organization. Each paper is seen as a resource from which employees in various departments could be sent to other newspapers in the chain requiring special skills provided by the employees. As these moves frequently resulted in promotion for the employee involved, there was little resistance to this practice because for the first time the employee received specialized training. This specialized training was possible through the training departments developed as an adjunct to corporate personnel departments. The result has become a well-trained, knowledgeable sales force armed with sophisticated sales techniques backed by

improved marketing and creative resources never before experienced in the newspaper industry.

As newspapers prospered, so did the people who worked for them. Nowhere was this more prevalent than in the advertising departments of each newspaper. Newspaper publishers paid their employees well to guarantee continued revenues. As employee salaries grew and became more competitive with other sales positions--particularly those in radio and television--newspapers were able to attract better salespeople. Around 1960, most metropolitan dailies attracted and hired talented college graduates in large numbers.

These highly educated, better trained, and more sophisticated advertising salespeople successfully sold higher cost advertising to advertisers who were also becoming more sophisticated media buyers and users--one required the other. Increasingly, dailies represented large, publicly-held companies with a greater sense of responsibility to both customers and readers and the public in general. This was due in part to the better educated work force they employed and partly because of enlightened management philosophies of these larger chains which were buying into a "serve the customer better" attitude prevalent among them.

This sense of responsibility continues to increase as chains buy up smaller papers in promising markets. Most

newspaper publishers and advertising executives feel it is time to implement a code of ethics for their advertising salespeople. This thesis will include a proposed code along with the supporting research, background, and industry rationale mandating such a code.

CHAPTER 2

NEED FOR AN ETHICAL CODE

A better educated and more sophisticated sales staff enters its second generation. As this occurs, a combination of factors continues to make it more difficult for newspapers to show real advertising lineage gains or to raise rates with the impunity as they did in the 1960s and 1970s. These factors include circulations that are growing but not keeping pace with population growth. A weakening in the retail base occurred in many markets due to mergers, leveraged buyouts, bankruptcies, changes in consumer buying patterns, and increased competition primarily from television and direct mail.

Most publishers and newspaper advertising directors recognize that newspaper advertising of the future will likely mean selling the same (or less) advertising with fewer salespeople. Modern technology such as modems, fax machines, electronic desktop publishing, enhanced ad-creating software programs, better communications including increased use of satellites, fiber optic and microwave transmissions, car phones, and other labor-saving devices will take much of the legwork out of advertising sales. Much less personal contact will be required. The proliferation of desktop publishing, coupled with a fax machine and a modem, will enable even small local merchants to create their own "camera-ready" ads

and transmit them to the newspaper without the need of a personal call from the salesperson. Telephones showing the caller may help maintain the personalization of the relationship; but the necessity of travel by the salesperson will be greatly reduced, permitting one person to handle more accounts without leaving the office. The technology exists now to allow newspaper salespeople to work from their homes with faxes and modems linking them to both clients and the newspaper.

As newspaper advertising sales staffs become smaller, better educated, and better equipped, the remaining impediment to professional status is the lack of a formal, written code of ethics. Newspaper salespeople, especially on the larger dailies (the larger the newspaper, the higher the advertising rates, requiring more sophisticated salesmanship to more knowledgeable advertisers), are improving sales skills, knowledge of the market and competition, and an increased sense of modern marketing communications. Their ability to sell advertising has increased considerably, but they are left without ethical standards and guidelines common in other professions. They deserve better recognition for the work they do and they need to know in advance what is expected of them ethically. A common complaint of newspaper salespeople is they learn too late of an ethics violation. "How could I know"? No one ever told me," is a common

response. Most managers, when asked, "Have you ever fired a salesperson for an ethics violation"? have answered, "Yes." The problem from a salesperson's viewpoint is that the notification of what constituted an ethics violation was accompanied by a termination slip and discussed at the exit interview.

Of 102 United States daily newspapers surveyed for this thesis, only one had a formal, written code of ethics that applied to the advertising sales department. Only a few addressed ethical standards in personnel manuals or other company documents and those descriptions tended to be quite general. Out of the 102 United States daily newspapers, only 5 responded negatively when asked if a formal code of ethics would benefit the newspaper industry. Subsequent interviews with industry managers and publishers have revealed considerable support for a newspaper advertising sales code of ethics.

Reasons for a Code of Ethics

Why does society need ethical standards? Louis A. Day, a professor at Louisiana State University states in his book, Ethics in Mass Communications: Cases and Controversies, four reasons why society requires some ethical standards (Day, 1991, pp. 19-21). These same reasons apply to newspapers as much as any other element of society.

1. The need for social stability. If we are to enter into agreements with others--a necessity in a complex, interdependent society--we must be able to trust one another to keep those agreements, even if it is not in our self-interest to do so.

2. The need for a moral hierarchy. A system of ethics serves as a *moral gatekeeper* in apprising society of the relative importance of certain customs. It does this by alerting the public to (a) those norms that are important enough to be described as moral and (b) the "hierarchy of ethical norms" and their relative standing in the moral pecking order. A system of ethics identifies those customs and practices where social disapproval is significant enough to render them immoral.

3. The need to resolve conflicts. A system of ethics is an important social institution for resolving cases involving conflicting claims based on individual self-interest. Day provides an example germane to the classroom: It might be in a student's own interest to copy from a classmate's term paper. It is in the classmate's best interest to keep her from doing so. Societal rules against plagiarism are brought to bear in evaluating the moral conduct inherent in this situation.

4. The need to clarify values. A system of ethics also functions to clarify for society the competing values and

principles inherent in emerging and novel moral dilemmas. Some of the issues confronting civilization today would challenge the imagination of even the most ardent philosopher. Day offers another example: In terms of the issue of animal rights, do the human benefits of animal research outweigh the suffering of the creatures themselves?

The Philosophy of Ethics

Ethics is the combination of moral values and attitudes that govern our behavior. When a person habitually acts in a fair and honest manner, we say this person is ethical.

Moral values, upon which personal ethics are based, are commonly defined as something that is esteemed, prized, or regarded highly as a good. These moral values help contribute to and protect personal autonomy, justice, and the dignity of human life.

Why do we need ethical standards? Ethics, in business at least, make doing business less chaotic by providing a common ground between participants. Professions adopt codes of ethics to elevate their profession in the eyes of those who come in contact with them. A code of ethics sets down written standards of behavior so that all know how to proceed when encountering business dilemmas requiring ethical decisions. High ethical standards within a business attract higher caliber employees than those businesses with low ethical standards. Hiring high quality people results in

quality work with increased results. What has occurred is the newspaper industry has succeeded in hiring well-educated, highly-trained salespeople but these salespeople lack a formal, written, code of ethics.

Ethics are the building blocks of attitudes. In studying attitudes three types have been identified:

1. The affective attitude is ruled by the emotional side of our brain.

2. The cognitive is associated with the intellectual side and the behavioral attitude describes an individual's predisposition to respond.

3. The behavioral attitude accounts for both feelings and beliefs.

As we progress through life, our values and attitudes are formed by parents, peer groups, role models, and institutions.

Often a conflict of ethical values is experienced by those involved in business and personal life. Behavior in the best interest for one group may not work equally well for another group. Newspaper advertising salespeople frequently encounter conflicting standards when attempting to please the publisher, the advertiser, and the readers of the newspaper. Some ethical requirements state "caveat emptor" (let the buyer beware), while other requirements opt for government protection. Salespeople must make the distinction between

"truth that hurts" and "copy that gets people into the store." Advertising salespeople ask, "Is it a lie if everyone knows it isn't the truth?" The comedian, Jack Benny, told his audiences for decades that his age was 39. Was he lying to them? Because the "lie" was harmless it caused little ethical concern. These are questions an ethical code must address. Most newspaper publishers would eschew additional governmental control in any form. On the other hand, in these days of complex issues and complicated products, the concept of caveat emptor can no longer be administered fairly among a multilingual populace at times lacking the knowledge and sophistication to act wisely when responding to newspaper advertising. For these people, what they don't know can hurt them.

Newspaper salespeople frequently encounter difficult situations where they must take into consideration the power and influence of those who pay their salaries. Big advertisers, those who have set past ethical precedent, and superiors are three of the most significant obstacles to establishing and accepting a formal code of ethics. Many newspaper ad managers espouse extremely high ethics until those ethics cost the newspaper money. The goal is to make ethical decisions based not on what is mutually acceptable but on ability to defend critical judgments rationally.

Day suggests there are always four criteria of establishing a code of ethics base:

1. Shared values. Before ethical judgments can be made, society must reach agreement on its standards of moral conduct.

2. Reason and experience. These agreements should seek to harmonize people's rights and interests with their obligations to fellow citizens.

3. Justice. There should be no double standard of treatment unless there is an overriding and morally defensible reason to discriminate.

4. Freedom of choice. Moral agents should be free to render ethical judgments without coercion. Only in this way will the individual's ethical level of consciousness be raised.

LaRue Hosmer, Professor, Graduate School of Business Administration, University of Michigan, suggests in the following that there are only three forms of analysis on thinking about an ethical dilemma and arriving at the balance in deciding what is "right":

1. Economic analysis based on impersonal market forces. The belief is that a manager should always act to maximize revenues and minimize costs; for this strategy, over the long-term, will produce the greatest material benefits for

society, and those benefits can be equitably distributed by political, not economical, means.

2. Legal analysis, based on impersonal social and political processes. The belief is that a manager should always act to obey the law, for the law within a democracy represents the collective moral judgment of members of society.

3. Philosophic analysis, based on rational thought processes. The view is that a manager should always act in accordance with either a single principle of behavior or a single statement of belief that is "right" and "proper" and "just" in and by itself. This is "moral reasoning": logically working from a first principle through to a decision on the duties we owe to others (Hosmer, 1990, pp. 101-102).

Moral obligations (or personal ethics) can be divided into two areas: (a) general ethical obligations that apply to all members of society and (b) particularistic obligations which are determined by membership in a specific group (e.g., newspaper advertising salespeople).

General ethical obligations are those that apply to all members of society. Some are primary (or fundamental), in that they take precedence over other principles and should be violated only when there is an overriding reason to do so. These fundamental duties should avoid lying, cheating,

stealing, and even breaking promises. In society, certain secondary obligations exist that do not achieve the moral equivalence of primary obligations. Infractions such as trespassing and gambling are examples of secondary obligations. Secondary obligations are less serious and rarely are considered ethical concerns as fewer others are likely to be affected adversely (often only the perpetrator is involved), damage to society in general is minimal, and such infractions are more widespread among society. Excessive drinking by an adult is undesirable in society but driving while drunk is far less tolerable. Walking across the private property of a local business technically is trespassing but breaking into a home of another is considerably more serious.

Most would agree that two general obligations underlie all others: (a) to treat others with the respect and moral dignity to which they are entitled and (b) to avoid intentionally causing harm to others.

Classic Ethical Positions

Prior to embarking on an outline for a proposed code of ethics for contemporary newspaper advertising salespeople it is appropriate to review some classic philosophies. Interestingly, such an analysis reveals ambiguity and contradiction similar to those we encounter today. Even Socrates, Plato, and Aristotle failed to agree on the makeup

of man's proper ethical structure but they, nevertheless, provided the early basis for modern-day ethical thinking. Had they all agreed it might indicate a singular ethical doctrine with little relevance in today's multifaceted world. What these great philosophers did was to delve into the complexity of human thought and action. While seemingly contradictory in some areas, they simply have shown early observations of the myriad human thought, morals, and actions. They provided fuel for thought.

Socrates (c. 470-399 B.C.)

Dissatisfied with his contemporaries' views of moral conduct, Socrates sought rules that could reasonably be supported. He believed that virtue could be identified and practiced. Through careful insight, Socrates believed anyone could arrive at some insights into the rules. Although he never developed a philosophical system of his own, his "Socratic Dialogues" provided a profound influence on what we now refer to as moral reasoning. Socrates, according to his student Plato, was among the first to consider ethics, which he described as abstract concepts of justice and goodness. Socrates roamed Greece 2,500 years ago probing and challenging ideas and beliefs of justice and goodness with those he met. This Socratic method of inquiry, consisting of relentless questions and answers about the nature of moral conduct, has proved to be a durable commodity, continuing to

touch off heated discussions about morality in barrooms and classrooms alike. Socrates, while falling short of developing his own ethical platform, was possibly the first to delve into the question of personal ethics.

Plato (c. 428-348 B.C.)

A disciple of Socrates, Plato argued in The Republic that justice is achieved through the harmony of wisdom, temperance, and courage. His premise, in today's language, states that moral conduct should be based on experience and knowledge of the world, moderate behavior as the means of achieving sound ethical judgments, and the courage to live up to those judgments. Plato believed that good was a value independent of the standards of behavior prevalent at any moment in society. An individual would be justified in defying conventional wisdom in the name of some higher moral good, even if that meant social ostracism.

Aristotle (384-322 B.C.)

Aristotle started as a student of Plato's but he became more pragmatic in dealing with the world as he found it. He believed that moral virtue was attainable but that tough choices had to be made in the process. The exercise of virtue, according to him, is concerned with means. Thus, the ends do not necessarily justify the means.

Aristotle's moral philosophy is sometimes referred to as *virtue ethics* and is based on the theory of the "golden

mean." He believed that virtue lay between the extremes of excess and deficiency, or "overdoing" and "underdoing." He perceived courage as being the middle ground between cowardice and foolhardiness. Pride, to Aristotle, fell somewhere between vanity and humility. Aristotle is likely to provide the base for much of the workable code of ethics for today's newspaper salespeople. Alas, Aristotle admitted that not every action could be viewed in terms of his "golden mean."

Tom L. Beauchamp, Professor, Kennedy Institute of Ethics, Georgetown University, wrote, "The very names of some things imply evil--the emotions of spite, shamelessness and envy and such actions as adultery, theft and murder (Beauchamp, 1988, p. 161). Thus, Aristotle's theory of the golden mean is helpful in resolving many of life's difficult ethical dilemmas but not the ones where certain actions are clearly wrong.

Aristotle's virtue ethics emphasizes character. The development of a virtuous individual is the goal, not moral conduct in a particular situation or according to a specific rule. Aristotle believed that virtue was achieved through habit, and in modern vernacular, practice makes perfect.

Aristotle made a major contribution to moral reasoning because the practice of moral reasoning, if it becomes habit forming, can realign one's thinking about ethics. This type

of thinking permits the belief that ethics can be taught. Therefore, the newspaper industry can take candidates with little or no subscribed ethics and have them accept a code that works to their benefit.

The combination of Aristotle's "golden mean" and the realization that some actions (and even emotions) are wrong and unacceptable to morally ethical people appears to establish the best foundation for a workable and morally defensible code of ethics for newspaper advertising salespeople.

There are other ethic philosophies worth mentioning:

The Judeo-Christian Ethic

The fundamental creed of the Judeo-Christian tradition essentially is the admonition to "love thy neighbor as thyself." This philosophy is characterized by a love for God and all humankind. According to this notion, all moral decisions should be based on a respect for the dignity of persons as an end in itself rather than merely a means to an end. All human beings--rich or poor, black or white, famous and ordinary--should be accorded respect as human beings regardless of their status in life. Although the Judeo-Christian ethic sounds utopian, it offers some practical advice for moral behavior: regardless of the approach we use to render ethical judgments, we should treat those affected by our decisions with dignity.

Kant and Moral Duty

Immanuel Kant, the 18th-century German philosopher, is responsible for the modern era of ethical thought. Kant's theories were based on the notion of duty and what he referred to as the "categorical imperative." Kant believed, "I should never act in such a way that I could not also will that my maxim should be a universal one" (Day, 1991, p.50). In other words, moral agents should check the principles underlying their actions and decide whether they want them applied universally. If so, these principles become a system of public morality to which all members of society are bound.

Kant believed that moral behavior was measured by living up to standards of conduct because they are good, not because of the consequences that might result. A code of ethics subscribed to by a particular group must include this provision in the hope that every member will comply with the code voluntarily because moral guides are "good." Because living up to moral standards is not universally accepted, most codes contain provisions for censure and discipline for those who violate them. In contemporary American business Kant's philosophy is idealistic. Kant's theories emphasize "duty" and his theories are sometimes thought of as a duty-based moral philosophy. Therefore, one has the duty to tell the truth, even if it might result in harm to others. Kant believed that one's motives for acting must be based on

acceptance of the duty to act rather than on merely performing a correct act. A more liberal interpretation of Kant, but one that still recognizes his concept of moral duty, is that universal ethical principles--truth-telling, fairness and honesty--should be obeyed unless there is a compelling reason for deviating from those principles. In addition, some contemporary duty-based philosophers have come to accept consequences as an important consideration in ethical decision making, as long as such consequences, e.g., censure, discipline, and expulsion, are not the primary determinant of one's behavior (Callahan, 1988, p. 20).

As times have changed, ethical thinking has come to the point where few expect even fewer to act ethically all the time merely because they feel it is right. A written code is one form of policing behavior because it removes the defense of ignorance with the statement, "Well, I didn't know," or "no one ever told me." It is difficult to determine what the layperson felt about ethical or moral behavior centuries ago. Because of their moral philosophies, Socrates, Plato, Aristotle, and (more recently) Kant were not "average" citizens of their day.

Today the prevailing thought often is, "Do what you can get away with, particularly if there is little chance of getting caught or getting punished." This is true in private life and people's relationships with others; it is true in

public when obeying the law depends on the enforcement of the law and the likelihood of getting caught; and it occurs in business where ethical violations are even more vague. This makes it necessary to have some punitive device for monitoring ethical violations and enforcing appropriate discipline.

Utilitarianism

Jeremy Bentham and John Stuart Mill, 19th-century British philosophers, are credited with introducing utilitarianism into the mainstream of modern Western ethical thought. Mill's concept of this philosophy is often referred to as creating the greatest happiness for the greatest number of people. Later utilitarians have argued that happiness is not the only desirable value and that others should be considered as well (Christians, 1987, pp. 12-13).

All versions of utilitarianism have one thing in common, that is, they are all concerned with the *consequences* of an ethical judgment. Rather than looking at the intention behind the act, as Kant suggested, one must attempt to achieve the best outcome for the greatest number of people. This concept has provided convenient cover for journalists who use various forms of deception, trespass, and untruths in order to uncover and report a social ill. Reporters maintain that the greater good for a large number of individuals outweighs the suppression of less important ethical concerns.

An example would be the reporter who steals a diary or lies to gain entrance to a closed meeting. The acts are wrong and possibly illegal, but the reporter might argue within his or her ethics that the right of the people to know (the newspaper's readers) outweighed the infractions of law and conduct in each instance. This ethics of convenience presents a strong defense when the majority is affected in a positive way.

Egalitarianism

Based on the premise that all individuals should be treated equally in terms of rights and opportunities, egalitarianism closely resembles the Judeo-Christian ethic. One contemporary (1971) exposition of the egalitarian idea is outlined by the philosopher John Rawls in his book, A Theory of Justice. Rawls recommends that self-interested individuals enter into a social contract that minimizes harm to the weakest parties (the opposite of the utilitarian view). Self-interested individuals should step into what Rawls calls an "original position" behind a hypothetical "veil of ignorance." Such people are temporarily deprived of knowledge about themselves that is likely to influence judgments in their favor, such as sex, age, race, and social standing (Rawls, 1971, pp. 11-13). Minority views are to be accorded the same standing as those in the majority. Behind this veil, individuals who have some stake in the outcome of

an ethical dilemma propose their own principles of justice for evaluating the basic social and political institutions of their society. When the veil is lifted, they are asked to visualize what it would be like to be in each of those sociopolitical positions.

This veil of ignorance, perhaps a romanticized parable, encourages the development of a system of ethics based on equality according to what individuals deserve rather than any special privilege the individual may have acquired that may set him or her above those of lower status. This is the egalitarian idea insisting that the king and knave alike must submit to the throne of moral judgment and that justice should not be meted out arbitrarily. This is to say that there should be no double standard of ethical treatment unless there is *an important and morally defensible reason to discriminate*.

This principle is particularly relevant to journalists, who must make decisions about news coverage of individuals from diverse backgrounds. Increasingly, this applies to newspaper advertising salespeople as they create advertising for a diverse business population that continues to grow. By the year 2000, the population of California is projected to be more than 50% minority. This is to be the case in Texas, Florida, and New York as well. Personal prejudice of any form must stop if today's newspaper salespeople are to work

effectively with owners and managers of businesses. Ethics must continue to play an important role.

Teleological (Consequence-Based) Theories

Teleological, or consequentialist, theories are popular in modern society. Essentially these theories predict that an ethically correct decision will produce the best results. The question here is not whether a particular policy or action is right or wrong but whether it produces positive results. There are variations on this theme. At one extreme are the *egoists* who argue that moral agents should seek to maximize good consequences for themselves. They should, according to the egoist way of thinking, look out for themselves. This becomes a philosophy based on the greatest good for the least number of benefactors. The opposite of the egoist's theory is explained earlier by the utilitarians who believe we should attempt to promote the greatest good (the most favorable consequences) for the greatest number of people.

What is the best choice as the basis of a code of ethics for newspaper advertising salespeople? A combination of Aristotle's "golden mean" philosophy provides an ethical happy medium lending itself to modern-day situations--situations that must be adjusted rapidly as times change and combine easily with Kant's theory of moral duty. Except the egoists view the other philosophies have applications which

will inevitably work their way into any code of ethics. For the purposes of newspaper advertising sales ethics, Aristotle's and Kant's views on ethics provide a very usable basis.

Contemporary Thoughts on Ethics

It is appropriate here to consider some of the more modern views of business, marketing, and media ethics. There are many people willing to offer opinions on how others should act such as opinions ranging from the serious writers of textbooks (Hosmer, Smith & Quelch, Jaska & Pritchard, et al.), to the businesslike writings of Townsend and Drucker, or to the whimsical musings of Ambrose Bierce. Individually they might lack the philosophical insight of the classic Greeks, but taken collectively, they provide a useful insight into contemporary dilemmas in business. These thoughts are presented in some detail in the sections to follow.

Hosmer

A disciple of normative philosophy, Hosmer promoted the study of proper thought and conduct (i.e., how we should behave). Avoiding earlier attempts (Plato) to define absolutes of "right" or "wrong," "good" or "evil," and "fair" or "unfair," Hosmer feels that all hard ethical decisions are compromises, between economic and social performance in the case of a business firm or between wants and duties in the case of an individual. Hosmer maintains there is a difference between morality and ethics. Morality refers to the standards of behavior by which people are judged, and particularly to the standards of behavior by which people are judged in their relationships with others. Ethics, on the other hand, encompasses a system of beliefs that support a particular focus on morality. The difference between morality and ethics is easily understood if one speaks of moral standards of behavior and ethical systems of belief.

Hosmer also develops the theory of ethical relativism. The question, she maintains, is very basic: Are there objective universal principles upon which we can construct an ethical system of belief applicable to all groups, in all cultures, at all times? Hosmer suggests that while such a system might be unlikely, there is one principle that does seem to exist across all groups, cultures, and times and that does form part of every ethical system--that is the belief

that members of a group bear some form of responsibility for the well-being of other members of that group. Hosmer combines three classic ethical positions with two newly developed thoughts into a pragmatic ethical theory providing a compromise. It includes (a) Eternal Law (God's Law); (b) Utilitarian Theory (the teleological approach to managerial ethics that places complete emphasis on the outcome, not the intent, of individual actions); (c) Universalism (the deontological theory that the moral worth of an action cannot be dependent on the outcome but rather on the intentions of the individual making the decision); (d) Distributive Justice (a modern ethical theory determined by whether a decision is deemed to be "just" or "unjust"); and (e) Personal Liberty. (Hosmer's contemporary position is that liberty is thought to be the first requirement of society,, and an institution or law that violates individual liberty, even though it may result in greater happiness and increased benefits for others, has to be rejected as unjust) (Hosmer, 1990, pp. 101-117).

Jaska and Pritchard

James A. Jaska and Michael S. Pritchard of Western Michigan University have taken a textbook approach to ethics in communications. Most notable among their writings is a set of goals to be used in teaching ethics (especially at the

college level) and a new look at the various ramifications of the Golden Rule with five rules of ethics.

1. Stimulating the Moral Imagination. Ethical issues may arise in human behavior whenever that behavior could have a significant impact on other persons, and when the behavior involves a conscious choice of means to an end and when the behavior can be judged by standards of right and wrong. Knowing this in the abstract does not guarantee readiness for use in particular situations that occur in everyday business. However, we need to exercise moral imagination which recognizes the possibility of a forthcoming ethical dilemma and involves foresight that can be called *preventive ethics*.

2. Recognizing Ethical Issues. Appraising immediate response, identifying unstated assumptions, and asking whether a visceral response alone can be the basis of moral judgment are all part of the recognition process. It is not only important to evaluate one's immediate reactions to situations but also to recognize when moral assessment of a situation is called for. Because we do not always recognize the moral dimensions of a situation, developing a keen sense of when an ethical issue is likely to surface is important.

3. Eliciting a Sense of Obligation. The study of ethics should not be thought of as simply an intellectual exercise, but also as an exercise in practicality. A sense of obligation results in the responsibility to recognize a moral

situation and to act accordingly by doing the right thing because a person should as the only ethical alternative.

4. Developing Analytical Skills. This goal involves examining fundamental ethical concepts such as justice, utility, responsibility, caring, rights, duties, self-respect, respect for others, dignity, autonomy, informed consent, and paternalism, and seeing how these concepts can be applied consistently and coherently in similar cases. Learning what kind of reasons best support your moral assertions is also important.

5. Tolerating Disagreement. It is obvious that people often disagree about moral issues. Sometimes disagreement can be resolved by better understanding the facts of a case. Often insufficient facts and unresolved disagreements leave those involved in doubt and uncertain. However, even if moral certainty is extremely difficult, reasoning about moral choices can be made somewhat precise. Tolerating differences of choice and refraining from automatically labeling opposite choices as immoral are essential. At the same time, seeking exact points of difference can help solve disagreements by eliminating false distinctions and evasions.

The Golden Rule: Four Ways of Viewing It

Perhaps the most widely accepted moral maxim is the Golden Rule: Do unto others as you would have them do unto you. The Golden Rule is sometimes interpreted as a maxim of

prudence, a guide to self-interest. Thus we might say, "If you don't want others to do that to you, don't do it to them," or "If you want others to treat you well, you should treat them well." Although this may be good practical advice, it does not seem to capture the spirit of the Golden Rule.

Jasksa and Pritchard offer some variations with explanations:

1. "Do unto others what they would do unto you." This is a straightforward form of reciprocity. As such, it has natural appeal, but although it encourages mutuality (for example, returning favors, mutual kindness, consideration, and respect), it can also lead to more problematic behavior (such as lying to those who lie to us, cheating those who cheat us, stealing from those who steal from us). Since this view simply commends returning in kind, it uncritically assumes the appropriateness of such responses, not whether the responses are good or bad.

2. "Do unto others what they would have you do unto them." Since most of us wish to have our well-being supported, or at least not undermined, the Golden Rule promises a more benign treatment of others by others. It also encourages us to make a serious effort to understand the interests of others. It is commendable that this requires us to overcome our egocentric tendencies, but its requirements

on us personally are too great. Always doing unto others what they would have us do for them would leave little for ourselves. Ironically, if everyone followed this maxim, none of us would retain what we receive from others if someone else would, in turn, want us to give them our newly acquired goods. So taken literally, this reading of the Golden Rule would likely result in a chaotic altruism that would not benefit anyone.

3. "Do unto others what you would have them do unto you." This reading has the unfortunate consequence of tolerating egocentric thinking. For example, suppose that John is the sort of person who prefers being lied to rather than receiving bad news. So John lies to Jane in order to keep bad news from her. However, Jane may be the sort of person who appreciates the truth, however upsetting it might be to her. This reading of the Golden Rule does not encourage John to be sensitive to Jane's needs.

4. "Do unto others as you would have them do unto you." This reading differs from the third version by replacing *what* with *as*. It differs from the second version by replacing *what they* with *as they*. These are not merely verbal shifts but rather they mark a substantial shift of focus. Instead of focusing on the *particular* likes, dislikes, preferences, or interests of those involved, we are now to consider matters from a more *general* perspective--the directive is not

to do *what* others want for themselves (the second version) or we want for ourselves (the third version), but instead it is to treat others in accordance with sharable *principles*.

This becomes equally chaotic in the instance of the farmer who wants free land and the consumer who wants free vegetables or the prisoners who want to be freed from jail and the guards who wish to keep them there. Obviously the Golden Rule is not as ideal as people believe (Jaska & Pritchard, 1993, pp. 12-18, 101-104).

Robert C. Solomon and Kristine R. Hanson

Solomon and Hanson, in their book It's Good Business, have produced a workable definition of morality. They maintain that at times, one finds people in business who defend the ultra-strict view of morality in their personal lives but are virtually amoral in their professional lives. This provokes the most vehement critics of business ethics. An attempt at defining morality is in the following:

1. Morality is a living phenomenon, no matter how ancient its codes and principles. Our primary moral precept is the autonomy of individuals and generations to decide for themselves what is right and wrong.

2. Morality is what one does, not what one says or how loudly and publicly one regrets doing wrong afterward. Apologizing on the national news after being convicted of a crime is not necessarily a mark of morality.

3. Morality is a shared sense of values. It is possible that only one person is right and everyone else is wrong, but how do we recognize when that lone voice is indeed correct? Only because that lone voice finds a much larger audience outside the company and agreement on the moral principles with which the company itself will be condemned. Whistleblowers often take their cases to the media when their ethical objections fall on deaf ears within the company. The larger, more objective audience of the media sometimes shows that, within an organization, unethical doctination can become so entrenched that it takes a huge outside voice to show this.

4. Morality isn't accidental. It is not what one does that counts, but what one does *knowingly*. Promoting the right person by mistake is not being moral--it is just lucky. Giving money to a charity by mistake is not charity.

5. Morality requires compassion. Cold-blooded obedience to the rules is not enough.

6. Morality is a way of life, a state of character. It is not a matter of forcing oneself to comply. The self-satisfaction of being a "good person" is motive enough.

7. Morality is not a substitute for life. We are a "crypto-moral" society that delights over clever criminals and charming con men. We are a law-abiding society, but we are attracted to people who break the rules. No one expects

a morally perfect business world, but immoral characters in business provide the spice of business life, not its substance.

8. The current moral business style is realistic, pragmatic and flexible. What is missing is "style" and "fashion." When being ethical is fashionable, then everyone in society or business will be ethical (Solomon & Hanson, 1985, pp. 112-118).

CHAPTER 3

RESEARCH

Two waves of primary research were taken between February, 1990 and September, 1990. The first wave, a questionnaire, was mailed to 102 selected members of the International Newspaper Advertising and Marketing Executives Association (INAME). Questionnaire recipients were chosen to provide a good geographic representation, an adequate dispersion of newspapers of all sizes, and to single out those industry leaders whose opinions would influence the acceptance or rejection of a code of ethics for newspaper advertising salespeople. The second wave, also a questionnaire, was given to 57 attendees at a conference of the California Newspaper Advertising Executives Association in September, 1990.

The intent of the questionnaire was to determine (a) what, if any, work had been accomplished by individual newspapers to provide advertising salespeople with operational ethical standards and guidelines; (b) if guidelines were available; (c) what form they were in; (d) in the opinion of the respondent, does the newspaper industry need a formal, written code of ethics for newspaper advertising salespeople; (e) if such a document existed at the respondent's newspaper, would he or she send a copy; and

(f) is there another individual at the newspaper to contact regarding ethical issues.

Of the 102 questionnaires sent in February 1990 to INAME. members, 86 were returned. This high rate of return (84.3%) is due to the selection of advertising directors, vice presidents of sales and marketing, and other INAME members known to the author. Many responses were returned with personal notes and offers of additional cooperation. For that reason, this first wave of questions was not considered statistically significant due to the lack of random selection. Some formal research rules were avoided in order to achieve a high return from industry leaders likely to provide honest responses. Especially important was the response to question number 3: "In your opinion, does the newspaper industry need a consensus code of ethics for newspaper advertising salespeople?" Eighty-one respondents (94.2%) answered "Yes" while only 5 (5.8%) responded negatively. This provided the interest to proceed further. Had a substantial negative response been received, the research and, indeed, the quest for a formal code of ethics would have been abandoned. Results of the first survey are as follows.

Question #1. Does your newspaper have, at this time, a written code of ethics governing conduct of your newspaper advertising sales representatives?

Yes	5	(5.8%)
No	81	(94.2%)

Question #2. If "YES," what form is utilized? (Check as appropriate) Responses add to more than the five affirmative responses indicated in Question #1 as some papers incorporated ethical guidelines in two or more formats (e.g., personnel manuals and departmental guidelines). Percentages indicate a percent of the 86 total respondents utilizing the indicated format. Other formats may be utilized by the same respondent.

Formal, written code	2	(2.3%)
Informal memos, guidelines, etc.	5	(5.8%)
Included in personnel manual	4	(4.6%)

Other (please explain) Answers were varied and inconclusive. Most said "included in training."

Question #3. In your opinion, does the newspaper industry need a consensus code of ethics for advertising salespeople?

Yes	81	(94.2%)
No	5	(5.8%)

Question #4. If your newspaper has a written code of ethics or any similar documents, would you kindly enclose them with this questionnaire for our perusal. Anything you may have (contracts, codes, memos, personnel documents, etc.) will be beneficial to this research. Five documents ranging

from an extensive, formal 26-page manual to a collection of personnel-related memos were received. Newspapers sending documents included (a) *The Atlanta Journal-Constitution* (26-page manual); (b) *Milwaukee Journal-Sentinel* (18-page "pocket guide"); (c) *Kansas City Star* (10-page "General Philosophy" statement); (d) *Salt Lake City Deseret News* (2-page Advertising Department Personnel Guidelines plus letter explaining experiences; (e) *Miami Herald* (11-page collection of memos); and (f) *Walnut Creek (California) Contra Costa Times* (personnel memos).

Question #5. Is there another person within your organization to contact for information? Four responses indicated another individual.

CNAEA Questionnaire

In September, 1990, a survey was administered and collected from a group of California and Nevada newspaper advertising managers who were members of the California Newspaper Advertising Executives Association (CNAEA), at their annual meeting in San Jose, California. This survey was passed out to 57 attendees while they were in general assembly. Each was given ample time to respond and all respondents completed and returned the survey. This was a random sample because there was no advance method of determining which newspapers would be represented at the meeting.

A total of 19 yes or no or objective questions were asked, but most questions utilized a Likert scale of 1 to 5 indicating strength of feelings in each of several areas. One question asked respondents to rank each of 10 ethical concerns in importance. Respondents were asked not to reveal their name or newspaper. There were a total of 57 respondents (100% of those attending the conference). The following results were obtained:

Question #1. Does your newspaper currently have a written code of ethics for newspaper advertising salespeople?

Yes	5	(8.8%)
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No	52	(91.2%)
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Question #2. If "YES," is it included in an employee manual or other personnel document or is it a "standalone" document for advertising salespeople only?

Manual/Company Document	3
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Standalone--Ad Department	2
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Question #3. If answer to Question #1 is "NO," do you perceive the need for an industry-accepted code of ethics such as those used by the American Society of Newspaper Editors (for the newsroom)?

Would be helpful	49	(96%)
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Not needed	2	(4%)
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(One respondent did not answer this particular question.)

Question #4. A written code of ethics for newspaper salespeople would increase the professionalism of our industry: (Strongly agree = 5; Strongly disagree = 1)

Strongly agree	9	(16.0%)
Agree	29	(51.8%)
Uncertain	14	(25.0%)
Disagree	3	(5.4%)
Strongly disagree	1	(2.0%)

Average: 3.77

Question #5. A written code of ethics for newspaper salespeople would cause more problems than it would solve: (Strongly agree = 1; Strongly disagree = 5)

Strongly agree	0	
Agree	2	(2.5%)
Uncertain	15	(26.3%)
Disagree	30	(52.6%)
Strongly disagree	10	(17.5%)

Average: 2.16

Question #6. If a code of ethics were to be accepted by the industry, would your newspaper be likely to accept it and enforce its use?

Yes	13	(22.8%)
Probably	36	(63.2%)
No	1	(5.3%)
Uncertain	7	(12.3%)

Question #7. How often do questions of proper conduct arise with your salespeople?

Often	4	(7.0%)
Occasionally	28	(49.1%)
Almost never	25	(43.9%)

Question #8. Do you feel salespeople deserve to know in advance what ethical standards are expected of them? (Not at all important = 1; Very important = 5)

Not so important	0	
Neutral	2	(3.5%)
Fairly important	25	(43.9%)
Very important	30	(52.6%)
Average: 4.56		

Question #9. How important is consistency in applying standards of ethical conduct? (Not at all important = 1; Very important = 5)

Not at all important	0	
Not so important	0	
Neutral	3	(5.3%)
Fairly important	26	(45.6%)
Very important	28	(49.1%)
Average: 4.47		

Question #10. Do you think your salespeople would welcome a code of ethics?

Yes	11	(19.3%)
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Probably	36	(63.2%)
Not sure	6	(10.5%)
No	4	(7.0%)

Question #11. Has a salesperson on your newspaper ever been disciplined for inappropriate ethical conduct?

Yes	16	(28.0%)
No	29	(50.9%)
Don't know	12	(21.1%)

Question #12. Has a salesperson on your newspaper ever been terminated for inappropriate ethical conduct?

Yes	13	(23.6%)
No	26	(47.3%)
Don't know	16	(29.1%)

Question #13. Please rank the following in order of ethical importance. Results shown in order selected by respondents (N=42).

Basic honesty	1
Truthfulness	2
Cheating	3
Illegal advertising	4
Sexual harassment	5
Ethnic harassment	6
Conflicts of interest	7
Correct reporting	8
Accepting gratuities	9

Moonlighting 10

Question #14. How important is (should be) the salesperson's ethical responsibility to the newspaper?

(Unimportant = 1; Very important = 5)

Unimportant	0	
Not so important	0	
Neutral	2	(3.6%)
Fairly important	20	(35.7%)
Very important	34	(60.7%)

Average: 4.6

Question #15. How important is (should be) the salesperson's ethical responsibility to the advertiser?

(Unimportant = 1; Very important = 5)

Unimportant	0	
Not so important	0	
Neutral	1	(1.8%)
Fairly important	19	(33.9%)
Very important	36	(64.3%)

Average: 4.6

Question #16. How important is (should be) the salesperson's responsibility to the newspaper's readers?

(Unimportant = 1; Very important = 5)

Unimportant	0	
Not so important	1	(1.8%)
Neutral	4	(7.1%)

Fairly important	23	(41.0%)
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Very important	28	(50.0%)
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Average: 4.4

Question #17. This question asked respondents to rank the importance of the salesperson's responsibility (in order of importance) to the newspaper, advertisers, readers, or about equal. The question proved to be confusing to the respondents and, consequently, the results were inconclusive and the data have been disregarded.

Question #18. Would a formal code of ethics be likely to make your job:

Easier	16	(28.0%)
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About the same	39	(68.4%)
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More difficult	2	(2.6%)
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Question #19. Would a formal code of ethics make your salespeople's job:

Easier	21	(36.8%)
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About the same	34	(59.6%)
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More difficult	2	(3.6%)
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CHAPTER 4

TOWARD WRITING A CODE OF ETHICS FOR NEWSPAPER ADVERTISING PEOPLE

In almost seven years of proposing, researching, and interviewing to determine the need, utility, and acceptability of a written code of ethics, the following items were considered:

1. The need for a formal, written code of ethics for newspaper advertising salespeople.
2. The areas that must be addressed by such a code.
3. The acceptability of a code by the industry.
4. The implementation and use of such a code.

Does the Newspaper Industry Need a Code of Ethics?

The Need

Of 102 newspaper advertising vice presidents, advertising directors, and retail advertising managers, when asked the question, "Does the newspaper industry need a code of ethics for newspaper advertising salespeople?", 96 out of 102 (94%) indicated a need for such a code. The remaining six felt either no need for a written code or that a code would be detrimental and likely to make their jobs more difficult.

Conversations and interviews with key individuals at the American Newspaper Publisher's Association (ANPA) and the International Newspaper Advertising & Marketing Executives

(INAME) have indicated not only concurrence on the need for a code, but willingness to review and recommend an acceptable code to the memberships of both organizations. It is this mechanism that will provide the catalyst and the impetus for adoption by even reticent newspapers. The combination of an industry mandate and the means of expediently implementing a code adopted throughout the United States makes the thought of such a code achievable in a relatively short period of time.

Newspaper advertising executives and publishers have offered the following reasons why the industry would benefit from a formal code of ethics for newspaper advertising salespeople:

1. You sleep better at night when you act ethically--and it helps to be able to prove it by matching actions and decisions with an industry accepted norm.

2. Everyone knows where they stand. A written code provides notice to all involved of the established rules and permits everyone to work on an equal basis.

Alerting advertisers to such a code and its contents can actually help sell more advertising as clients feel better about doing business with the newspaper.

A written code would provide for greater consistency and parity in making decisions and applying disciplinary actions for ethical misconduct. Many advertising executives cited

this as being a significant advantage in making decision making easier, faster, fairer, and more consistent in every situation for all involved. A written code removes the allegation of favoritism and makes the code responsible instead of the manager enforcing the code. Like a law or policy, a code of ethics can be a handy mechanism to rely on when making unpopular decisions or taking harsh action.

A formal code would increase professionalism in newspaper advertising sales. Such a code would also distinguish newspapers from other media sales organizations--none of which have anything resembling a code of ethics.

Does this constitute a mandate? It would appear so. Both publicly and privately, most of those in the newspaper industry agree that the time has come for implementing a formal code of ethics. The industry has the mechanism through a forceful Newspaper Association of America (NAA), strongly supported by most newspaper publishers, to do so. But most newspaper managers (from salespeople to publishers) are too busy with the day-to-day management of their newspapers to pay much attention to producing a formal code of ethics. Even those professing the need for a written code, that could be adopted industrywide, accept the idea of dealing with ethical infractions as they are encountered. While most are educated, few have embraced a profession requiring a code of ethics or proscribed ethical behavior

(even though their journalist counterparts' professional organization, The Society for Professional Journalists (SPJ), has adopted standards for such things as truth, accuracy, objectivity, conflicts of interest, and fairness). It is interesting that this code lists several areas of press responsibility and then devotes one subsection to ethics. The difference between press responsibility and ethics by members of the press is seen by many as a case of the "rhetorical ambiguity" of such codes.

Considerable debate has occurred over the issue of enforcement of the SPJ code which would insure adherence to the code's ideals. However, even SPJ has resisted the idea of a formal code of ethics, in part because of the traditional fear that such enforcement would be the first step toward licensing the media under a universal standard of conduct. In 1985 SPJ directors voted against enforcing the code on individual members because of a concern that such a stance would interfere with First Amendment freedoms and a fear of litigation resulting from punitive action taken against some recalcitrant SPJ member for having violated the code.

The American Society of Newspaper Editors (ASNE), the Associated Press Managing Editors (APME), and the Radio-Television News Directors Association have also adopted codes. The Advertising Code of American Business (developed

by the American Advertising Federation and the Association of Better Business Bureaus International) sets forth the advertising industry's views on such things as truth in advertising, good taste and public decency, disparagement of competitors' products, price claims, and use of testimonials. Likewise, the Public Relations Society of America (PRSA) has adopted a Code of Professional Standards to guide its members in their public relations and promotional activities with corporate America. Others, including the Motion Picture Association of America and the National Association of Broadcasters, have adopted codes which members are expected to follow.

Medicine, the legal profession, accounting, and real estate salespeople have formal codes of ethics. Unlike the newspaper industry, their codes are enforceable. This lack of enforceability is cited as a lack of professionalism within the media. First Amendment and litigation concerns are real, but those involved must do as other professions have done and insist that their codes be adhered to and provide procedures and penalties for noncompliance.

Areas to Be Addressed

This proposed code is directed to newspaper advertising salespeople in the retail, classified, and general (national) advertising departments of the newspapers adopting the code. Support departments within the newspaper such as art,

marketing, ad services, dispatch, makeup, telemarketing and others having contact with advertisers or control over the newspaper's advertising content, advertising placement within the newspaper placement, and delivery would be subject to some provisions of the code, but the primary responsibility and accountability would be with the salesperson.

Specific areas covered include:

1. The salesperson's responsibility to the readers.

This becomes the most important ethical concern because when readers are well serviced by truthful, meaningful, advertising that enables them to make more intelligent buying decisions, then the advertiser benefits by achieving more business as well as gaining greater credibility. This creates a synergistic effect as everyone benefits when the readers respond to good advertising.

2. The salesperson's responsibility to the advertiser.

This is the salesperson's second greatest responsibility in order of ethical importance. Like readers, if advertisers are serviced responsibly by the newspaper, then the advertiser achieves greater results from advertising; then as sales increase, so do advertising budgets. If the newspaper is deemed responsible for some (or most) of these sales increases, then the newspaper becomes the likely benefactor of much of the additional budget permitted by higher sales. As a result, both the newspaper and the advertiser benefit.

Readers gain in the sense that advertising that works best for advertisers (honest, informative, and straightforward advertising) is what readers want as well. It takes talented, professional, ethical salespeople to produce this quality of advertising.

3. The salesperson's responsibility to the newspaper. As with any business, when the newspaper's customers (readers and advertisers) are properly attended, the newspaper benefits. Readers have faith in the integrity and the credibility of the newspaper, which affects all departments positively by relying on the newspaper as both a source of "hard news" (daily reports of international, national, state, and local events) as well as "market news" (information on what is available in the marketplace--advertising). The result is greater circulation, better circulation retention (readers will not stop a newspaper containing advertising they need), and more advertising sales.

Acceptability

Until recently, newspaper managers would have resisted any attempt at a formal code of ethics for their advertising salespeople. Times, and newspaper managers, have changed. Executives are younger, better educated, and often have come from other industries where the thinking is more progressive. This has resulted in newer management methods and techniques, improved training, and a more professional approach. This

new breed of managers sees great benefit in an ethical code which will increase the industry's reputation and help to put their advertising departments nearer the same level as their editorial departments in terms of believability, credibility, and professionalism.

The proof in this regard is shown in the data for this study where more than 94% of key industry advertising and marketing executives, from throughout the United States, expressed a positive need for such a code. In a separate survey, 57 California newspaper advertising executives, or 96%, approved of implementing a Code of Ethics.

Reasons Against a Code of Ethics

While few newspaper executives would categorically reject a formal code of ethics, many expressed some reservations. Reasons against establishing a code given by newspaper advertising managers and publishers include:

1. Too binding on management. A code would take control out of the hands of the individual manager. Managers like to manage. Many want to maintain the total opportunity to make decisions in their departments and they resist any type of outside interference. Some managers see a code of ethics as an example of this.

2. A code would be cumbersome. Managers have enough paperwork policies and restrictions imposed on them by company and corporate personnel departments, governmental

agencies, and ethics watchdogs. Of those surveyed or interviewed, 12 felt they did not need another restriction (in the form of a code of ethics) in managing their departments.

A code of ethics would make a manager's job harder, not easier. Some managers see a written code as an extra burden--something else for which they would be held accountable. They see this as adding extra work and responsibility to a busy job.

3. A code would remove the opportunity to deal with each case as it appears and to make separate decisions as each situation warrants. Some managers enjoy the challenge of handling each case as it presents itself. There exists a basic hypocrisy here: those same managers who would avoid acting differently in any situation than before for fear of setting a new precedent, would relish the freedom to make independent decisions in each case. It appears they do not want to be bound by structure.

4. "It ain't broke--don't fix it!" Some managers see the current system of dealing with ethical dilemmas as they arise as working "just fine, thank you." Such managers see no need for change.

Ethical violations or dilemmas occur so infrequently as to not be a real concern--certainly not deserving of a new,

special document addressing a problem they see as nonexistent.

5. Implementation. Developing a formal code of ethics, no matter how well conceived, would be of little value if there were little or no opportunity for adoption and implementation by most of the industry.

Since this effort to develop an industrywide code of ethics was initiated, the key groups likely to be instrumental in supporting adoption have merged into a single entity, the Newspaper Association of America (NAA). This coalition includes what was formerly the American Newspaper Publisher's Association, the International Newspaper Advertising and Marketing Executives Association, the Classified Advertising Managers Association, and four others not directly involved with advertising departments. All these associations, which prior to their merger into the NAA had their own conferences and had considerable autonomy, are now separate "councils" under the aegis of the NAA. Any implementation of a code must come through NAA and the publishers who support the NAA. Implementation would likely involve submitting the code of ethics developed in this thesis for approval by the advertising councils within the NAA. Approval would likely involve a presentation before the Board of Directors, including NAA President and CEO, Cathleen Black. Separate presentations most likely will be made to

the Publisher's Council (formerly ANPA) and to the Advertising, Marketing and Cooperative Advertising Council as well as the Classified Advertising Council. A vote by the membership for passage of the code may be required. It is possible that the document could be approved verbatim. More probable would be formation of a committee to survey the members and to adjust the code to specific desires of each advertising-related council including those members from retail, national, and classified as well as the advertising directors and vice presidents of sales and marketing who formerly belonged to INAME. As with any industry group of this size (1,200-member newspapers with approximately 6,000 total members), there exists a relative handful of publishers and influential advertising directors who will control approval. A code of ethics, with the support of key members (those leading the councils and the publishers of the larger papers), will be difficult to reject by most of the membership, but there will be a significant minority--approximately 20%--who either see no need for another rule creating document or who simply do not care if a code is implemented. The key will be in laying the proper groundwork with those NAA members most instrumental in affecting approval and then making effective presentations to the advertising groups affected by adopting the code presented here.

CHAPTER 5

THE SALESPERSON'S RESPONSIBILITY TO THE READER

Effective advertising is simply supplying readers with the information they need to make intelligent buying decisions. This is what readers seek when reading ads in the newspaper. When they consistently fail to receive this information, the advertiser and the newspaper lose credibility, advertising fails to produce the desired results, and the advertiser begins to lose faith in the newspaper. Therefore, the salesperson is actually working for both the advertiser and the reader when he or she prepares advertising. The single most important responsibility of the salesperson is to provide information completely and honestly.

Merchandising

Many advertisers make the mistake of advertising what the advertiser wants to sell rather than what prospective customers want to buy. Every advertiser does this occasionally; many do so frequently and a few do it almost all the time. This is why their ads fail to help sell advertised goods. The competent salesperson maintains a continual feel for what readers want at any given time. This is a combination based on seasons, weather, economics, styles, new products, and other factors that vary from store to store and by merchandise category. The key is to

advertise what readers want when they want it. Here the salesperson helps both the advertiser and the reader. This is what can be called good advertising.

Legal Issues

Every ad the professional salesperson sells, prepares, or places must be legal under the laws of the city, state, and applicable federal jurisdictions. Some specific illegalities for the ethical salesperson to be aware of include:

1. Bait and switch. Bait and switch is attracting customers to a store by advertising a popular product of known value with an exceptionally low price, then telling the customer that the product is sold out or otherwise unavailable. The idea is to "sell up" by showing customers other, higher priced items with a greater markup. This practice is illegal and aggressively prosecuted in most states. A consumer caveat applies here: "If it sounds too good to be true, it probably is."

2. Sale pricing. No national uniform law exists, but generally, an item must have been sold at a "regular" price for at least 90 days prior to putting it on sale. The sale must be for a determinant length of time (usually a week or so), and after the sale is concluded, the item must return to the former regular price. Original price, sale price, "compare at price," "sold elsewhere" price, "manufacturer's

suggested list price," and other unrealistic pricing methods have confused consumers so much that they rarely believe any price comparison. Ethical advertising salespeople are in a position to police such misleading pricing in ads and do readers a service by providing more accurate information and advertisers will benefit by making their advertising more believable. There must be specific guidelines in advertising price comparisons: how long an item must be sold at the original price, how long a sale may remain in effect, under what conditions an advertised item must be returned to its original price, and how long it must stay at the original price before being put on sale again. There is nothing in the law that requires the salesperson to know every advertiser's pricing policies, and many ads are received daily by newspapers when there is no opportunity to determine if pricing is fair. Nevertheless, in the day-to-day working with consistent advertisers, the salesperson does become aware of the pricing history and the policies of many advertisers. The ethical salesperson does attempt to instill ethical behavior on advertisers including advice on pricing advertised items believably.

3. Closeout pricing. A viable form of retail pricing strategy is closeout pricing on unsold goods that remain after a selling season is over. Closeout sales are run to get rid of unsold merchandise by lowering the price

sufficiently to encourage a purchase. The retailer needs to move these unsold items to make room for new, incoming merchandise for the coming season and to generate cash flow to pay for the merchandise. It is not a closeout sale if the retailer intends to replenish his inventory.

4. Going-out-of-business sales. When a merchant goes out of business, a sale of remaining merchandise is dictated and one or more ads are run to expedite the sale of that merchandise. Such sales are often tightly controlled by local laws which require permits or licenses plus certified inventories of remaining merchandise. The purpose of the inventories is to make certain the merchant really does go out of business and does not continue to add inventory, thus perpetuating the going-out-of-business sale that never ends.

5. Contract of sale. Many consumers feel that an ad in the paper (perhaps because it is in writing) constitutes a contract of sale. Occasionally this happens when a pricing mistake is made in an ad or when an item is advertised at a very low price and the consumer feels entitled to the item even if the merchant does not want to sell. The courts have consistently held that any ad constitutes only an offer to do business, not a legal contract of sale. A legal contract of sale must contain three elements: (a) consideration (an exchange of money), (b) acceptance on the part of the buyer, and (c) acceptance on the part of the seller. All three

elements must be present in order for a legal contract of sale to exist. However, the advertiser, being the seller, can always withhold his acceptance and foil a contract of sale. A classic case occurred in California years ago when a major department store, Macy's, ran an ad for fur coats and the newspaper made a serious pricing mistake by running a price on a coat for \$200 rather than the correct price of \$2,000. Macy's, an honest and ethical advertiser, tried to explain the error to those who appeared, expecting a sensational deal on a fur coat for just \$200. At least one of those prospects was an attorney who attempted, in court, to create and enforce a contract of sale. The court, citing the fact that Macy's refused to accept the attorney's money for the coat, had not accepted. Since no consideration was exchanged, two of the necessary elements of a contract of sale were nonexistent and no contract was in effect.

Many will see this as a legal, rather than an ethical concern. The salesperson's ethical responsibility is to be as certain as possible that errors, when they occur, are inadvertent and that an unethical advertiser is using this excuse to run bait and switch advertising.

6. False advertising. While it is unusual these days to encounter advertising that is truly false, hyperbole is often encountered. Most expect this and are prepared to discount most advertising messages because part of the job of

advertising is to hype one product over another. An advertiser is under no obligation to expose a product's weaknesses or shortcomings. While some disclosure regulations exist, for the most part, advertisers are not required to testify against themselves in their advertising.

7. Good advertising. Much of what is encountered in advertising is not so much an "ethical" question as it is a question of "Is it good advertising?" Good, effective advertising, likely to produce measurable results for the advertiser, is almost always good for the consumer (readers) as well. Likewise, when advertising works for the readers, it works for the newspaper as well. Untruthful advertising, on the other hand, does not work for anyone. For newspapers to be effective, advertising must be believable. This means presenting advertising truthfully. Advertising misrepresentation, while not ordinarily posing any real legal concerns, is found in two areas:

1. Misstatements of the facts or omissions of important details. Examples of this include illustrated items erroneously pictured (e.g., a full-sized bed is shown in an ad when a twin-sized bed is actually being offered or merchandise presented as "new" but is used or damaged). Another example of misstatements of facts is a misrepresentation of construction (e.g., synthetic material is portrayed as natural or "handmade" or "homemade" when the

terms do not apply). Readers have been conditioned to reject such exaggeration and usually the only one hurt here is the advertiser.

Other misrepresentations or errors of omission include hidden charges such as delivery, assembly, setup, alterations, suspension of guarantees, limited supply, limiting quantities to each customer, suspension of rain checks, changes in return policy financing, or required accessories not included with advertised merchandise. If it is information the reader needs to make a buying decision before going to the store, it should be included in the ad.

2. Saying it poorly in advertising copy. The ethical salesperson monitors the copy run by each advertiser carefully. Most copy errors do not constitute false or even misleading advertising; they simply alienate prospects. Examples include racial slurs (e.g., sexist language, or indications of age discrimination). Humor must be used carefully in newspaper advertising for two reasons.

1. People do not consider themselves "clever" or "funny" and tend to distrust such attempts in print advertising. Television seems to use humor effectively, probably because it is considered an entertainment medium while newspapers are informational.

2. Humor often backfires on the advertiser when readers fail to see the humor or when the humor is perceived by some as being racist, sexist, or as disparaging to any group.

The advertiser is advised to avoid superlatives like "area's largest," "lowest prices," "greatest ever," and "world's best." Such claims are hard to believe and hard to prove.

Disparaging competitors by name has become popular at every level, from national political campaigns to local auto dealers and carpet stores. More often than not, this practice comes off as "sour grapes" and sometimes even helps the competitor more than the advertiser. Valid price comparisons occasionally work, but they are prone to generating price wars which are difficult to stop. The ethical salesperson favors clean, straightforward copy that sells the advertiser's goods and services based on their own merits.

Summary

Many would argue that much of what is presented here is neither ethical nor legal. The problem, from the reader's point of view, is not whether what they receive is ethical or legal--readers simply want honest, straightforward information so they can make intelligent buying decisions. If readers are not protected from these advertising shortcomings by law, it is left to the advertising

salesperson to see, as much as possible, that the protection comes from the newspaper. This does become an ethical concern when the salesperson is closer to the advertiser than either the newspaper or its readers, in the course of that relationship, the ethical salesperson does exercise appropriate control over the content of the advertising for which he or she is responsible. It is unethical to permit any of these misrepresentations, errors, or omissions to knowingly occur.

Serving newspapers' readers means protecting those readers from advertising that is false, misleading, or lacking the information required to make sound buying decisions. Many readers purchase newspapers for the advertising alone. Most consider the advertising to be an important part of the "package" that comprises "the paper." Readers are not alike. The only thing they have in common is they are literate. The salesperson (and the advertiser) should not assume that what is obvious or known to them is equally obvious to the reader. It is better to give the reader too much information rather than not enough. It is hard to explain too thoroughly the facts and details of warranties, guarantees, financing, and various disclaimers when telling readers what they need to know.

CHAPTER 6

THE SALESPERSON'S RESPONSIBILITY TO THE ADVERTISER

The newspaper advertising salesperson's most important responsibility is to sell and produce the best possible advertising for the advertiser. The salesperson must advise the advertiser on the correct amount of advertising to run at the most effective time, focusing on appropriate merchandise at competitive prices and presenting the product as creatively as possible. In other words, every ad the salesperson is responsible for should produce the best response for the advertiser's investment.

There are many aspects of this responsibility. Modern sales methods require the salesperson to be an advertising "counselor" to the advertiser. In such a capacity, the salesperson almost (figuratively) becomes the client's advertising manager.

The ethical, professional advertising salesperson of today recognizes the concept of media mix--the ideal combination of media to accomplish the advertiser's promotional objectives. Few daily newspapers enjoy readership of more than 50% or 60% of adults in their markets. As newspaper advertising salespeople have become more adept at selling and preparing advertising, so have advertisers become more sophisticated in its purchase. Most rely on combinations of newspaper, shoppers, yellow pages,

direct mail, radio, and television. Sometimes such a "mix" includes magazines, collateral, and specialty media such as premiums and promotional items. The professional newspaper salesperson knows the strengths, weaknesses, and uses of these media and can prepare an advertising budget for the newspaper's advertisers that permits the media mix that will work best for the advertiser--not a self-serving budget that reserves inordinate amounts for the newspaper. This is a considerable ethical concern, depending on the salesperson's type of compensation (salary, commission, bonuses, and combinations), as there may be much temptation to oversell an unsophisticated client. The budget prepared by the salesperson must be both competitive and affordable. Such a budget should be neither too large (overspending) nor too small (underspending). The former takes the advertiser past the promotional point of diminishing returns where the latter fails to generate sufficient incremental sales to justify the cost. Too little advertising, however, allows the advertiser's competitors to achieve a greater impact in the marketplace and usually achieve a greater share of the field. The professional salesperson puts the advertiser's best interests ahead of those of the newspaper, knowing that a temporary increase in lineage that fails to benefit the advertiser ultimately will work to the detriment of the newspaper. The advertiser will recognize the unethical

encouragement to over-advertise or the advertiser will go out of business as a result of irresponsible overspending.

The objective of enlightened salesmanship is predicated on the premise "if it's good for the advertiser, it will be good for the newspaper." Most ethical concerns are errors of "omission" rather than the error of "commission." The easy way out frequently is rerunning the previous week's ad when a more current advertisement featuring new, more timely merchandise or more competitive prices would be better. Since newspapers and other print advertising do not benefit as much as broadcast advertising from repetition, repeating an ad often benefits the newspaper more than the advertiser. The path of least resistance is a similar error of omission. Many times a busy advertiser will say, "Let's just skip this week!" The advertising salesperson may agree even though he or she feels the timing and competition indicate a new ad would work best for the advertiser.

Another form of omission error is the failure to produce the best possible ad. Readership and noting studies show conclusively that some very good ads receive four to five times the readership and recall of lackluster ads. The recall variance can range from a high of 98% to a low of less than 20%. These studies always make fair comparisons (i.e., a quarter-page black and white with a quarter-page black and

white, a full-page color with a full-page color, and so on). Regardless of readership, the ads cost the same.

The advertiser with the ad receiving 98% readership gets four to five times as much for his advertising investment as the advertiser with 20% readership. Because of this readership disparity, every advertiser and every advertising salesperson should strive to produce the best possible ad every time the advertiser elects to run.

Most newspapers, especially the larger, metropolitan dailies, employ talented art, copy, and marketing departments, and the salesperson requests their services. Still the path of least resistance for many salespeople is to use artwork that lacks style and continuity, copy that lacks a readable combination of features and benefits, or a layout that is clean, organized, and inviting to read. Talented, experienced newspaper ad producers are able to produce consistently good ads as quickly and easily as they could poor ones.

Most salespeople and advertisers will agree that good ads are more widely read and produce better results than a poor ad. One must remember that, unlike other professions, the salesperson's daily work appears in front of, and is subject to, the critical scrutiny of thousands, and possibly, millions of readers. The point is, the advertiser pays the same amount per column inch of advertising space whether the

content is likely to produce 98% or less than 20% readership. This requires the ethical responsibility of each salesperson to push each ad as close as possible to 100% readership. Such ads tend to produce better results for the advertiser, meaning greater traffic and sales in the store. Intelligent advertisers spend a fixed percent of sales on advertising, and as sales increase, so does the dollar amount of the advertising budget. When this occurs, assuming the newspaper salesperson has an important role in these improved sales, the newspaper receives its share of the higher budget. It is a cyclical effect that keeps coming back to the newspaper in that the better the advertiser does today, the better the newspaper will do tomorrow.

The ethical advertising salesperson's primary responsibility to the advertiser is to produce credible, believable advertising that produces sufficient increased business for the advertiser to make the money spent on advertising an investment rather than an expense. A rule of thumb for good merchants is to have advertising represent 3% to 5% of sales (i.e., \$3 to \$5 spent on advertising should generate \$100 in sales). Most retailers enjoy profit margins that permit a 5% expense of sales. This may include sales commissions, returns and allowances, and other sales costs. Nevertheless, to put advertising in another perspective, most retailers will discount an item or take an outright offer of

5% less than the selling price for a guaranteed, quick sale. There is little the salesperson can do wrong when consistently producing good ads that generate enough profits for the merchant.

The Unethical Advertiser

What if the salesperson is ethical, honest, and credible, but the advertiser is not? Say, for example, the advertiser insists on running an ad that, while it is legal and it fails to violate any of the newspaper's acceptance policies, it still challenges the salesperson's ethical standards through a difficult to prove "bait and switch" scheme, false sales prices, unrealistic quantities, or unsubstantiated claims that the salesperson knows is false or misleading?

The salesperson has the obligation to first advise the advertiser to avoid whatever may occur to cause the salesperson the ethical dilemma. An ethical salesperson may cause the advertiser to change the original price, state correct quantities, or use true claims. The ethical salesperson hopes to convince the advertiser to voluntarily comply with advertising standards.

Suppose the advertiser refuses to acquiesce? The ethical dilemma then becomes a question of whether the problem is sufficiently important, or the consequences so severe, that the salesperson must continue to convince the

advertiser to make the necessary changes. Often when the transgression is slight, or relatively inconsequential when reviewed in light of anticipated negative results, the ethical salesperson can simply say to the advertiser, "I'm not comfortable with this. Why don't we change it to read . . .?" An even better approach might be, "I believe you'd achieve a better response if you did it this way. . . ." When appropriate suggestions fail, there are two avenues of recourse:

1. Drop it. If the advertiser insists on the questionable, but legal, procedure and neither the issue nor the consequences are of such severity as to be worth pursuing, then it may be wise not to push the issue further. The ethical salesperson has performed the initial duty of advising the advertiser ethically and the advertiser has rejected that advice. One may win the ethical war without winning every battle.

2. Refuse to act unethically. Assuming the moral dilemma is significant and the advertiser refuses to modify his position, then the salesperson must refuse the ad on behalf of the newspaper but offer to discuss the matter with the appropriate management at the newspaper.

The correct and supportive manager, in this instance, will lend experience and support to achieving an ethical decision and/or conclusion to the matter. This may involve

the manager in an uncomfortable position of mediator of the dispute. If the decision made by a superior favors the advertiser, the ethical salesperson must ask, Am I so "right" that I should carry this further? Is it worth losing my job if I refuse to carry out my manager's orders? Are they so "wrong" that I should carry it further? Can I "ethically" drop it? Is there a compromise that works for all concerned? Is there an acceptable alternative such as transferring the account to another salesperson? Unless the newspaper and its management are totally corrupt, quitting only permits a possibly less ethical salesperson to take the place of the ethical representative.

Confidentiality

The ethical salesperson never reveals the content of an advertisement before that ad is published unless the advertiser has authorized the disclosure. This is a rule frequently broken for two reasons: (a) to encourage another advertiser to run an ad as well and (b) to bring together a group promotion such as a shopping center section or an auto dealer tabloid. The former is clearly unethical; the latter must be handled properly to be correct.

The salesperson should never reveal anything regarding the advertiser or the advertiser's business unless the advertiser specifically authorizes the salesperson to do so. This includes not only ad content but prices, inventory,

sales volume, future plans, personnel changes, or anything of a proprietary nature. Often the salesperson, in the course of a sales call on an advertiser, will hear the advertiser give a report on sales volume or traffic for a period of time. This is a normal part of measuring advertising results. Frequently this information is of use to the salesperson in explaining current economic conditions to other advertisers and to the newspaper's management. The salesperson must be cautious in relating specific information to anyone. A good personal policy is to simply say, "That's very good information. May I share it with my other advertisers?" The answer will provide the ethical salesperson with the correct procedure. If the answer is negative, the ethical salesperson may continue to collect this type of information from a variety of advertisers and then, based on the responses of several nameless accounts, pass on a consensus of what is known. It is unethical (not to mention unbusinesslike) for the salesperson to be quoted as the source of information the advertiser had not intended to become general knowledge. The salesperson usually means no harm to the advertiser but the caveat here is, If you wouldn't tell it directly to your advertiser's largest competitor--then do not permit that advertiser to be quoted under any circumstances. This same responsibility applies to information the salesperson may be privy to as a result of

conversations with other salespeople or contact with other newspaper departments (ad services, art, makeup, etc.). The ethical salesperson protects all the newspapers advertisers.

Budgeting

One of the greatest responsibilities a salesperson has to the advertiser is to assist in properly budgeting for the advertiser's promotional program. There are two primary responsibilities.

1. Advise the advertiser properly on the correct amount of dollars to be invested in advertising. This is normally a percent of sales and it varies greatly from merchant to merchant in the same type of business in the same market. Such factors as location, promotional philosophy, competition and length of time in business will cause one advertiser to spend differently on advertising. The salesperson's ethical concern is helping the advertiser to spend an amount best for the advertiser, not what might be best for the newspaper.

2. The other budgeting concern is to assist the advertiser in spending those budgeted dollars on the best media mix possible for his or her business. This almost never means putting the entire budget into the newspaper, but including various combinations of direct mail, yellow page directory, radio, television, and other media to optimize the advertiser's reach and impact in his or her target market. While it may be in the salesperson's financial best interest

to direct as much budget as possible to the newspaper, if it is not in the advertiser's best interest to do so, it would be unethical to recommend an inappropriate mix.

Mistakes

Another ethical concern is notifying the advertiser about a mistake. Many times the salesperson, in checking the paper each day, will discover a mistake in the advertiser's ad before the advertiser does. Often it is a mistake the advertiser might never discover. The ethical procedure, however, is to notify the advertiser of the error immediately. By notifying the advertiser the salesperson is perceived as not only being honest but always on the lookout for the advertiser's best interests.

Contracts

The advertiser always has the right to the lowest rate earned as a result of contract discounts offered by the newspaper for advertising frequency and volume. This does not always happen due to lack of diligence on the part of the newspaper, the salesperson, or the advertiser. Sometimes the situation is known to the salesperson or the newspaper but nothing is done to lower the advertiser's rate or offer an earned rebate because of the loss of revenue to the newspaper. The ethical salesperson monitors each advertiser's commitment to the newspaper and makes certain

the best rate achieved by the advertiser is the rate billed by the newspaper.

Sales Involving Bonuses or Commissions

A particular ethical situation exists when a salesperson who depends mostly on a fixed salary for compensation is given the opportunity to sell advertising in a special section or edition and receive an additional "spiff," or bonus, for doing so. Such bonus situations may also include contract contests, commissions for picking up existing advertising into zoned or TMC editions, or special events being promoted by the newspaper. Some incentives include a bonus for the use of color, certain sizes or positions within the newspaper, specified account categories, or pushing advertising into designated days of the week. Almost without exception, these bonuses or commissions are proffered by the newspaper to secure an objective for the newspaper. These objectives, obviously, are in the best interest of the newspaper. Some may not be in the best interest of the advertiser. The ethical salesperson must consider several factors:

1. Is the special section, event, contract contest or other promotional activity in the best interest of the advertiser?

2. Would the salesperson recommend the purchase to the advertiser if no bonus or commission were involved?

3. Is the salesperson obligated to tell the advertiser a bonus or a commission is involved?

If the answer to the first two questions is "Yes," then the salesperson is on firm ethical ground and may sell the ad or contract without regard for the extra money. To the salesperson, this spiff may simply be a windfall for doing what he or she would have done anyway. Often such sales require extra work on the part of the salesperson and the bonus is well earned. The key concern is this: The ethical salesperson never sells an advertiser anything simply because a bonus or a commission is received. Occasionally a new advertising opportunity may arise and the ethical salesperson correctly advises an advertiser to participate in the opportunity. The salesperson would be remiss if he or she failed to inform the advertiser of this opportunity. Proper advertising budgeting includes a reserve or "B" budget designed to accommodate such unanticipated events so that the advertiser can participate without overspending.

The ethical salesperson is under no obligation to inform an advertiser of a bonus or a commission attached to a particular sale unless the advertiser asks. In that case, of course, the salesperson answers honestly.

Legal Issues

The ethical salesperson always endeavors to assist in preparing advertising that is legal both in the letter and in

the spirit of the law. This means the professional salesperson must be well versed on the law as it applies to print and to newspaper advertising. Here the salesperson's primary mission is to keep the advertiser out of legal difficulty by correctly advising on advertising content where any legal implications may be present.

Some real legal concerns include lotteries (contests and drawings) which are illegal because they constitute a lottery, pandering (the advertising of illegal, obscene material for sale), bait-and-switch advertising, sale pricing, going-out-of-business ads, closeout or liquidation ads, and any others that may violate local, state, or federal laws or regulations. Laws vary on these issues and it is not unusual for cities to have their own local ordinances governing such events as going-out-of business promotions. In San Jose, California, for example, a local ordinance requires the retailer going out of business to obtain a city permit where the retailer must provide a complete and accurate inventory of the merchandise to be sold and may not add to that inventory by bringing in new merchandise from manufacturers, wholesalers, or other stores owned by the retailer. This ordinance is designed to eliminate the practice of some retailers who seem to be perpetually going out of business.

In terms of the law, recent court decisions have held the newspaper and, by association as the newspaper's agent, the salesperson legally liable for violating the law and for provable damages when the newspaper *knowingly* commits an action that is illegal. Now the advertiser, the advertiser's advertising agency (if there is one), and the newspaper may all three be held liable if the law is broken. This requires greater diligence than ever before on the part of the salesperson to protect the newspaper, the advertiser, and the readers of the newspaper from illegal promotions or activities that violate the law. The responsibility to the advertiser is to protect him or her from inadvertently placing advertising that, to a reader, may be false or misleading or even have the appearance of being false or misleading.

Many advertising situations involve ad content and promotions that technically are legal in that they do not actually violate the law. Advertising that simply appears false or misleading may be as bad as actually being illegal. If the reader's perception is one of disbelief, then it does not matter if the ad content is technically true and legal.

Summary

The professional, ethical salesperson's overall responsibility to the advertiser then is to:

1. Assist in producing the best possible advertising for the advertiser--advertising that generates incremental sales, goodwill and the long-term positive positioning for the advertiser that results from a history of consistently good advertising.

2. Produce advertising that is legal in both the letter and the spirit of the law. To be ever vigilant in testing each ad in part and in total for believability, credibility, honesty, and fairness. To keep the advertiser out of trouble with the law or any legal entities, including quasi-legal bureaucracies such as the various consumer protection "watchdog" agencies with little or no legal power but great control of publicity and public opinion.

3. Represent the advertiser fairly and honestly to the newspaper's management and, vice versa, to represent the newspaper's position and policies fairly and honestly to the advertiser. The ethical salesperson recognizes that he or she *is* the newspaper in most instances because the salesperson may be the advertiser's only contact with the newspaper. The ethical salesperson approaches each day and each situation as a "career path" decision, one with long-term implications, always realizing that actions taken and

decisions made today will be inevitably grouped together to form a collective opinion of a salesperson's honesty, integrity, and general ethical behavior. Each action must not only withstand the test of the moment, but the test of time as well.

CHAPTER 7

THE NEWSPAPER ADVERTISING SALESPERSON'S RESPONSIBILITY TO THE NEWSPAPER

Everyone, ethical or not, has certain obligations to an employer that must be met if the work relationship is to be maintained. The ethical newspaper advertising salesperson has responsibilities both similar to other occupations but some that are unique to the advertising business in general and the newspaper advertising business in particular. This list of ethical concerns a salesperson should observe is not intended to be exhaustive but rather a starting place within a living document that newspapers can adopt and adapt as necessary to meet the needs of each individual newspaper and each newspaper's market. Some of the salesperson's ethical concerns regarding the newspaper also apply to the advertiser. Similarly, some responsibilities to readers are also responsibilities to the newspaper. Where those concerns overlap, or are identical, they will be included in this chapter with distinction emphasizing the responsibility to the newspaper. Some considerations remain separate, however, because when a salesperson is doing a proper job for the advertiser, this results in doing the right thing for the newspaper; the reverse isn't always true in that the newspaper may ask a salesperson to take an action that is not in the best interest of the advertiser.

General Concerns

Honesty

The salesperson has the responsibility to conduct himself or herself in an honest manner in transacting the newspaper's business. Basic honesty includes prohibitions against lying, cheating, stealing, and any other type of personal dishonesty. Some thoughts:

1. The salesperson should never lie or misrepresent himself or herself to management, to advertisers, to fellow employees, or any other person while operating as an agent of the newspaper. Lying includes misrepresenting or falsifying employment records, mileage and expense reports, call and activity reports, lineage or revenue measurements, and falsifying bonus and commission statements. Lying also includes failure to tell the whole truth or omissions of fact that prevent or affect a full disclosure of the truth.

2. Any action unfair to the newspaper or others should be deemed to be cheating. Cheating involves unfair or an untruthful reporting that gives the salesperson an unfair or an inequitable advantage over another employee or the newspaper itself. commissions, prizes, contests, or performance are based. Cheating may occur without lying when the salesperson's misrepresentation or withholding of information provides that salesperson unfair or unearned

advantage over others. The test here is, "Is it fair to all concerned?"

3. Stealing is simply taking anything that does not belong to the salesperson. This includes company supplies and materials, money intended to be paid to the company, and possessions belonging to an advertiser, fellow employees, or the public. Stealing in an ethical sense also includes taking credit for the accomplishments of others.

As we survey the ethical concerns the salesperson must have for the newspaper, most of these concerns can be divided into one of the three above groups. Most of the others fall more correctly under the heading of company policies. Here there is an inevitable duplication in that the ethical salesperson has the moral obligation to recognize and adhere to company policy. Some ethics are policy-oriented and many policies are based on ethics, but most policy infractions do not have the same "look yourself in the mirror" scrutiny that classic ethical violations do. Policies are frequently revised to suit changing attitudes or conditions. Ethical values are more permanent. Policy infractions tend to be less severe and seldom involve a moral duty to act ethically. One might make the distinction between "departmental misdemeanors" and "ethical felonies." The point is, while all are to be avoided, some are more important than others.

Some you can go to jail for; others do not even warrant a verbal admonishment.

The initial research conducted for this thesis produced copies of codes of ethics, excerpts from personnel manuals, and dozens of departmental memos addressing ethical issues. Only two newspapers, the *Atlanta Journal-Constitution* and the *Milwaukee Journal-Sentinel*, responded with copies of a written, formal code that contained specific provisions governing conduct by the ad department. Most extensive was that received from the *Journal-Constitution*, a 38-page document that included advertising standards of acceptance (which contain considerable ethical implications) and a lengthy dissertation on antitrust guidelines. The *Journal-Sentinel* in Milwaukee produced a pocket-sized 18-page brochure titled "Journal Communications Code of Ethics." It covers seven Journal Communications companies or subsidiaries and the result is too vague. The *Atlanta Journal-Constitution* document is more precisely a "new employee" personnel manual which a new hire must study and sign as evidence of knowledge and agreement with the various ethics, policies, and rules it contains. Both are valuable to both the employee and the newspaper, but each fall short of a professional code expressly for the advertising sales department.

Other respondents included the *Salt Lake City Tribune-Deseret News*, the *Kansas CityStar*, the *Miami Herald-News*, and Leshar Communications, Inc.'s *Contra Costa Times* (Walnut Creek, California's largest daily newspaper) which provided internal memos and portions of employee manuals prepared by the personnel departments of each newspaper.

The *Milwaukee Journal-Sentinel* Guides provide a good starting place for establishing the salesperson's solution to ethical dilemmas. Their code suggests this test:

1. Is this action legal?
2. Does it comply with company policies and/or good business conduct?
3. Is it something I would not want my supervisors, fellow employees, subordinates, or family to know about?
4. Is it something I would not want the general public to know about?

While this provides a good basis, the following should be considered under the first test:

1. Is it honest?
2. Is it the truth to the best of your knowledge?
3. Is it fair to all concerned?

If one can answer yes to all seven tests, that salesperson is following ethical principles. A final test is suggested: What is the result? Will it make me feel like I have done the right thing after I do it?

Armed with this test, the following is a lengthy, but far from exhaustive discussion of various ethical and/or procedural concerns mentioned by dozens of newspaper advertising executives, salespeople, clients, and sales trainers in interviews, telephone conversations, and correspondence over the past three or more years. They are presented in no particular order of importance.

Conflicts of Interest

A host of activities can or may pose a conflict of interest for the newspaper advertising salesperson. Some are clear and obviously not to be considered. These include (a) outside work that competes with the newspaper, including selling advertising for another medium; (b) entering into almost any other publishing business; (c) operating or working for an advertising agency; or (d) charging local advertisers for the same services provided by the newspaper.

There is a "gray area" here as expressed by several ad directors. Most newspapers permit salespeople to have outside jobs, provided the time and energy requirements are not so stringent as to interfere with the salesperson's work at the newspaper. Some rule out advertising-related work while others say, "Why not let them do what they do best? Why force them to pump gas when they can write copy or do layouts as a sideline?"

Other concerns are salespeople who take a part-time job with an advertiser. This happens frequently as it is common (and encouraged) for a good salesperson to get close to an account. This closeness often generates an offer of part-time employment. Automobile dealerships and real estate agencies are good examples. Managers recognize a good salesperson who knows the business through the advertising. The sensible action for the manager is to hire the salesperson. Many newspaper managers ignore their salespeople's outside work until a problem occurs such as showing favoritism to the part-time employer or devoting the newspaper's resources to that employer unfairly. This relationship, where the salesperson works part-time for the newspaper's customer (the advertiser), is fraught with ethical concerns. The primary and unavoidable problem is that of divided loyalty between the newspaper and the part-time employer. Friction can occur in many areas including (a) work hours, (b) relationships with newspaper colleagues, (c) compensation (especially when the outside job is well paid), and (d) when excessive inside knowledge of the part-time employer interferes with relationships with other advertisers. (Many newspaper advertising salespeople handle categories of advertisers [e.g., restaurants, automobile dealers and real estate brokers]. When the newspaper

salesperson works for one of those advertisers, he or she also works for a competitor of those other clients.)

What happens if the new relationship does not work out and the salesperson leaves the outside job? The salesperson gains proprietary and confidential information of the business while working for the advertiser, and this could possibly interfere with the salesperson's opportunity to relate fairly with competitors of the part-time company. This proprietary information gained may even create an information problem for the newspaper since the salesperson will likely keep secrets from his or her primary employer out of loyalty to the part-time employer.

Where the part-time job is preparing or handling the advertising for one of the salesperson's accounts, the relationship can pose a dilemma for all concerned. This may happen when a talented salesperson is transferred to another account category or geographic territory. The advertiser does not want to lose the continuity of the good advertising created by the salesperson who has been generating those ads (including merchandising, copywriting, and perhaps layout and design) so the advertiser hires the salesperson on a freelance basis to continue to do the ads. This creates a conflict of interest when the salesperson is put in charge of the advertiser's entire advertising program including

competing media of the newspaper as well as the concern for doing the work on the newspaper's time during the day.

Another important concern is that the advertiser is now paying for services provided free by the newspaper and the advertiser's budget for advertising is reduced by the amount being paid the salesperson. Robert L. Cutler, former Advertising Director for the *Salt Lake City Tribune-Deseret News*, in a March 1991 telephone interview said, "There is sometimes a trade-off in this respect [the salesperson also working for an advertiser]. We had a salesman doing exactly that but after he 'took over' the advertising for the account we found that the ad budget increased about 300% and we got the bulk of the increase."

That is the position of many ad managers--the extent of the ethical violation is in direct proportion to the degree to which the newspaper suffers financially. If there is no damage, the newspaper management looks the other way. If the salesperson's outside employment helps the newspaper, there is no problem. If this relationship hurts the newspaper, an ethical conflict exists and must be resolved between the salesperson and the newspaper's management. Many newspaper advertising managers indicated they would reassign the account to prevent a potential conflict. Some said, "It depends on how good a salesman he is!"

Other potential conflicts of interest are not as clear-cut. One advertising salesman handling automotive accounts was offered the position of treasurer for the local automobile dealer's association. The paid position was rejected by the newspaper's management because they felt the salesman would be unfairly using his position at the newspaper to gain access to the job and that it might put the salesman in a compromising position when calling on auto dealers for advertising. The newspaper management foresaw the possibility of the local dealers leaning on the salesperson for rate or positioning (page placement of the ads in the paper) favors and using the treasurer's job as leverage. They also felt the dealers might pressure the salesman to become their representative with the newspaper's management to carry their grievances back to the newspaper.

Outside work, even a volunteer position, could present an ethical problem for newspaper salespeople where it may not for those in businesses where public trust is not as great a concern. Local involvement in volunteer charity organizations is generally encouraged. Often some newspaper resources such as secretarial and mailing assistance are dedicated to helping volunteer organizations. This changes abruptly when the volunteer work is political in nature (e.g., school boards, political action groups, and the like), especially where partisan party politics are involved results

in a source of conflict when, and if, the newspaper's position or editorial coverage doesn't reflect well on the group or agency. In such instances, the salesperson frequently gets caught in the middle.

"That's a tough one (referring to the salesperson's involvement in community groups)," says Salt Lake's Cutler. "You want your salespeople to be involved in the community but you don't want them put on the spot because of what your editorial department has done. On the other hand, you are walking on touchy legal ground if the salesperson wants to take you to court. It's just safer to avoid such situations by discouraging that kind of involvement."

Beverly Klein, Marketing Director for the *Milwaukee Journal-Sentinel*, says her salespeople are prohibited from "providing services to a company that provides services similar to those of any division of Journal Communications (the parent company for the seven Journal holdings), unless expressly authorized by the president of our division." She adds, "Being an officer, director or partner in an entity that is a Journal Communications customer, supplier or competitor; holding significant financial or other interest in a company that provides services similar to Journal Communications or is a customer or supplier is prohibited. A significant interest is not necessarily a large dollar amount: it could be any interest that might conflict with

our responsibility to Journal Communications: involvement in any business venture that requires using company time or facilities. If a member of the salesperson's immediate family is involved in any activity or investment that poses a potential conflict of interest, he or she must disclose that to the person to whom we report. Employees may work for another employer while working for Journal Communications as long as the outside job does not interfere with his or her ability to give full time and energy to the Journal Communications job and does not constitute a conflict of interest [as previously described]. Outside employment must be cleared with the manager to whom the salesperson reports" (Journal Communications, Code of Ethics).

Conflict of interest, short of outright dishonesty, lying, or stealing may be the most difficult of ethical determinations. The reason is that some salespeople may engage in an outside activity that may benefit the newspaper. A popular salesperson in a small town may get elected to the city council and ultimately have some lawmaking power that affects the newspaper (which of course introduces a new ethical concern as a lawmaker). Another, on the local school board, may work effectively to add credibility to the newspaper because he or she is known to "work for the paper." Another's wife or husband could secure a position as promotional manager for a local shopping center.

Conceivably (and perhaps frequently), these situations could work out well for all concerned, including the newspaper.

Just because an employee's position in another organization continues to work for the benefit of the newspaper does not make it an ethical action. The ethically correct question to be asked by the advertising manager and the salesperson is, "Is it the right thing to do?" The manager must ask the salesperson, "Would this opportunity have occurred if you hadn't work for the newspaper? Does working for the newspaper affect your decisions or actions or could it (in this new position)? Is there any way the newspaper can be helped or hurt by your activities in this position?"

If the primary reason for taking a position with an outside organization is to benefit the newspaper, the action is likely self-serving and unethical. If there is a civic or a charitable, or perhaps a family or religious purpose that benefits others and the salesperson's relationship with the newspaper is unaffected, then the action or job is likely to benefit everyone. Advertising managers who make such decisions must never permit economic benefit to the newspaper to overcome ethical reasons for vetoing an action.

Probably the greatest conflict of interest for many salespeople is the demand on their time and energy. Many modern managers consider newspaper advertising sales to be a

full-time, all-consuming job. When a salesperson is not actively working for the newspaper, either in the office or out servicing advertisers, these managers feel salespeople should be saving their energy for work at the newspaper. They do not want their salespeople working extra hours that drain their strength and energy for a demanding day at the newspaper. Most metropolitan daily newspapers have imposed a stronger work ethic, which, whether or not they will admit to it, requires more dedication, more attention to detail, more preparation, and more travel during the day. Few very good salespeople can accomplish this and maintain a second job as well. For this reason, the *Los Angeles Times* prohibits outside work for its employees. The *Times'* management feels its pay scales are such that salespeople should not require a second job. Smaller newspapers in lesser markets may not pay enough to demand this of their employees. Many employees feel forced into second jobs, or find that because of their advertising skills, they can do "freelance" work that is rewarding, lucrative, and often career-enhancing. Some newspapers even encourage such activities in order to gain greater control of accounts (especially grocery stores and auto dealers) and to help keep good salespeople who would move to larger markets if they could not make the extra money. The ethical concern, beyond those mentioned previously, is one of, "How much time and energy can I devote

to a second job without taking anything away from my primary job?"

The salesperson's ethical question should be, "Can I take another job, assuming there is no conflict of interest, and still give the newspaper my same effort and devotion, maintain my health, and give the necessary time and energy to my family and friends?" The ethical salesperson does not permit his or her position at the newspaper to suffer. It is also an ethical error to let any other responsibilities the salesperson has to the newspaper lapse.

Most often it is the newspaper's best salespeople who seek outside employment. Newspaper managers do not want to lose a top producer. The natural attributes of aggressiveness and sales abilities of top salespeople make them prime candidates for employment elsewhere. In this instance, managers must walk a fine line between satisfying the top salesperson and enforcing the newspaper's work ethics covering outside employment.

The most common and workable caveat in considering outside employment is to "clear it with your boss." Of course this assumes the "boss" maintains ethical standards at least as high as the salesperson's. The ethical salesperson weighs this possibility and acts upon the higher of the two (the ethics of the salesperson or the ethics of the boss). "Clearing it with the boss," while it might keep the

salesperson out of trouble with his or her superiors, is no substitute for ethical behavior. The truly ethical salesperson should rarely have to resort to this action. Ethical people proceed ethically and their actions are self-vindicating. Questions of policy, standards of acceptance, or pricing can, and should, be discussed with superiors, but true ethical decisions should be a matter of habit, not an appeal to higher authority.

Information Confidential
to the Newspaper

The salesperson has the ethical responsibility to maintain the confidentiality and proprietary nature of information important to, and belonging to, the newspaper. Worthy of special mention are "former employees." These persons frequently work for competitors after they leave the newspaper or work for advertisers with an interest in the advertising content or performance of other customers of the newspaper that is competitively unfair. Because former salespeople still have friends working at the newspaper, these former employees often have the opportunity to secure information about advertisers and advertising to which they should not. To avoid an unpleasant situation, employees leaving the newspaper should sign a document at the exit interview explaining company policy regarding confidential client information (and, for that matter, the proprietary trade secrets and information gained while employed by the

newspaper) and the rules against utilizing privileged information acquired during or after employment at the newspaper. Current employees should be made aware of the consequences of providing confidential information to unauthorized persons outside the employ of the newspaper. Former employees become private citizens with the same status as any other nonemployee once they leave the newspaper unless a separate, special agreement is maintained (consulting, freelance work, or other agreement). Equal care should be exercised in providing information to current employees in other departments. This is especially true of editorial writers who may require financial or advertising details for a news story. If the information is confidential, it must come from the advertiser, not the advertising department. Editorial department employees should appreciate the fact that advertising has the same responsibility to protect sources as does the newswriting side of the newspaper unless the information concerns only advertising lineage.

Advertising lineage, the measurement of the number of lines of advertising appearing in a newspaper, becomes a matter of public record once that advertising is run. As such, most newspapers do not consider it a breach of ethics to release lineage figures after the advertising is published. This may be done in the form of comparative lineage reports (by day, week, month, or year), by account (e.g., auto

dealers), or any other manner in which the newspaper wishes to present the data. Frequently salespeople ask for and receive lineage for selected advertisers, including those of a particular merchant's competitors. Showing one advertiser how he or she compares to his or her competitors in terms of advertising run in the newspaper is an effective sales technique. Termed as "impact" or "share of visibility," it shows an advertiser where he or she may be underadvertising if maintaining a promotional competitive stance is important to the merchant. This is not considered unethical because any person with a newspaper subscription and a ruler can measure all the advertising the newspaper contains. In fact, since most newspapers adhere rather rigidly to their published rate cards, the same person could add up lineage for a given advertiser, compare the totals to the rate card, and taking into consideration frequency and ad sizes, determine accurately that advertiser's dollar commitment to the newspaper. Lineage figures are routinely measured and published by Media Records, an industry source of such data, which is readily available to the public. Even though such information is a matter of public record, the cautious salesperson gives out such information judiciously. Many advertisers would consider it a violation of trust if the salesperson shared such information with a competitor with the intent of playing one against the other. Such a

practice, while technically not unethical, would be unfair in some circumstances.

Advertising Acceptance

This is an area of considerable detail and dispute. It is also one involving law, morals, community standards, company policy, and personal ethics. Even though many are more correctly described as matters of opinion or position, here they will be treated as ethical standards.

Fraudulent Advertising

Accepting ads for illegal products or services such as narcotics, prostitution, certain firearms, lotteries, some mail order items, and anything else prohibited by law is an unacceptable ethical violation. One must be careful to recognize an illegal offer contained in an otherwise legal advertisement or cloaked in the guise of a legal ad. Foreign language ads should always be correctly translated to avoid any legal difficulties before they are accepted, because they may contain libelous phrases, or offers for illegal products or services, including unlawful immigration assistance. The ethical salesperson makes it his or her business to know the law as it applies to newspaper advertising in one's city, county, or state. Newspaper people, more so than the balance of the business community, are expected to know how the law affects their newspaper.

One common example of unlawful advertising is a contest or sweepstakes that actually constitutes a lottery. A lottery is illegal unless it is state-run. The legal definition of a lottery is any game, contest, drawing, sweepstakes, or other activity where there is a prize offered (either money, merchandise, or service), where there is a chance (a drawing or other selection process where winners are selected at random), and where there is consideration (a payment to enter, including a purchase at the store). When all three of these elements are present, a lottery is created and it is illegal in most states.

No ethical newspaper advertising salesperson ever knowingly accepts illegal advertising. The operative word, of course, is "knowingly." In fact, recent court decisions have reinforced the legal position that newspapers, as well as advertising agencies and their clients, can all be held accountable for accepting and placing illegal advertising. This includes advertising that is false and/or misleading. Where such acceptance can be proven and where damages can be shown, there exists a great liability to the newspaper and its management in terms of civil and criminal penalties. Primary areas of concern include the following:

1. Libel. Any written or printed matter tending to injure a person's reputation unjustly. This can, and does, occur in advertising. This means the ethical salesman, in

order to protect the advertiser, the newspaper, and himself or herself, should scrupulously analyze all advertising copy and correspondence in a effort to avoid any hint of libel. Libel is one of the worst ethical infractions since the damage usually cannot be undone. One of the strengths of newspapers is that readers tend to believe what they read in respected newspapers. This credibility carries over to the advertising the newspaper contains. Once an untruth appears in writing, it is all but impossible to undo the damage.

2. Slander. The utterance of a falsehood damaging another's reputation. Slander is to speaking what libel is to writing, and for the same reasons it should be avoided at all costs. Think before you speak and be careful what you say. Newspapers rarely encounter slander problems as these problems apply more to radio and to television. Nevertheless, salespeople are held accountable for what they say. Verbally lambasting a person's reputation (even if it is true) reflects badly on the salesperson and the newspaper.

3. Fraud. This is an area most salespeople do not encounter, but since good, ethical salespeople often go on to become good, ethical managers, price-fixing bears discussion. It is illegal to conspire to fix prices, or arrive at, through joint agreement or collusion, the common price of a product or a service. Newspapers are advised to set single copy, subscriptions, and advertising costs privately and

independently of any other medium in the area. Where price fixing can be proven and where damages or injury to competition can be shown, the penalties are severe. Any salesperson finding himself or herself in a situation where prices between media are being discussed (at an advertising club meeting, luncheon, even on the golf course) should leave the room or otherwise refuse to participate in the discussion. Frequently it is healthy and appropriate for salespeople and members of various media to get together and discuss advertising, marketing, and other common interests. Prices should never be a topic of discussion. This applies especially to the newspaper's own trade associations. Even seemingly innocent discussions of such topics as subscription rates, costs per thousand for preprints, and milline rates could be construed as an attempt at price fixing.

Ad Positioning

Every advertiser would like to have his or her ad placed on page one of the newspaper every time. Most ad salespeople would give such positioning to their accounts if they could. Some sell ads based on an account's positioning request. Often this becomes impossible for the newspaper to provide and the salesperson loses credibility when the promise is not kept. The ethical salesperson should always say only, "I'll convey your request to our makeup department and they'll

honor your request if they possibly can, but I can't accept your ad contingent on the position you request." It helps to add, "We have several hundred advertisers in each issue and putting them all in place is like putting together a giant jigsaw puzzle each day--but I promise I'll do what I can."

Editorial Favoritism

A similar, but more critical quandary occurs when the salesperson guarantees (or even insinuates) that by buying an ad, the newspaper will publish a press release or print a favorable story about the advertiser. This practice results in an ethical violation that hurts everyone: the newspaper which must publish a "puff" story it does not want, the readers who may read the story believing it is legitimate news, and even the advertiser whose advertising becomes less believable when accompanied by a news story. Readers tend to distrust these instances and both the newspaper and the advertiser lose credibility when it occurs. When the newspaper's editorial department refuses to run such items, the salesperson promising the story loses credibility with the advertiser. He or she is seen as not having control of the newspaper's resources and/or failing to keep a promise. The correct response under these conditions is, "I believe what you propose is newsworthy. I will gladly submit the details to a writer in our business department. They make all the decisions on news stories and the criterion is

whether it is of interest to our readers." The salesperson can "save face" by saying, "I've got a deal with our editorial department: they don't sell ads and I don't write news stories. You're running an ad because you have something important to say to our readers. Having a puffy press release along with your ad only detracts from the believability of your advertising. Our readers would think you wouldn't be running this ad if we weren't giving you a news story." Even if the news item the advertiser proposes is genuinely newsworthy it should not run on the same day as the ad.

Credits and Rebates

This same caveat of not making promises one cannot keep extends to credits and make-goods on ads containing mistakes (to the extent that such decisions exceed the salesperson's authority), collateral "value-added" services such as overruns, additional copies, coupon redemption, newspaper sponsorship of the advertiser's special events, and services of the newspaper such as photos, artwork, posters, and the like. If one is not absolutely positive the request can be honored, he or she should simply say, "I'll check. Before I promise we can do that, I want to make certain."

Summary

The salesperson's solution to any ethical dilemma that cannot be resolved personally should be to take the issue to

the salesperson's immediate supervisor or manager and discuss it before a problem develops. If the salesperson is not comfortable with the situation, then including one's manager in the decision not only provides greater input, experience, and judgment but releases the salesperson of the responsibility of such a decision. It is simply the smart and safe course of action when any doubt exists. This method of dealing with ethical dilemmas is safe and convenient, but again, the truly ethical salesperson should rarely find it necessary to appeal to higher authority to resolve an ethical situation. The ethical salesperson already knows the answer as a result of ethical behavior that has become habitual. Going to one's superior in such instances becomes an ethical crutch that inhibits the development of the habit of ethical conduct. A better course of action is for the salesperson to make the decision whenever possible and then inform his or her superior of the decision. Managers like to be informed of such instances, but ethical dilemmas are not resolved by committee or consensus.

Making ethical decisions is not easy and the salesperson will not always be correct. Because a salesperson makes an error in judgment does not make that person unethical. Making such decisions is training for management. One does not become instantly adept at ethical decision making upon promotion. It is important to admit mistakes as soon as they

are discovered and correct them as much as possible as quickly as possible.

The dividing line here is, Is my ethical decision defensible? If challenged later, can I defend my actions and moral reasoning on sound grounds? Can even an unpopular decision be presented as ethical and correct?

CHAPTER 8

CONCLUSIONS AND CODE OF ETHICS

The newspaper industry is ready to upgrade the professionalism of its advertising departments by establishing a uniform, formal, written code of ethics. Only about 6% of daily newspapers currently use a written code of ethics, but an overwhelming 94% agree that the newspaper industry needs such a code.

Other research supporting formulation of a code includes:

1. Nearly all (96%) of California newspaper advertising executives feel a written code would be helpful.

2. More than two-thirds of California executives either agree or strongly agree that a formal code of ethics would increase professionalism in the newspaper industry and none of those surveyed felt such a code would cause more problems than it solved.

3. More than 86% of the California group said their newspaper would, or probably would, adopt and enforce a code of ethics if it were developed by the industry.

4. Responses were generally positive despite the fact that only 7% said questions of proper ethical conduct arise often and about half claimed that questions of proper ethical conduct almost never occur (CNAEA).

5. Nearly all (92.5%) (CNAEA) felt it fairly important or very important that salespeople know in advance what ethical standards are expected of them. None felt this advance knowledge unimportant in any way.

6. Likewise, almost 95% felt consistency in applying ethical standards was either fairly important or very important. Again none felt it unimportant in any way (CNAEA).

7. Results become a little more dispersed when CNAEA executives were asked if their salespeople would welcome a code of ethics, although almost 83% felt their salespeople would, or probably would, appreciate such a code.

8. Responses as to discipline or termination as a result of ethics violations varied greatly, significant numbers saying they did not know if such actions have occurred at their newspapers. This is likely due to lack of a definition of what constitutes ethical infractions and the fact that this group, while actively involved in hiring, sometimes is not so much involved in terminations. This is especially true of newspapers with unionized ad departments, since the firing process becomes even more complex under union bargaining rules.

9. As would be expected, when asked to rank ethical concerns in order of importance, basic moral issues like honesty, truthfulness, and cheating topped the list while

moonlighting and accepting gratuities ranked lowest. These lowest rankings could well be due to the fact that these respondents have committed these violations themselves or do not see them as ethical concerns as they may be permitted at their newspapers (CNAEA).

10. All felt the salesperson's ethical responsibility to the newspaper, to the advertiser, and to the newspaper's readers were either fairly important or very important with little statistical difference between responsibility to either of the three groups (CNAEA).

11. Importantly, the CNAEA managers rejected the thought that a formal code of ethics might make jobs more difficult for either them or their salespeople (3.6% in each case).

The primary reason for asking these questions was to provide data supporting such a code of ethics in presenting a plan requesting the support and sponsorship of the American Newspaper Publisher's Association and the International Newspaper Advertising Executive's Association. Virtually every industry executive as well as those close to the industry felt strongly that the time has come to develop a code requiring similar ethical standards to those currently dictated by code in the newsroom and those maintained by other professions such as law and accounting. They cite a better educated (college) salesperson working in a more professional environment and working with ever more

sophisticated advertisers on ads where the stakes for advertisers, readers, and the newspaper are higher than ever in terms of cost and numbers of people affected.

Friends, industry colleagues, and others from publishers to retail advertising salespeople have unanimously agreed that a workable code is in order. The remaining questions revolve around (a) who (or what group) should develop the code, (b) which group or associations should support and sponsor the code to the industry, and (c) will most United States newspapers adopt a uniform code after it is developed. Using this thesis, and the proposed code it contains, I intend to submit the code, this thesis, and my research to the appropriate individuals at the Newspaper Association of America with the strong recommendation that they take the immediate steps to secure adoption and implementation as soon as possible.

There exists an industrywide mandate for such a code. There is a mechanism within the industry (NAA) for approving and encouraging the adoption of the code among member newspapers. Now, with this document, a proposed code is offered with adequate support and research proving the interest, necessity, and viability of such an undertaking. I intend to remain involved until a workable code is accepted by United States newspapers.

THE NEWSPAPER ADVERTISING SALESPERSON'S CODE OF ETHICS

The ethical newspaper advertising salesperson has an ongoing responsibility to four entities:

1. The newspaper's readers. Readers have a right to receive information that enables them to make intelligent buying decisions. All advertising contained in the newspaper must be truthful, honest, legal, and free of any falsification or misrepresentation. This includes errors of omission as well as errors of commission. This means telling the whole truth. The salesperson must never knowingly permit untruthful advertising to be published. The newspaper's greatest strength is its credibility. It is a primary ethical responsibility of each representative of the newspaper to protect that reader trust.

2. The newspaper's advertisers. Advertisers, like readers, are the customers of the newspaper. Advertising in the newspaper helps support the newspaper's editorial content that provides readers with the news and information they seek when paying for the newspaper. Advertisers are not just buying white space but the opportunity to communicate to the newspaper's readers a message that is compelling, creative, timely, competitive, and informative. The advertiser is entitled to the salesperson's confidentiality, loyalty, professional advice, and best

creative efforts in securing, writing, producing, and publishing each advertiser's message.

3. The newspaper. The newspaper and its owners are the salesperson's employer. Every salesperson of the newspaper has an ongoing ethical responsibility to continually provide the newspaper with the best personal efforts, loyalty, confidentiality, and professional energy possible. Each action taken on behalf of the newspaper must be absolutely honest, legal, forthright, and professionally above reproach. The salesperson must be a credit, not only to the newspaper, but to the communications industry, the advertising profession, and the local community.

4. The salesperson. Perhaps most important, the salesperson must subscribe to a code of personal ethics. The test is:

- Would the salesperson's actions be sound from a long-run point of view?
- Should this be done to a friend?
- Would the salesperson have this done to him or her?
- Would the salesperson want this action publicized in the national media?
- Would the salesperson tell others about it--including superiors and family?
- Who is damaged by the salesperson's action?

This newspaper, its ownership, and its management subscribe to this code unequivocally. When operating within this code, the newspaper's salespeople will be supported, protected, and defended by the newspaper and its entire resources without hesitation or reservation.

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