

Green Acres Promotion Teaching Notes

What Are the Relevant Facts?

1. Cathy and Dave are educated and well paid.
2. They received an unsolicited invitation from Green Acres (GA).
3. The invitation had nothing in it that said they had to buy anything from GA.
4. They correctly guessed that the GA sales staff would put pressure on them to buy real estate.
5. GA was eight hours driving time from Chicago.
6. Al made a sales presentation.
7. Cathy and Dave listened to the presentation.
8. Al said Cathy and Dave had acted immorally and had deprived him of a chance of earning a sales commission.
9. Dave said that they had fulfilled their obligation, as outlined in the invitation, and had not acted incorrectly.

What Are the Ethical Issues?

1. What is the role of inducements in marketing?
2. What is the responsibility of individuals who accept inducements? Do they have any moral obligations to purchase goods if they accept free gifts from merchants?
3. Is giving attractive gifts to potential buyers an ethical practice? Does the size of the gift or the inducement matter?
4. Cathy and Dave were sophisticated, educated city folk and did not feel pressured to buy from GA. Do less educated or less sophisticated consumers feel pressured to buy merchandise under enticements of gifts? Would such business practice be considered ethical?
5. Should Cathy and Dave complain so that other vulnerable people may not be pressured into buying expensive property they do not want?

Who Are the Primary Stakeholders?

- Cathy and Dave
- Al
- GA
- GA's stockholders

- Other potential consumers, especially the vulnerable ones

What Are the Possible Alternatives?

1. Cathy and Dave can forget the incident and do nothing.
2. They can file a complaint with GA.
3. They can file a complaint with the appropriate authorities.
4. They can write to Al.

What Are the Ethics of the Alternatives?

1. What is the best course of action for Cathy and Dave from the moral standpoint? What is the best course of action that Cathy and Dave take that will provide the greatest benefit to the greatest number?
2. Do Cathy and Dave and other potential customers have rights not to be pressured or induced into actions they may not wish to take? Do GA and Al have rights to pursue their business and personal interests? Were any rights violated?
3. What is the just thing to do in this case? Which alternative distributes the burdens and responsibilities fairly? If Cathy and Dave act and if GA improves its practices everyone except Al may benefit. Not complaining may mean Al will continue his tactics and undermine GA's goals assuming that word would get around and additional customers will be offended.

What Are the Practical Constraints?

None.

What Actions Should Be Taken?

1. What should Cathy and Dave do?
2. Which alternative would you choose?
3. Which approach (utilitarian, rights, or justice) makes the most sense to you in this situation?

Clearly, no action could mean unsuspecting people may be lured into buying expensive real estate with potentially severe consequences. Complaints could lead to improved practice and better performance but could lead to the loss of Al's job.

4. What is the right thing to do?