ETHICS CASE STUDY
PENNSYLVANIA FREE ENTERPRISE WEEK

Every day you face ethical decisions in your schools, jobs, family, and your interactions with others. But how do you make the right decisions? Do you base decisions on what is best for you, your family or friends? your coworkers? your employer? Perhaps you make decisions based on what represents the greatest good for all. No matter what decision you make, some will benefit, others will not.

You are about to engage in a case study that will help you explore ethics and the mechanics of ethical decision making. The purpose of this exercise is to broaden your understanding of personal and professional ethics, help you identify core values, explore ethics from the eyes of all stakeholders, and begin to think about effectively incorporating ethical decision making in your daily life. Remember, often there is no clear-cut answer to a complex problem. That’s why it’s important to have tools to work through these complicated issues to arrive at an ethical solution.

Read the case study and consider only the following stakeholders – 1. Amazon, 2. Consumers, 3. Amazon’s Competitors

FOR THE PURPOSES OF THIS CASE STUDY:
• ALL “1” COMPANIES, i.e. A1, B1, C1, etc. REPRESENT AMAZON
• ALL “2” COMPANIES REPRESENT CONSUMERS
• ALL “3” COMPANIES REPRESENT AMAZON’S COMPETITORS.

On Wednesday afternoon you and your team will be responsible for a maximum 5-minute presentation where you must answer and discuss the following from the standpoint of the stakeholder you represent:
1. What are your team’s Core Values?
2. Is Amazon’s patent ethical? Why or why not?
3. If you agree that Amazon’s patent is ethical: would you modify it in any way to make it more ethical?
4. If you do not agree that Amazon’s patent is ethical: what is your solution based on your core values?

HELPFUL HINTS
ESTABLISH YOUR COMPANY’S CORE VALUES
Define your core values in terms of the stakeholder you represent. Your statement should be no longer than three sentences

CORE VALUES ARE THE FUNDAMENTAL BELIEFS OF A PERSON OR ORGANIZATION. THESE GUIDING PRINCIPLES DICTATE BEHAVIOR AND CAN HELP PEOPLE UNDERSTAND THE DIFFERENCE BETWEEN RIGHT AND WRONG. CORE VALUES CREATE AN UNWAVERING GUIDE TO HELP COMPANIES AND INDIVIDUALS MAINTAIN INTEGRITY WHILE FULFILLING THEIR GOALS.

Ex: The Smeal College of Business at Penn State recognizes Community, Respect, Responsibility, Integrity, Discovery, and Excellence as core values, and has an Honor Code to guide individuals in the behavior: “We, the Smeal College of Business Community, aspire to the highest ethical standards and will hold each other accountable to them. We will not engage in any action that is improper or that creates the appearance of impropriety in our academic lives, and we intend to hold this standard in our future careers.”
DEFINE AND ANALYZE THE SITUATION IN THE EYES OF THE STAKEHOLDER YOU REPRESENT

Work with your team to answer the following:

- What is the real issue in the case?
- Why did Amazon come up with this patent in the first place?
- Ex.: Does Amazon have the right to block/alter internet access to customers? Do Customers have a right to demand free access? Do Competitors have a case against Amazon for restrictive trade practices, etc.

- Does the patent fit with your core values? Why or why not? Are your values supported or neglected?
- IS CHANGE NEEDED TO MAKE THE SITUATION MORE ETHICAL?
- Specifically, how are you impacted by Amazon’s patent? Does it add or subtract value for you?

DEFINE YOUR SOLUTION CRITERIA AND COME UP WITH AN ETHICAL SOLUTION

Define your solution criteria, e.g. Do you want your solution to:

- Fit best with your core values
- Provide most value to all stakeholders, or just to you
- Minimize negative impact on just you or all stakeholders
- Be easy to implement
- Be morally acceptable

Come up with an ethical solution

- Clearly identify your values, then create a solution that maximizes your interests while staying within an ethically defendable framework
- Compare/contrast solution against your defined solution criteria – does it fit?
- Compared with Amazon’s patent, how does your solution better: Reflect your core values? Provide value to you (or multiple stakeholders)? Show your character?
- What is your definition of success? i.e. financial benefit, provides most value, fits your core values, etc.
- Remember, no option is likely perfect!

PRESENT YOUR SOLUTION

At the Wednesday afternoon Ethics Rotation, you will have a maximum of five minutes to present your stakeholder’s Core Value Statement, analysis of the problem, your solution, and reasons why your solution is more ethical than Amazon’s patent. All company members must participate in the analysis and preparation of your presentation, and more than one team member must participate in the presentation. A moderator will time each presentation and you will be allotted exactly five minutes.

Company Advisors will rate each company’s presentation using a scoring rubric given to them. The results will be tabulated, a winner announced, and the winning team will receive a small prize.
In a world where online sellers can use cut-rate pricing to beat the brains out of brick-and-mortar retailers, Amazon is making moves to change the game once again in its favor. Contrary to Amazon’s reputation, however, the end result this time may not be lower prices for consumers.

Amazon has no doubt lured away millions of shoppers from traditional stores by offering discounted prices via smartphone searches as shoppers check out merchandise in physical store aisles, a practice known as “window shopping.” This practice most likely played a role in Amazon’s inexorable climb to the top of the online heap. But, now that the Internet goliath is opening its own brick-and-mortar bookstores in a number of cities and acquiring 465 physical grocery stores in its takeover of Whole Foods, it has developed a tool to keep customers from using its in-store WiFi to comparison shop.

Amazon’s patent, The Physical Store Online Shopping Control (US 9,665,881 B1), describes a system that can identify a customer’s Internet-connected device (when it connects through the store’s WiFi) and sense when the customer is trying to access a competitor’s website. Once the system discovers such an attempt, it identifies what item the consumer is trying to access. It could then do one of several things: redirect the customer’s browser to Amazon’s own site or to an approved site; send marketing material to the customer; alert a sales person to approach the customer on the floor; or simply block access.

Of course, having a patent doesn’t mean Amazon will actually use it. But if it did, the customer’s only choice for comparison shopping would be to not use the in-store provided WiFi services and use their own cellular data to access competitive pricing.

Given Amazon’s vision “to be earth’s most customer-centric company; to build a place where people can come to find and discover anything they might want to buy online,” is this ethical?

---

1 This case is from a collection developed by Robert Boyd Skipper, Peggy Connolly, Robert A. Currie, Cynthia Jones, and Heather Pease for the Association for Practical and Professional Ethics (APPE). Use of this for the Pennsylvania Free Enterprise Week (PFEW) Ethics Case Study was granted in conjunction with the Smeal College of Business, Penn State University and APPE in February 2019.
# Ethics Case Study Scoring Rubric

Score each category from 1-10

1 - Not Meeting Expectations

5 - Meets Expectations

10 - Exceeds Expectations

<table>
<thead>
<tr>
<th>Company</th>
<th>Core Value Statement is Clear and Logical</th>
<th>Ethics Issue Clearly Defined</th>
<th>Analysis is Objective with Multiple Perspectives</th>
<th>Solution is Unique/Innovative Matches Core Values</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Company Advisors Remember: Do NOT score your own company.