Contemporary Issues in Global Business Management – Marketing Ethics.

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Abstract- The last few years in the ethics of research have been tumultuous ones, it is beginning to appear that a new consensus is evolving that involves the stakeholder groups most affected by a problem participating more actively in the formulation of guidelines for research. While it’s not entirely clear, at present, what the new consensus will be, it is almost certain that it will not fall at either extreme. Marketing professionals with a backbone reap great rewards, including a solid career with the potential for advancement. But the high road is not always the easiest path to take.

Keyword: Business Ethics, Marketing ethics.

INTRODUCTION:

Ethics is a collection of principles of right conduct that shape the decisions people or organizations make. Practicing ethics in marketing means deliberately applying standards of fairness, considering the moral rights of consumers, applying proper behavior when a consumer seeks redressal, and practising ethical standards in the organization.

Marketing and Ethics

The purpose of marketing is to create a competitive advantage. An organization achieves an advantage when it does a better job than its competitors by satisfying its customers through the product and service that they require.

As our economic system has become more successful in providing the right products and right services to satisfy the needs and wants of the consumers, there has been a greater focus on organizations' adhering to ethical values rather than simply providing products.

There are two reasons for this focus. First, when an organization behaves ethically, customers develop more positive attitudes about the firm, its products, and its services. When marketing practices depart from acceptable standards, the market process becomes less efficient. Not employing ethical marketing practices may lead to dissatisfied customers, bad publicity, a lack of trust, lost business, or, sometimes, lead to legal actions. Thus, most organizations are very sensitive to the needs and opinions of their customers and look for ways to protect their long-term interests.

Second, ethical abuses frequently lead to pressure for institutions from society and Government to assume greater responsibility for their actions. As a result, consumer interest groups, professional associations, and self-regulatory groups use considerable influence on marketing. Calls for social responsibility have also subjected marketing practices to a wide range of federal and state regulations designed to either protect consumer rights or to stimulate trade.

The Federal Trade Commission (FTC) and other federal and state government agencies are charged both with enforcing the laws and creating policies to limit unfair marketing practices. As regulation cannot be developed to cover every possible abuse, organizations and industry groups often develop codes of ethical conduct or rules for behavior to serve as a guide in decision making. The American Marketing Association, for example, has developed a code of ethics. Self-regulation not only helps a firm avoid extensive government intervention and it also permits to better respond to changes in market conditions. An organization's long-term success and profitability depend on this ability to respond. Tobacco marketing has been the target of government regulation.

Unfair or Deceptive Marketing Practices

Marketing practices are deceptive if customers believe they will get more value from a product or service than they actually receive. Deception, which can take the form of a misrepresentation, omission, or misleading practice, can occur when working with any element of the marketing mix. As consumers are exposed to great quantities of information about products and firms, they often become skeptical of marketing claims and selling messages and act to protect themselves from being deceived. Thus, when a product or service does not
provide expected value, customers will often seek a different source.

Deceptive pricing practices cause customers to believe that the price they pay for a product or service is lower than it really is. The deception might take the form of making false price comparisons, providing misleading suggested selling prices, omitting important conditions of the sales, or making very low price offers available only when other items are purchased as well. Promotion practices are deceptive when the seller intentionally misstates how a product is constructed fails to disclose information regarding pyramid sales or employs bait-and-switch selling techniques. False or greatly exaggerated product or service claims are also deceptive. When packages are intentionally mislabeled as to contents, size, weight, or use information, that constitutes deceptive packaging. Selling hazardous or defective products without disclosing the dangers, failing to perform promised services, and not honoring warranty obligations are also considered as deception.

**Offensive Materials and Objectionable Marketing Practices.**

Marketers control what they say to customers as well as and how and where they say it. Events like television programming or radio programming, or publications sponsored by a marketer, to market a product, are perceived as offensive, if they often create strong negative reactions. When a product is being marketed in other countries, where words and images may carry different meanings than they do in the host country.

When people feel that products or appeals are offensive, they may pressure vendors to stop carrying the product. Thus, all promotional messages like advertising, editorial writings must be carefully screened and tested, to match the tastes and interests of targeted customers. Beyond the target audience, marketers should understand that their messages will reach others those who are not customers, will also create impact on their products or services.

Direct marketing is also undergoing closer examination. Objectionable practices like sending sales letters or commercials in unwanted time are treated as offensive or even illegal. Acts like high-pressure selling, annoying telemarketing calls, too long, frequent television commercials, raise ethical questions. Marketing appeals created to take advantage of young or inexperienced consumers or senior citizens—including advertisements, sales appeals disguised as contests, junk mails, and the use and exchange of mailing lists—may also pose ethical questions. In addition to being subject to consumer-protection laws and regulations, the Direct marketing Association provides a list of voluntary ethical guidelines for companies engaged in direct marketing.

**Ethical Product and Distribution Practices**

Several product-related issues raise questions about ethics in marketing, most often concerning the quality of products and services provided. Among the most frequently voiced complaints are ones about products that are unsafe, that are of poor quality or content, or that go out of style or become obsolete before they actually need replacing. An organization that markets poor-quality or unsafe products will develop a reputation for poor products or service. It leads to claims or legal action. Sometimes, however, frequent changes in product features or performance, such as those that often occur in the computer industry, make previous models of products obsolete. Such changes can be misinterpreted as planned obsolescence.

Ethical questions may also arise in the distribution process. As sales performance is the most common way in which marketing representatives and sales personnel are evaluated, performance pressures that may lead to ethical dilemmas. For example, pressuring vendors to buy more than they need and pushing items that will result in higher commissions are temptations. Exerting influence to cause vendors to reduce display space for competitors’ products, promising shipment when knowing delivery is not possible by the promised date, or paying vendors to carry a firm’s product rather than one of its competitors are also unethical.

Research is another area in which ethical issues may arise. Information gathered from research can be important to the successful marketing of products or services. Consumers, however, may view organizations’ efforts to gather data from them as invading their privacy. They are resistant to give out personal information that might cause them to become a marketing target or to receive product or sales information. When data about products or consumers are exaggerated to make a selling point, or research questions are written to obtain a specific result, consumers are misled. Without self-imposed ethical standards in the research process, management will likely make decisions based on inaccurate information.

**Does Marketing Over-focus on Materialism**

Consumers develop an identity in the market place that is shaped both by who they are and by what they see themselves as becoming. There is an evidence that the way consumers view themselves influences their purchasing behavior. This identity is often reflected in the brands or products they consume or the way in which they lead their lives.

The proliferation of information about products and services complicates decision making. Sometimes consumer desires to achieve or maintain a certain life style. That results in their purchasing more than they need or can afford. Does marketing create these wants?
Clearly, appeals that are designed to cause people to purchase more than they need or can afford. Unsolicited offers of credit cards with high limits or high interest rates, advertising appeals touting the psychological benefits of conspicuous consumption, and promotions to stimulate unrecognized needs are often cited as examples of these excesses.

**Special Ethical Issues in Marketing to Children**

Children are an important marketing target for certain products. As their knowledge about products, the media, and selling strategies is usually not as well developed as that of adults, children are likely to be more vulnerable to psychological appeals and strong images. Thus, ethical questions sometimes arise when they are exposed to questionable marketing tactics and messages. For example, studies linking relationships between tobacco and alcohol marketing with youth consumption resulted in increased public pressure directly leading to the regulation of marketing for those products.

The proliferation of direct marketing and use of the Internet to market to children also raises ethical issues. Sometimes a few unscrupulous marketers design sites so that children are able to bypass adult supervision or control. Sometimes they present objectionable materials to underage consumers or pressure them to buy items or provide credit card numbers. When this happens, it is likely that social pressure and subsequent regulation will result. Likewise, programming for children and youth in the mass media has been under scrutiny for many years.

In the United States, marketing to children is closely controlled. Federal regulations place limits on the types of marketing that can be directed to children, and marketing activities are monitored by the Better Business Bureau, the Federal Trade Commission, consumer and parental groups, and the broadcast networks. These guidelines provide clear direction to marketers.

**Ethical Issues in Marketing to Minorities**

Markets are broken into segments in which people share some similar characteristics. Ethical issues arise when marketing tactics are designed specifically to exploit or manipulate a minority market segment. Offensive practices may take the form of negative or stereotypical representations of minorities, associating the consumption of harmful or questionable products with a particular minority segment, and demeaning portrayals of a race or group. Ethical questions may also arise when high-pressure selling is directed at a group, when higher prices are charged for products sold to minorities, or even when stores provide poorer service in neighborhoods with a high population of minority customers. Such practices will likely result in a bad public image and lost sales for the marketer.

Unlike the legal protections in place to protect children from harmful practices, there have been few efforts to protect minority customers. When targeting minorities, firms must evaluate whether the targeted population is susceptible to appeals because of their minority status. The firm must assess marketing efforts to determine whether ethical behavior would cause them to change their marketing practices.

**Ethical Issues Surrounding the Portrayal of Women in Marketing Efforts**

As society changes, so do the images of and roles assumed by people, regardless of race, sex, or occupation. Women have been portrayed in a variety of ways over the years. When marketers present those images as overly conventional, formulaic, or oversimplified, people may view them as stereotypical and offensive. Examples of demeaning stereotypes include those in which women are presented as less intelligent, submissive to or obsessed with men, unable to assume leadership roles or make decisions, or skimpily dressed in order to appeal to the sexual interests of males. Harmful stereotypes include those portraying women as obsessed with their appearance or conforming to some ideal of size, weight, or beauty. When images are considered demeaning or harmful, they will work to the detriment of the organization. Advertisements, in particular, should be evaluated to be sure that the images projected are not offensive.

**Possible Solutions**

- Firms which are in marketing should realize that they should not be deceptive in all aspects of marketing
- Firms should be ethical in giving right products or right services
- They should avoid unethical, objectionable practices like misleading advertisements
- Firms should be more cautious in their market research and collecting data
- Firms should be more ethical while marketing for children since they are vulnerable
- Women are negatively projected by marketing for long years. Hence firms should be more ethical while projecting them

**CONCLUSION**

As marketing decisions often require specialized knowledge, ethical issues are often more complicated than those faced in personal life—and effective decision
making requires consistency. Each business situation is different, and not all decisions are simple, many organizations have embraced ethical codes of conduct and rules of professional ethics to guide managers and employees. However, sometimes self-regulation proves insufficient to protect the interest of customers, organizations, or society.

REFERENCES:


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