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## **Marketing Ethics in advertising**

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### **ABSTRACT**

In today's competitive world, success of any organization much depends on the effectiveness of its advertising practices. That's why local as well as market share. A lot of ethical criticisms about this issue have been against advertising. Multinational organizations heavily invest in campaigns to promote their products. This research paper attempts to explore the ethical appeals such as sexist images, adventures, romantic issues in the contemporary advertising campaigns of market share. Just as the media of social communication themselves have enormous influence everywhere, so advertising, using media as its vehicle, is a pervasive, powerful force shaping attitudes and behavior in today's world. The purpose of this study is to point out some different measures used in false advertising and to note ethical and moral problems that advertising can and does raise and, finally, to suggest certain steps for the consideration of those professionally involved in advertising, as well as for others in the private sector.

### **Introduction**

Ethics is defined as the ability to distinguish between right and wrong and to act accordingly. According to Rand, a 20th century Russian/American novelist, it is a code of values which guide our choices and actions and determine the purpose and course of our lives." *Ethics* are 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, or moral rights and wrongs, to marketing decision making, behavior, and practice in the organization.

'Advertising can be defined as any paid form of non personal presentation and promotion of ideas, goods or services through mass media such as newspapers, magazines, television or radio by an identified sponsor'<sup>1</sup>. (Philip Kotler, et al., Principles of Marketing, 2002). That means that advertising is the device used by the companies to communicate with them consumers. Advertising is playing an important part in both, the companies life and the consumer also.: for companies because through advertising they promote or market them products, so they are able to sell large stocks of goods that they produce and create demand for new products and offers, and for consumers because enable them to choose between different types of products on the market. Because basically advertising is a mass communication it visible social role makes it a target for criticism especially for its ethical issues. 'Ethics basically refers to what is right, good or consistent

with virtue. Now -a-days people consider a big number of advertising being unethical because they are ads to the price of the product, they are untruth, tricks people, targets vulnerable people like children or old people or reach controversial topics like racism or sexual orientation. The most controversial products in advertising are tobacco, alcohol and gambling because they are often the subject of subliminal advertising, this means that “they are transmitting message in such a way that the receiver is not consciously aware of receiving it.

But the ethical issues in advertising are different from country to country, and from culture to culture, this implies the traditions, customs and religion in that country, for example in many Muslim country ads are very restricted under Islamic law like women must be fully clothed and wearing headscarves, in UK tobacco advertising is banned.

Numerous advertising-related issues with ethical concerns are left to the discretion of the advertisers like the way how they promote a product not to persuade the audience to do something, with subjective opinions, superlatives or vaguely facts,

Several areas of concern in marketing ethics are explored in the remainder of the article.

### **When is advertising deceptive-**

The Constitution of India guarantees freedom of speech. Special restraint is needed in commercial speech including advertising. An advertisement is called deceptive when it misleads people, alters the reality and affects buying behaviour. According to Federal Trade Commission (USA) deception occurs when –

There is misrepresentation, omission, or a practice that is likely to mislead.

. The consumer is acting responsibly in given circumstances.

The practice is material and consumer injury is possible because consumers are likely to have chosen differently if there is no deception.

Deception exists when an advertisement is introduced into the perceptual process of the audience in such a way that the output of that perceptual process differs from the reality of the situation. It includes a misrepresentation, omission or a practice that is likely to mislead. These may include the following:

**1. Violates Consumers' Right to Information:** Use of untrue paid testimonials to convince buyers, quoting misleading prices, disparaging a rival product in a misleading manner are some examples of misleading. Advertisers of anti-aging creams, complexion improving creams, weight loss programs, anti-dandruff shampoos, and manufacturers of vitamins or dietary supplements

are usually guilty of making exaggerated product claims. Some of the examples of advertisements in this category are: " A fairness cream is advertised with the claim that its user will get a fair complexion within a month.

**2. Violates Consumers' Right to Safety** When an advertisement for cooking oil says that using the said oil frees the user from heart problems, then such an advertisement is misrepresenting the facts. Companies advertise products highlighting health cures and drugs of questionable efficacy and health gadgets of unknown values. For example, **Haldiram** offers many types of sharbats which are artificially flavoured but the front side of the package has big and attractive pictures of the fruit itself, creating misunderstanding amongst the consumers.

**3. Violates Consumers' Right to Choice:** When material facts which are likely to influence buying decisions are not disclosed the advertisement becomes deceptive. In several advertisements it is stated that 'conditions apply' but these conditions are not stated. Not disclosing material facts amounts to deception

**4. Advertisements directed at children** Children in India constitute 18.7 per cent of the World kids population and one-third of our country's population is under the age of 15 years. Thus in India, children form a massive 30per cent of the total population and this segment is growing at a rate of 4 per cent per annum. This means a huge target market of 300 million is available to advertisers and they are already focusing on the kid channels.

A survey by A C Nielsen UTV's research partner showed that an average child watches TV for about three hours on week days and 3.7 hours on weekends, the time spent on television goes up with age, and the preferred language of viewing is Hindi across all age groups. Apart from the programmes children also view a lot of the advertisements.

In India the advertising expenditure per year on products meant for children but purchased by parents, like health drinks, is 12 to 15 per cent of the total Rs. 38,000 million. Ad expenditure per year on products meant for children and also bought by them such as chocolates is seven to eight per cent. The advertisers rely on the children's pester power on their parents. The ethical issues involved are advertisers try to exploit Young children by advertising products that are not conducive to their health.

## **5.Puffery**

It means the use of harmless superlatives. The advertisers use them to boast of the merits of their products (best, finest, number one, etc.). Even law permits trade puffing or exaggeration. But subjective statements of opinion about a product's quality are so untrue that it becomes an

outright spoof and which is not true. In 1997 MRTP Commission asked Hindustan Lever company to stop its campaign that its Pepsodent toothpaste was 102 per cent better than the Colgate toothpaste. Hindustan Lever was restrained from "referring to any Colgate Toothpaste in any manner, either directly or indirectly, by means of any allusion or hint in its TV commercials or newspaper advertisements or hoardings, by comparison of its New Pepsodent with any product of Colgate in general, and Colgate Dental cream in particular .

## **6. Use of sex appeals**

Sex appeal is used explicitly to sell all kinds of things. It is used to gain consumer attention. It is used where it is not even appropriate to the product or service being advertised. Women are shown as decorative objects or as sexually provocative figures for advertisements for products and services where women are not required. The corporate sector should be encouraged to eliminate the violation of women's rights online and the internet service providers to undertake efforts to minimize pornography, trafficking and all forms of gender based violence.

## **7. Bait advertising**

It means taking advantage of consumer psychology and depriving consumers of a choice. For example, a consumer is lured into a retail outlet by an advertisement for a low cost item and then is sold a higher priced version or to be defective. Once the consumer enters the store, he or she is pressured to purchase another more expensive item. On visiting such stores, one finds a handful of outdated products on the discount announced and other better products as 'fresh stock'.

## **8. Advertising of harmful products**

Advertising is not restricted to products that are good for people. According to law in India advertisements for cigarettes, liquor, paan masala, products that are harmful to the public continue to find a place despite the ban imposed by the government in private channels, cable, and through the use of surrogates. The role of in-film advertising and surrogate advertising in promoting the sale of these products also needs to be examined more closely. Advertisers pay film producers to place their products in certain film scenes by integrating the products in the film scripts and screen plays.

## **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. Because 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 some unit of value in 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 sale, 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 or performs, fails to disclose information regarding pyramid sales (a sales technique in which a person is recruited into a plan and then expects to make money by recruiting other people), or employs bait-and-switch selling techniques (a technique in which a business offers to sell a product or service, often at a lower price, in order to attract customers who are then encouraged to purchase a more expensive item). 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 deception.

### **OFFENSIVE MATERIALS AND OBJECTIONABLE MARKETING PRACTICES**

Marketers control what they say to customers as well as and how and where they say it. When events, television or radio programming, or publications sponsored by a marketer, in addition to products or promotional materials, are perceived as offensive, they often create strong negative reactions. For example, some people find advertising for all products promoting sexual potency to be offensive. Others may be offended when a promotion employs stereotypical images or uses sex as an appeal. This is particularly true 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 must be carefully screened and tested, and communication media, programming, and editorial content selected to match the tastes and interests of targeted customers. Beyond the target audience, however, marketers should understand that there are others who are not customers who might receive their appeals and see their images and be offended.

Direct marketing is also undergoing closer examination. Objectionable practices range from minor irritants, such as the timing and frequency of sales letters or commercials, to those that are offensive or even illegal. Among examples of practices that may raise ethical questions are

persistent and high-pressure selling, annoying telemarketing calls, and television commercials that are too long or run too frequently. Marketing appeals created to take advantage of young or inexperienced consumers or senior citizens— including advertisements, sales appeals disguised as contests, junk mail (including electronic mail), 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 .

### **SPECIAL ETHICAL ISSUES IN MARKETING TO CHILDREN**

Children are an important marketing target for certain products. Because 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**

The United States is a society of ever-increasing diversity. 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.

### **CONCLUSION**

Because marketing decisions often require specialized knowledge, ethical issues are often more complicated than those faced in personal life— and effective decision making requires consistency. Because 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. At that point, pressures for regulation and enactment of legislation to protect the interests of all parties in the exchange process will likely occur.

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