Ethics role in Marketing

Taoxanh (First M. Last)

School or Institution Name (University at Place or Town, State)

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# Introduction

Ethics are the moral principles of right and wrong and guides what humans ought to do. Ethics take different views and its meaning is understood in different parameters, therefore, it is very hard to pin down one meaning of ethics (Velasquez, Andre, Shanks, S.J., & Meyer, 2010) Marketing is one of the important functions of the business and it is centered on creating and communicating value to the customers. Marketing ethics deal with the moral principles behind marketing activities and operations. Giving attention to marketing ethics enables a company to enjoy a good reputation, boost its revenues and makes it profitable and successful in the long-run.

# Marketing ethics

Marketing Ethics acts as the guiding principles on which marketing decisions and activities are based. Marketing ethics are often overlapped with advertisement ethics however both are related to each other. Ethical guidelines must be followed by the marketing department of any organization while making marketing strategies to communicate the products and services to the target market. Marketing ethics are an important consideration because they inform marketing department to practice fair standard. These ethical issues are an attempt to deceive customer or take advantage of the situation. Marketing ethics are different from the laws and regulations made by businesses as laws are made to protect consumer rights and they involve penalties if not followed. Marketers have to rely on their own value system to determine the ethics of their practices. The pressure to meet marketing objectives often results in unethical behavior.

# Unethical Issues in Marketing

There can be many unethical issues in marketing. The marketing mix of a company uses a fundamental model of marketing tools which helps a company achieve its objectives. The marketing mix consists of seven Ps and each one of them can be vulnerable to unethical practices. Such issues in product strategy include animal testing or insufficient testing, producing unsafe and controversial products, and making products which can contribute to harmful outcomes. Various ethical issues are encountered in product packaging which includes incomplete or misleading information on labels, oddly sized packages to make it more noticeable and mislead about the quantity (Abela & Murphy, 2007). Marketing of products often faces high criticism on hiding the truth and promoting a false image. For instance marketing of beer to college students and some misleading claims endorsing celebrities which promote a false image of beauty to sell beauty products like fairness and anti-aging creams.

Use of sex appeal, hiding facts, puffery, surrogate ads and reinforcing stereotypes are some of the issues with unethical promotion. The burger size of MacDonald shown in the advertisement is half of the actual size which misleads customers about its size.

Some of the companies have full control over the distribution channel and do not consider the marginal distribution of their products. Pricing strategy in 4Ps is also vulnerable to these ethical issues when products and services are overly priced and they do not provide the right value of money. A salesperson often persuades buyers to buy high-end products claiming that price is the indicator of quality. Companies are also indulged in a price-fixing activity where they agree to set a certain price level.

The sole purpose of business is to earn profit through business organizations have a social responsibility towards the society and environment in which they operate. Therefore marketing activities and decisions must consider the welfare of well being and potential impacts of marketing actions and activities. Marketing decision making is also influenced by environment protection concerns. Green marketing is the new approach adopted by various companies to show their concerns towards the environment and society and this involves production and promotion of environmentally sensitive products.

Marketing research also involves considerations of ethical standards and practices. In order to increase sales of products and services, marketing research often gathers information about customers without informing them. Internet marketing research has also various ethical concerns associated. Online marketing also involves various ethical concerns such as spam emails and unwanted telemarketing. All these ethical issues demand the complies to consider ethical practices and make ethics a priority in business to avoid any lawsuit and negative consequences in the form of disturbed brand reputation and loss in long-term.

# Importance of Marketing Ethics

Marketing ethics helps an organization to win loyalty and trust of their customers. Customers nowadays demand brands to be genuine and ethical and it is a human tendency to get attracted to such brands. Customers evaluate companies on the basis of their ethical conduct and determine they offer the right products and services as they claim in their marketing campaigns. One example of this is Johnson and Johnson which recalled all of its tablets Tylenol from the market and managed to bear the cost at their end and now it is considered as one of the most reputed brands. Companies are able to achieve their long-term objective by practicing ethical standards and conduct.

Companies that try to be ethical in their practices enjoy long-term benefits such as high credibility, customer loyalty, high market share, and elevated sales and revenues. Some of the bigger brands have set examples for being successful by putting ethics a priority in their business practices. Ethics are regarded as the way of the success of many companies such as Starbucks which is known for its 100% sustainably sourced coffee and it uses a system to optimize its sustainable sourcing ( O'Brien, 2018). In addition, it ensures that everything is done ethically from planting, harvesting, to purchasing. Starbucks has set a standard of ethical practices for the rest of the industry. H&M is also a famous brand known for its transparency of the supply chain. Their website has the list of suppliers and partners and that list is updated quarterly. In addition to this, the company has a goal that by 2010 it will use 100% sustainably sourced materials. They have shown a very high dedication to ethical standards and practices.

The major benefit of following ethical values and sticking to ethical practices is the high credibility of a brand as genuine and authentic. It also enhances its image among stakeholders, peers, investors and the industry in which that brand operates. When companies follow marketing ethics, it eventually attains the position of a leader in the market and other companies benchmark its activities and strategies. The outcome of this is a high market share and inspiration for others in the market.

Following marketing ethics is the most cost-effective way of promoting business with the positive word of mouth which is considered as the most operative marketing strategy. A company following marketing ethics not only enjoys a good image among the customers but also among the staff, employees, and partners. Employees of such companies are motivated to work for them and strive to help companies achieve their strategic goals and objectives. They take immense pride in working for a company which puts focus on the well-being of others. Such companies are also able to attract the talent pool, as most of the talented professionals want to become part of the companies who put ethical practices at their heart. So a company which knows the importance of marketing ethics are able to boost their professional trajectory

Ethical marketing also enables a company to expand its business operations, tap new business locations, and obtain funds from investors. Hence to attain financial goals it is vital for a company to have known for its ethical operations. Having a tag as the ethical and genuine brand assures that all the business goals and objectives of a company are met. The overall marketing fraternity, customers and competitors look up to a brand which follows marketing ethics and it is portrayed in their actions and campaigns. Selling the products having a value of money, meeting and exceeding customer demands and attaining the objectives of quality, enhance the overall brand value and makes a company the most reliable one in the market.

# How Companies can follow Marketing Ethics

The marketing department of a company needs to incorporate the ethical values of honesty, responsibility, fairness, and respect (Marketing-Schools.org, 2018) Honesty is all about being truthful to the customers and other stakeholders, while responsibility is to accept the aftermath of the marketing strategies and decisions. Being fair means to balance the needs of the buyer with that of seller and respect is to acknowledge the basic human dignity of all the people. Marketing operations must be transparent and show the citizenship behavior by accomplishing all social, legal and societal responsibilities. Marketing activities must be focused more on consumer rights and must follow the marketing guidelines and code of ethics such as guidelines developed by the American Marketing Association.

# Conclusion

Wisely following and understanding the significance of marketing ethics functions as one of the crucial and long-term objectives of the firm which assist it in achieving its goals of higher sales, superior brand value, increased market share, maintain the present line of customers and magnetize the new ones too, and competitive advantage for locating a new measure for the contemporaries to follow and match. In the current age, marketers must focus on ethics in marketing practices, and decision making in order to accomplish long-term good reputation, high profitability and increased market share.

# References

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