



Marketing and Ethics Case study of Mirzapur

* Dr. Ashish Singh ** Mr. Apurba Mukherjee

*, ** Associate Professor, Rajiv Gandhi South Campus, Banaras Hindu University

ABSTRACT

Marketing ethics is most burning topic in management today. Reason why it has become so relevant today is controversies surrounding it. Maximum customers today are complaining about it. This paper analyzes this issue in detail and tries to find out some suggestions to it.

Keywords : Ethical Marketing, Environmental Problems, Customer Retention, Deceptive Advertising

Introduction

Marketing ethics is the area of applied ethics which deals with the moral principles behind the operation and regulation of marketing. In this is most important issue in marketing and most controversial issue also. Many issues, mostly derogatory, are used for marketing, particular from customer side. Some cases are experienced by the author itself.

Ethical marketing refers to the application of marketing ethics into the marketing process. It is the philosophical examination, from a moral standpoint, of particular marketing issues, which stand the matters of moral judgment. In pure theoretical sense, ethical marketing results in a more socially responsible business community. It results in potential to benefit society as a whole, both in the short- and long-term. For e.g. it promotes qualitative benefits to its customers, which other similar companies, products or services fail to recognize, it concerns with ethical issues, such as child labor, working conditions, relationships with third world countries and environmental problems etc. And most important of all, it results in winning of customer loyalty.

But if talk of practical sense, the situation is quite different. As stated earlier, many derogatory remarks are made in practice of marketing. Author has also experienced it in insurance policy case. This thing is experienced by most customers when they are visited by sales person of different organizations.

False advertising or deceptive advertising is the use of false or misleading statements in advertising. False advertising, in the most blatant of contexts, is illegal in most countries. However, advertisers still find ways to deceive consumers in ways that are not illegal in legal terms, but wrong in terms of ethics.

In the same case, ethical danger points in market research include invasion of privacy, stereotyping. Stereotyping occurs because any analysis of real populations needs to make approximations and place individuals into groups. However if conducted irresponsibly, stereotyping can lead to a variety of ethical undesirable results.

Market audience also includes some ethical danger points including, excluding potential customers from the market, unethical market exclusion etc. Same can be seen in advertising and promotion. Examples are over truth and honesty, violence, sex and profanity, negative advertising techniques, such as attack ads.

Last but not the least, delivery channels are also facing the music. Direct marketing is the most controversial of advertising channels, particularly when approaches are unsolicited. TV commercials and direct mail are common examples. Electronic spam and telemarketing are another examples.

Now if this is the case, what should be done to bring ethics in marketing again back? And if it is not done, many organizations will suffer tremendous losses on account of losing the customers, and in extreme case, they will shut down.

Government regulations can it enforce ethics?

As rule, government regulations and enforcing authorities are made to enforce ethics in those organizations which do not follow it. There are many laws in force like consumer laws, antitrust law etc. But in practice, it is not the case. It is only partially doing it. There are many reasons. One is corruption. And other one is the unethical practices followed in those government departments itself, for which there is no check. There are many other reasons also like lack of interest in government officials, political interference, delay in law implementation etc.

Therefore, ethical marketing is at actual work when the company and marketer recognize further improvements for humankind and this should not be related to governments or public opinion.

Ethics as marketing strategy and tactic

Now a day, ethics has become an issue of concern for many firms. One reason is fear of damage to goodwill if unethical practices are brought to light. Therefore, marketers have perceived the change in consumer preference for those companies which are ethical in conduct and practice. This results in the expropriation of ethics itself as a selling point or a component of a corporate image.

This is best illustrated through Bharti Axa advertisement which claims to settle the insurance very fast.

Research Methodology

The main points at which the companies focus is on customers and potential customers. Thus, this research study was done to find out the company's attitude towards selling to customers from ethical point of view. To find out the solution to the problem, a survey was conducted, both with suppliers and with customers

The sample size in the case of suppliers was 10 and in the case of customers, it was 20. The sampling technique used in both cases was convenience sampling. The collected data was analyzed statistically to find out conclusions and to draw same implications.

Data Collected in nutshell

The survey yielded some surprising and in some case, alarming facts.

Asked about ethics, the organization response very quite obvious. All the organizations believed in ethics from theoretical point of view. When they were inquired about the methods used for convincing the customers, the views of organizations were quite different. Out of six, two respondents said that they use some methods that are not suitable from ethics point of view. They hide some information from the respondents which is likely to distract him/her or they tell him about some customers who are imaginary in nature. If customer requires some after sales service, maximum responded that they provide it on time. And as result, the customer retention rate is quite high, that is more 50%.

But the responses of customer where highly different. About 50% customers where not satisfied with every product or service that they have purchased. Two customers were not satisfied with the information provided by the sales person, two customers were not satisfied with after sales service, three customers were not satisfied with the product or service that they have brought and four customers felt that the sales person is not having adequate knowledge.

If they are facing so many problems, something has to be done. But many customers are totally depressed by the

situation. This was responded by five customers. Three customers responded that they have filed the case in Consumer Court while another three responded that talks with supplier or service provider are on.

And the final result is that there is loss of goodwill also. This was responded by 50% customers who vowed that if they need any other product in future, they are not going to visit the same company again.

Conclusions

The data collected and analyzed revealed that most companies believed in ethics and management combination, but in theoretical point of view. In practice, in the race of competition, many private companies are forgetting basic rules of ethics and they only aim at getting the maximum number of customers. They use all the tactics for getting it using salesman who are not having full knowledge about the product or service. This is partially due to lack of training or due to less amount of training from time duration point of view. Thus in the end, they lose one important thing, customer retention. And there is loss of goodwill also.

Suggestions

The companies should not forget about the ethics because this thing is deeply rooted in minds of customer, who is most valuable for the company. The company should look at long term plan instead of looking at the short term benefits. The time duration of salesperson training should be long, the salesperson should be not over burdened with targets and the customers should not be cheated in the sense that they should know about product/service features, should receive after sales services and all the support that he needs.

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