



A Study on Importance of Marketing Ethics

KEYWORDS

Marketing Ethics, Ethical Issues, Marketing guidelines and Course Curriculum.

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ABSTRACT *Ethics is a study of moral principles that guide the conduct. Marketing ethics is an area of applied ethics which deals with the moral principles that guide the conduct of marketing practitioners. The researcher has made an attempt to analyze the various marketing ethical issues and the various guidelines, standards and framework that should govern the business practices. At the end of the article the importance of incorporating marketing ethics in the course curriculum is highlighted.*

Introduction:

In today's environment, ethics is considered as a big 'E' of the marketing. Ethical organization means doing things with moral principles that guide that conduct. Marketing ethics in an organization will boost customer loyalty, which in turn will spread a positive word of mouth. Relationship marketing is a reasonable practice leading to positive relationship between buyers and sellers where the needs of both are met.

Seglin (2002) states that "behaving ethically means avoiding lying, cheating and stealing, as well as cruelty, deception and subterfuge".

Meredith (2005) stated that a flawed definition of marketing "Arresting human intelligence for long enough to extract money from it".

Jeurissen and Ven (2006) reviewed 4 books on marketing ethics and stated that in year 2005 there was significant development in the literature of marketing ethics.

Table 1:- Ethical Aspects studies by Various Authors

Authors	Name of the Book	Year	Aspects explored / studied
Murphy et.al.	Ethical Marketing	2005	Buzz Marketing, Marketing research, Vertical Price fixing, Health claims, twin add and sales quota. The authors also studied the 4 marketing P's ethics, internet target, direct marketing, branding and obesity.
Murphy and Lacznik	Marketing Ethics: Cases and Readings	2006	Discusses 6 larger and 10 smaller cases. Cases in the books deals with honesty in personal selling, sex appeals in advertising, cause related marketing and the targeting of low income consumers.
Spence and Heekeren	Advertising Ethics	2005	Stereotyping of social categories, the misleading health claims or how ads influence our public space, immersive advertising, target advertising, integrated marketing communication and use of testimonials in advertising.
Kotler and Lee	Corporate Social Responsibility	2005	Branding issues, focuses on 6 different kinds of corporate social initiatives – cause promotions, cause related marketing, corporate social marketing, corporate philanthropy, community voluntary and discretionary social responsibility.

Marketing Ethics: Some Related Issues

Many authors [Gershon and Beurstatte (2003); Kim and Chun (2003); Fernando (2007) and Miller and Lacznik (2011)] explore various marketing related ethical issues. According to the authors bribery, unfair practice, exaggerated advertising, sexual discrimination are the major ethical issues. The authors Kim and Chun (2003) state that for the foreign companies in Korea there is a strict code of conduct and gifts, entertainment and special treatment are not allowed. According to the authors the younger generation gives less ethical responses and nationwide campaign or communication is necessary for emphasizing the importance of business ethics. According to Fernando (2007), the major marketing ethical issues are Buzz Marketing, Corporate Communications and Branding. Gershon and Beurstatte (2003) considers superlative claims in healthcare sector should be ethical. According to the author, the marketing communications and advertising messages must be accurate and truthful and should meet appropriate standards.

Meredith (2005), states that in simple terms "a product must do what you claim it does". Author further states that in today's competitive world marketers dupe their most valuable asset – their customers, of course the long term effects of these dishonest operators is simply to make consumers more distrustful of marketing in general and advertising / promotional activity in general. This is bad for all business.

Miller and Lacznik (2011) state that celebrity endorsement undoubtedly will continue to be an important part of advertising practice. In the current consumer culture, the goodwill of celebrity athletes obviously can be effective tool for generating awareness and sales for a brand. At the same time, using an athlete to promote a brand can have unanticipated negative effects on that brand given the unpredictable nature of their off -the field behavior.

Pelozza et.al (2013) state that the market share of brands positioned using ethical attributes typically lags behind brands that promote attributes related to product performance. According to the authors when self-accountability (i.e. a person's desire to live up to his or her internal self-standards) is heightened, consumers will be more likely to choose products positioned on the basis of their ethical attributes than products positioned on the basis of self-benefit attributes.

Marketing Ethics: Guidelines

According to author Gershon and Beurstatte (2003), the marketing strategist shoulders the responsibility of representing the public's need and expectations in the organizational decision making process. Organizations' chief executive officer needs to be its chief ethics officer as well. According to authors, "Marketing is not simply the means of generating increased demand; it is about meeting the needs of those who count on us".

The Advertising Standards Authority states that "Advertisers must be able to prove any claims they make about a product and ensure that wording in the advertisement is not likely to neither mislead or deceive consumers, nor exploit any lack of knowledge". ASA issues are reminders to the advertisers about relevant advertising codes of practice which require that advertising meets a high standard of social responsibility for products and services in this area.

According to the author in the absence of explicit corporate values, the American Marketing Association (AMA) provides a set of values that ought to be seriously considered as central values to be embraced as a matter of course. For those few firms that do not have their own distinct corporate culture or statement on ethics, the AMA code can serve as a default template for defining ideal virtues. The 6 fundamental values set forth in the AMA's statement on ethics (2008) are: - Honesty, Responsibility, Fairness, Respect, Transparency and Citizenship.

According to Neff (2001), the Institute of Advertising Ethics sets guidelines for the advertising industry ranging from the blurry line between advertising, editorial and entertainment content to behavioral targeting & disclosure of compensation for social media endorsements.

Baker and Martinson's (2001) state that TARES is the first framework to explicate the notion of communication practitioner and accountability towards the message receiver in persuasive communication. The TARES, threw a five part test, establishes ethical boundaries for persuasive messages including advertising and public relations. The five interconnected principles in the model are Truthfulness of the message, Authenticity of the persuader, Respect for the person being persuaded, Equity of the persuasive appeal and Social Responsibility for the common good. These five principles, forming the acronym TARES, when taken together, comprise the legitimate end of professional persuasive communications and that these communications are ethical and morally justified if they adhere to these five principles.

Marketing Ethics: A Course Curriculum

Ferrell and Keig (2013) state that as the field of business ethics has evolved, marketing has played a key role in the development of business ethics education. Despite a general trend of increasingly larger amounts of ethical content included in business curricula, prior studies have shown that there is no significant number of courses specifically designed with a focus on marketing ethics in university business programs. The authors recommended that there should be a stand-alone marketing ethics course.

According to author Vasquez (2014) there is a need for incorporating marketing ethics in the course curriculum. A course on business ethics and social responsibility should focus on the ethical behavior of people participating in business transactions and activities. A subject on marketing ethics will help the budding managers to understand the role of ethics in stakeholder relationships, social responsibility and corporate governance. A course on ethics will help the managers at strategic level to understand the process of ethical decision making.

Amazeen et. al (2014), discusses stand-alone versus integrated ethics content and the concern over "the ability to integrate with core business classes" and "obtaining involvement from faculty in the major disciplines". A stand-alone course offers the opportunity to highlight the subject matter and acts as a signal to students and other stakeholders that the institution take the topic seriously. But, it is difficult to cover ethical issues for specific areas, such as marketing or finance, with sufficient depth to assist students who are struggling with issues particular to their fields. Integrating the content across courses, by contrast, give students a more concrete set of applications to specific issues that they encounter in their field. The debate on "Integration and stand-alone" is continuous topic of discussion for many institutions.

Authors further state that many institutions have incorporated a curriculum that has exposed students to ethics beyond "Integrating or stand-alone". These institutions have introduced "Ethics" at the undergraduate level through a junior-level course that is required for all business majors. Students learn an ethical decision making rubric that is shared throughout the business school. At the graduate level all students are required to participate in a workshop prior to the start of their program. During this workshop, students are trained in a decision making rubric that incorporates ethical concerns.

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