Ethical Challenges in Marketing

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ABSTRACT:- The business world is purely reliant on livelihoods of people which are an important part of the society. The marketing concept emphasis on identifying the needs, wants, interest of target markets and to deliver the desired satisfaction more effectively and efficiently with high innovation than competitors in a way to enhances consumer’s and society’s wellbeing which is becoming a great challenge in present scenario as customers are keeping an eye on ethics. Human values and ethics should be given major priority at the time of decision making. Marketing managers should ensure that all the decisions in promotion mix i.e. 4P’s follows ethical principles and should be responsible for consequences all activities.

I. INTRODUCTION
The dynamic nature and unforgiving economic environment crates challenges for firms to prosper financially and even survive. The benefits of organizations and stakeholders gains only when their marketing function is with a set of processes creating, communicating, and delivering value to the customers by managing customer relationships. Business often faces significant ethical problems because of their marketing strategies. If business take care of the society’s interest at the same time optimizing the profit of their organizations it can be treated as successful implantation if ethics. As today’s market place is fundamentally different as a result major societal forces which resulted in many new consumer and company capabilities. These changes create new opportunities new challenges for marketing management so as to create success path with marketing excellence companies need to draft a code of ethics.

In today’s competitive global marketing, ethics play a vital role, as it deals with human values and beliefs. Globalization is the factor to spread business beyond boundaries where marketer has to deal with cross culture. Top MNC companies like Mc Donald and Nestle had faced lot of problems even after incurring billions of dollars in monetary values because of neglecting ethical issues in their marketing practices with consequences of losing thousands of valuable hybrid customers. Later it was identified that those are the results of adapting unethical advertising & promotional strategies.

Manager’s ethical decision making depends on organizational actions and economic pressures i.e. company’s pressure to keep cost down, expand sales or short term profitability etc. Government and judicial initiatives impels everyone to think from an age-old philosophy “let the buyer be aware” towards “let the seller be aware”.

II. ETHICS IN SOCIETY
The knowledge of ethics in the past century has been characterized by a propensity to revalue moral conventions which guide the interaction between the sexes, between human beings and animals and between human beings and their environment. Different tendencies like Globalization, cross cultural marketing and Technology are eroding both biodiversity and valuable aspects of cultural identity - and may even influence intimidate human rights. These tendencies are often presented as value-neutral which carry the hidden assumptions for potential sources of inequity and abuse.

III. ETHICS IN BUSINESS
In the 21st century, ethics has become neither a luxury nor an option. There is a growing intolerance within society with the selfish and irresponsible actions impoverish some, while thinking about profit maximization. Hewlett Packard confirmed its commitment towards ethical integrity. Bill Hewlett who worked as CEO for six-years stated as “Some of the most important choices I ever made were firing people who weren't conducting themselves with integrity” (Weil, 2007). In contrast, R. J. Reynolds Tobacco Company was caught covering up knowledge about the addictiveness of nicotine. Tolerating bad behavior to improve the bottom line and justifying it as “not really illegal” creates a climate that ultimately becomes acidic.
IV. IMPORTANCE OF MARKETING

Marketing ethics is “The systematic study of how moral standards are applied to marketing decisions, behaviors and institutions”. American marketing associations conducted a mail survey and identified that marketers believe that organization effectiveness are composed of ethics and social responsibility which are explained by idealism and relativism.

- Parties in the marketing transaction will have expectations regarding how the business relationship will exist. For example, consumer wishes to make a purchase from a retailer with an expectation that salesperson will treat fairly and keeps reasonable prices.
- Ethical marketing decisions should meet and suit the needs of customers, suppliers, and business partners. Some unethical behaviors such as price wars, selective advertising, and deceptive marketing can unconstructively impact a company's relationships.

Any traditional marketing tells that the magical quartet composes the music of the marketing mix: price, product, placement and promotion (or, the "Four Ps"). The Marketing Mix’s 4ps can be affected by ethical issues such as consumerism, strategic planning & the legal environment.

V. ETHICS IN 4P’S OF MARKETING

In most recent National Business Ethics survey reported that scandals and legal entanglements are the results of pressure to meet performance objectives. So it's intricate to pick a paper or magazine without any issues on marketing as they are being subjected to criticism for lack of ethical sensitivity. Major misconducts are over billing clients, deceptive sales method, price fixing these are resolved through plaintiff-friendly but it destroys reputation of company.

Coca-cola faced an allegation as they sold tap water as DANSAI (International Journal of Business Insight and Transformation) which is not more that tap water and also because of racial discrimination it paid $193 million and was forced to layoff top executives. Nestle boycott product was an “aggressive marketing” of breast milk substitutes, particularly in less economically developed countries (LEDCs), which campaigners claim contributes to the unnecessary suffering and deaths of babies, largely among the poor. Among the campaigners, Professor Derek Jelliffe and his wife Patrice, who contributed to establish the World Alliance for Breastfeeding Action (WABA), were particularly instrumental in helping to coordinate the boycott and giving it ample visibility worldwide. Primark was heavily criticized in the year of 2005 when it scored the lowest of leading clothing chains in the UK on the ethical index, which ranks criteria such as workers right and whether they conduct business with oppressive regimes or not. With these cases we can believe that the organization has to plan to mitigate the frauds so that they do not escalate into catastrophes.

Peter cooper-great American investor said that he had recognized the object of business is to make money in an honorable manner with a belief that object of life is to be good Ethical marketing means, not engaging in price fixing or practicing predatory pricing, disclosing the full price associated with any purchase. Price of a product or service is not to be left out and may be the most important factor as to it being successful in how it sells.

Nestle’s Maggi ketchup up a product sold by the company in packages of 400gm by misleading the consumer as its price, when compared to a 500gm package was lower so it was alleged by MRTP commission to be indulging in unfair trade practice in breaking of the provision of the weights and measures. There are business laws and regulations i.e. Federal Trade Commission (FTC) and acts like Consumer Goods Pricing Act passed in 1975 which protect competitors and the consumer from any unethical pricing strategies that marketers may try to attempt.

Rights and duties of parties in the marketing process states that ethics in the area of placing or distribution is not manipulating the availability of product for the purpose of exploitation, ethics in selecting the channel of distribution. AMWAY started its operations in the year 1998 with having 460 FMCG goods but faced claim because of exorbitant pricing through fat commissions by using ponzi schemes. (www.moneylife.in)

Amul selected a moppet girl (Business Ethics, McGraw Hill) created by Da cunha and saw smiley faces of customers. He is running an ad agency by name ASP and received Guinness Book of World Records. Tanishq new add tries to break the norms showing that a hazy girl getting remarried where his daughter is also continued with pheras, they got feedback as it is a brave attempt on jewelry brand. Days are changed previously ads were intended for target customers only, but many people like customers, media, suppliers and other stakeholders has become less forgiving and even minor issues are being exaggerated. Now marketers should consider the impact of these cases and ensure that they are not the origin of the ethical violations.
of various forms of ads on the whole society. Promotional efforts lead to several hazard points in market research such as the invasion of privacy, stereotyping and exclusion of certain demographics or geographic areas to exclude from a market. Companies should set specific guidelines to set content in online advertising, television and radio commercials.

VI. FACTORS INFLUENCING ETHICS IN MARKETING:

Four factors which influence ethical behavior:

- What is morally right and wrong can be dictate through the societal cultures and norms.
- Organization culture and business culture and industry practices affect ethical conduct both in the exchange relationships between buyers and sellers, and the competitive behavior between sellers.
- Commitment of employees and top management towards the code of ethics.
- Personal values differ from organizational ethics code but in professional employees should think about corporate social responsibility.

Ethical marketing nowadays has become important because in the eyes of people, marketing esteem has been lowered. The stark truth is that manufacturing and marketers are much controlled by fickle consumers so every business should treat 'E' in marketing just like 4Ps of marketing mix and trust, transparency and relationship integrity should be components of ethics.

Ethical marketing activities can therefore contribute in regaining confidence of customers and society as a whole.

VII. CONCLUSION

Marketing is a field which is often viewed as frown as it is inherently unethical, but in fact governed by law. Many organizations should be aware of the critical need for ethics in their cultural fabric which is a great deal of room for improvement organizations must see ethics as a social responsibility to which they are obligated. No matter how cleverly done, hurting others for personal gain is unacceptable. Ethics will only find its proper place in organizations when top management make a priority by creating relational expectations which work for the good of everyone. The most admiring companies abide a code of servicing peoples interest not only their own. By creating a values-based culture within the organization, society can be improved by positive influences of organizational practices.

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