

# Ethical marketing in India

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**Abstract - Ethical marketing, as the name implies, is a sort of marketing in which businesses attempt to sell their goods and services by not just focusing on the product and its advantages, but also considering how society would gain from the product's or service's entrance into the market. There are a number of complaints and allegations that marketing is immoral. The most typical criticisms are that it encourages consumerism, makes implausible promises in marketing, and charges unethical prices, among other things. Regardless of these arguments, marketers must concentrate on improving their ethical standards. Ethical Marketing, Principles of Ethical Marketing, Ethical Values in Marketing, Aspects of Ethical Marketing, and other topics were mostly explored in this research. The Evolution of Marketing Ethics over Time, Ethical Decision Making in Marketing: Factors Affecting It, Marketing ethics: a utilitarian perspective Issues in Marketing Ethics, Ethics in Marketing: What It Is and What It Isn't, and Ethics Compliance Programs**

**Keyword - Marketing, ethics, Ethical Decision Making**

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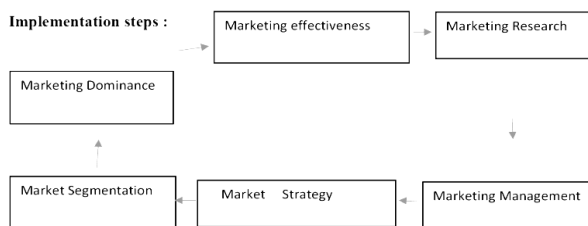
## INTRODUCTION

The term "Ethical Marketing" refers to the integration of ethical principles into marketing campaigns. Long-term and short-term benefits will accrue to society as a whole from a commitment to marketing ethics. It was the impact of marketing ethics that prompted corporations to sell their products and services in a more socially responsible manner. Standards of ethics should not be confused with government policies aimed at enhancing consumers' quality of life." We may thus describe applied ethics as the study of the moral principles underlying marketing's operation and regulation as being part of the field of marketing ethics. The term "ethical marketing" refers to the incorporation of marketing ethics into the overall marketing strategy.. According to the definition given, marketing ethics relates to the philosophical investigation of specific marketing challenges from a moral viewpoint. It is common for businesses to become more socially and culturally aware when they use ethical marketing practices. An ethical framework for marketing practices might have both short- and long-term benefits for society. Because marketing is an important aspect of every company's business strategy, ethical marketing should be considered part of the business ethics. It is important to examine whether or not a product or service is accurately represented in line with cultural and societal norms while doing ethical marketing research. Qualitative advantages that other comparable goods or services do not acknowledge are promoted by it. In the Western world, the concern for ethical concerns like as child labour, working

conditions, ties with third-world nations and environmental challenges has led to a more socially responsible approach. Many corporations have responded by rethinking how they sell their goods in light of this.

A good example of ethical marketing is the rise of fair trade. FAIR TRADE was the most popular ethical label in the Ethical Shoppers Price Index Survey of 2009. Green claims were also shown to be a source of suspicion for many customers. As a result of the fair trade model, customers pay a set price per unit of commodity to a select group of producers, who in turn commit to pay a living wage and protect the environment. When it comes to marketing, this modern ethical slant does nothing to scupper the principles of the art, but rather seeks a strong citizen brand by supporting a company's good values. New problems for 21st century marketers arise, however, from this shift in thinking, including the need to produce and develop goods that provide long-term advantages without sacrificing the appealing aspects of their current offerings. Green washing is a word that has been coined to describe the practice of using ethics to make a product seem more environmentally friendly than it really is. Ethical statements in adverts have been demonstrated to have less trust from consumers than other types of advertisements. As a consequence of the focus on ethics in the media, several well-known firms have been subjected to boycotts. Despite the fact that many businesses have sought to leverage green problems, it has been shown that 2/3 of consumers

react more to ethical statements that connect to people than to the environment. Sulfur dioxide emissions have been reduced to enhance air quality; however ethical marketing should not be confused with government laws that were implemented for the benefit of consumers. An ethical problem such as pollution in the air that we all share may be addressed by a government regulation, which is a legal solution. Ethical marketing that takes into account future advances for humans independent of those mandated by governments or popular opinion is what we call enlightened marketing. By way of example, the Coop Group refuses to invest money in nations that have harsh regimes, such as tobacco and fur. Principles and ideals that govern a firm involved in marketing goods or services to clients are known as "marketing ethics".



## PRINCIPLES OF ETHICAL MARKETING

- Truth is a common characteristic in all marketing communications.
- Marketing Professionals are bound by the highest ethical standards.
- Advertisers should be completely upfront about the people they pay to promote their goods.
- Consumers should be treated fairly based on the product's and consumer's ideas.
- The consumer's safety should never be jeopardized.

## ETHICAL VALUES IN MARKETING

There are six marketing ethics where the advertisers should follow:

- 1. Honesty** – Be forthright in dealings and offer value and integrity.
- 2. Responsibility** – Accept consequences of marketing practices and serve the needs of customers of various types, while being good stewards of the environment.
- 3. Fairness** – Balance buyer needs and seller interest fairly, and dodge manipulation in all forms while protecting the information of the consumers.
- 4. Respect** – Acknowledge basic human dignity of the multitude of individuals involved through efforts to impart, understand and address issues and appreciate contributions of others.

**5. Transparency** – Create a spirit of openness in the act of marketing through communication, constructive criticism, action, and disclosure.

**6. Citizenship** – Fulfill all lawful, economic, altruistic and cultural responsibilities to all partners just as giveback to the local area and secure the natural environment

## ASPECTS OF ETHICAL MARKETING

**Consumer Orientation:** From the standpoint of the customer, this is a socially responsible practice for businesses to implement. As well as finding out what the consumers want, the marketer will also have a look at who the customers are.

**Innovation:** Customers benefit from better goods and services. In addition, enhancing marketing policies and brand personality on a continuous basis would position the company as a unique experience to be repeated and passed on.

**Value of the product:** Customer-focused Company that creates high-quality goods and focuses on price. The use of obnoxious sales tactics and gimmicks is no longer necessary for amazing customer service and spectacular interactions. The Apple brand is well-known for its ability to get people to patiently wait in line in order to be among the first to get their hands on the latest and greatest products.

**Sense of Mission:** It is easier for companies to stay focused on their goals and procedures if they have a well stated mission statement. Customers who are prepared to pay more for a company's goods will be more likely to do so when the interests of the local community and business partners come first.

**Impact on Society:** Instead than focusing on reducing costs and increasing profits, socially responsible marketers focus on offering products and services that meet the requirements of consumers.

## HISTORICAL DEVELOPMENT OF MARKETING ETHICS

### The early beginnings

History of marketing ethics started in the early 20th century, when antitrust and consumer protection issues were first raised. In 1937, Sharp and Fox released a business ethics handbook. They argued that "it will be feasible to condense our study of fair service to the principles of fair salesmanship" in the book, which was centered upon this topic. Chapters on commercial coercion, limitations of persuasion, fair pricing, and ethics of negotiating were included in the book's Marketing Ethics section. One of the first papers published in the

Journal of Marketing was titled "Some Theoretical Considerations Regarding Fair Trade Laws" by Phillips C. F. (1939). The effect of resale price maintenance on competitors, particularly channel members and consumers, was discussed, although ethics were not explicitly addressed in this essay.

### **1960's, The Consumers' Bill of Rights and 70's**

Environmental issues such as pollution and garbage disposal proliferated throughout the 1960s. The emergence of materialism also occurred during this time period. When President John F. Kennedy gave a "Special Message on Protecting the Consumer Interest" in 1962, he established four fundamental consumer rights: the right to safety, the right to information, the right to choice, and the right to be heard. The Consumers' Bill of Rights was born out of these provisions. For the first time, a thorough model of marketing ethics was presented by Bartels (1967). Ethical decision making in marketing is discussed in this paradigm, which attempts to identify the rationale behind ethical reasoning. These characteristics were examined and a paradigm for incorporating social and personal ethics into marketing choices was offered. This essay laid the groundwork for subsequent empirical studies in the 1970s. Significant ethical study was carried out in the 1970s. When faced with moral dilemmas, new managers, according to Carroll (1975), would follow their superiors' lead in order to demonstrate loyalty. These results were confirmed by Bowman (1976), who conducted a follow-up research. According to Ferrell and Weaver (1978), marketing managers' ethical ideas and conduct are influenced by their corporate ties. Frameworks that characterize ethical decision-making in marketing organisations were developed via 1970s empirical study.

### **From 1980's to 2000's**

Ethical decision-making is based on a model developed by Ferrell and Gresham (1985) that stresses the relevance of organisational culture, teammates, and how those choices are made. Ethical decision-making in an organisation may also be shown using a model developed by Hunt and Vitell (1986). Many models and frameworks for ethical decision-making will be created in the years to come, as well. Research undertaken by Hunt, Wood and Chonko (1989) shows that a company's ethical beliefs are closely linked to its marketing commitment, while incentives for ethical behavior are being developed by the regulatory system. It is commonly utilized in the field of organisational ethics research because of its corporate ethical principles scale. Relate-based marketing exchanges are based on the ethical exchange characteristics of trust, equality, responsibility, and commitment that are developed by Gundlach and Murphy (1993). A focus on ethical company culture, ethics training programmes, and ethics audits is essential for successful ethical marketing exchanges, according to

the authors. For marketing ethics, a normative framework is needed, according to Dunfee, Smith, and Ross (1999). Decision-making, various communities, and ethical judgment are all linked in the Integrative Social Contract Theory (ISCT). As a result of this framework's emphasis on the exchange connection between a corporation and its stakeholders, it may be employed by marketers who regularly participate in cross-cultural and problematic partnerships. This theory may serve as a bridge between normative and descriptive studies in marketing ethics. Enron, WorldCom, Tyco, Sunbeam, and Arthur Andersen's crises in the 2000s highlighted the importance of ethics in business. In 2002, the Sarbanes-Oxley Act was passed as a consequence of these operations. The relevance of ethical concerns and the need of building a trusting connection with stakeholders has been highlighted by several scholars after these incidents.

### **FACTORS AFFECTING ETHICAL DECISION MAKING IN MARKETING**

It is obvious from these studies that today's marketing ethics are concerned with concerns such as trust, honesty and fairness, conflicts of interest, discrimination, confidentiality and fraud. In marketing, ethical decision-making involves corporate ethics and even ethical conduct. Ethics today is influenced by external stakeholder interests as well as organisational culture (internal stakeholders) and individual moral philosophy and values, according to field research. This has a significant impact on the recognition of ethical issues and marketing ethics decisions, which are all influenced by these factors. Consequently, in the process of identifying and responding to stakeholders, marketing may determine the relevance of stakeholders, stakeholder concerns, and obtain relevant information. Theoretical frameworks from the study of moral philosophy are useful in defining ethical decision making in marketing. Individual variables play a vital part in the appraisal of ethical dilemmas. Workplace culture, individual moral and philosophical orientations, and colleagues all have a role in determining how intensely various individuals experience the same situation. Coworkers' beliefs, moral growth, and the potential for wrongdoing all contribute to a company's ethical environment, which impacts whether or not certain choices are made in an ethical manner. Another aspect that influences ethical conduct is the unique work environment. In general, high sales performers are disciplined less harshly than weak sales performers for the same types of unethical selling activity, according to research.

### **ETHICS IN MARKETING: UTILITARIAN APPROACH**

"Marketing is a human activity that aims to fulfill human needs and desires via the exchange of goods and services". Marketing's primary goal is to meet the wants and requirements of its target audience. It is widely accepted that the philosophical approach that prevails in marketing is utilitarian since the primary purpose of marketing is to meet the wants of customers. Marketing managers tend to focus less on how they achieve the ideal of satisfying the needs of others, which may be because they believe that this ideal is almost unassailable. This may be because marketing is primarily utilitarian, and so it is often seen to be very ethical. The study of marketing ethics reveals several inconsistencies. However, on the other hand, it is dominated by a utilitarian viewpoint, which provides managers with a defined set of principles to guide their actions. Alternatively, just because a marketing strategy is utilitarian doesn't imply it's ethical. This is not a huge worry for the majority of marketing practitioners when it comes to marketing's deontological element. As a way to achieve high ethical standards in business, codes of ethics have been presented. The American Marketing Association maintains a set of ethical guidelines for its members, which may be found online. Companies of all sizes have similarly created rules of conduct.

## ISSUES IN ETHICS OF MARKETING

When it comes to ethical misconduct, marketing managers confront the most serious ethical dilemmas in the workplace. When a person interacts with other individuals, there are ethical issues to be concerned about. To understand ethics, it is necessary to look at it from both a personal perspective and a social one. Each person's value system is made up of a set of commitments they believe they owe to others.

- "Call girls," "gifts," "gratuities," and other forms of extortion
- Unfair pricing and price discrimination,
- Untruthful marketing
- Other unethical actions, such as price gouging
- The activity of defrauding clients, engaging in predatory lending, and overcharging,
- Cooperation between rivals over pricing
- Dishonesty in contract drafting and contract maintaining
- Prejudice in the recruiting process and unfairness to workers.

There may be ethical conflict when individuals believe that their obligations to one group clash with their obligations to other groups (including one's own). They must then try to find a middle ground between these conflicting demands. Basically, it's common for ethical dilemmas in marketing to occur when there is a discrepancy between the demands of the corporation and the rest of society. Individuals and organisations have different goals, and this creates a problem. Bartels summarizes "the essence of ethical conflict: in a diverse society, not one but many expectations must be satisfied." As a result, deciding what is morally correct results in a balance between responsibilities and satisfactions. The highest standard of ethical conduct would be met if all parties' needs were met. The reality is that expectations are frequently conflicting and sometimes going beyond what is socially sanctioned, thus this is impossible. Therefore, one must utilize skill and judgment to determine the point at which one's own integrity may be best preserved." Morals and standards connected to marketing techniques, such as the "four P's of marketing" and "marketing research," are under the umbrella of marketing ethics. A couple of the earliest editorials on the ethics of marketing were written in the 1960s.

The product has a safety risk since it might be detrimental to users. Disclosure of product details is not forthcoming. The problem of pricing arises when manufacturers and rivals collaborate to set the price of the same product, and producers then compel retailers to raise their prices. A cheap price was established by the business in order to drive out the competition. Marketing challenges arise when consumers are tricked into believing something that isn't real. It's possible that a product's claims of superiority are overblown, which may not really be the case. Manufacturers pay retailers a price in return for storing their goods on their shelves, known as slotting allowances. Unauthorized distributors bring items created in other nations into countries where they are sold on the grey market.

Effective marketing involves getting a message about a product or service to potential buyers. Product and service marketing is a constant battle for any business. Advertising needs a strict set of rules and regulations on style, substance, and delivery. Even while marketing professionals have relied on ethical values to guide their work, there is little evidence that this has happened in real decision-making. In the case of Ambush marketing,

which is an attempt by a corporation without official permission to link its brand to a sponsored activity, it applies to a greater degree. According to Doust (1997), a company's willingness to "back off a little" is heavily influenced by its own code of ethics and whether or not it considers ambush marketing methods to be immoral or just good business sense."

## **ROLE OF ETHICS IN MARKETING**

Because of this, consumers' requirements are more important than ever before, and the market's primary emphasis has switched to ethical ideals. Because of two factors, this is mostly the case. People have a more favourable impression of a company's services and products when it operates with high standards of ethical conduct on its part. There are certain rules that they must conform to in order to be accepted by the general public. Additionally, ethical bodies and organisations tend to pressurize and hold organisations and enterprises responsible for their conduct. There is a lot of interrogation and a lot of rules that must be rigorously observed. For a product or service to have an optimal presence in its intended market, it is imperative that marketing ethics be applied.

An ethical marketing strategy is responsible for paying heed upon different factors such as-

- It is important to take into consideration a variety of variables while planning an event.
- Moral philosophy and values of the individual are also important variables in determining the success of an organisation.
- Interests and concerns of stakeholders
- Ethical dilemmas in marketing and organisational structure are becoming more prominent
- Ethical considerations in choosing decisions
- The assessment of ethical consequences

## **ETHICS COMPLIANCE PROGRAMS**

- The creation of a code of ethics by corporations to assist their personnel makes ethical judgments.
- Social movements aimed at safeguarding consumers from unfair economic practices are called "consumerism."
- Green marketing is the promotion of environmentally friendly goods and packaging.
- Corrective advertising, in which advertising is used to clarify previously false statements.

Marketing ethics and a strong relationship with customers are essential to a company's success. Ethical ideals and principles control the activities and judgments of an organisation or group of organisations. Customers want to be treated fairly and with respect, and this is only natural. Customers

demand a variety of things from their service providers, including the capacity to rely on them, the ability to respond quickly, and the ability to recognize and accept product value additions. They're not looking for overly optimistic claims or misleading representations. Marketers face a number of ethical challenges when it comes to satisfying the needs of their clients. Disparities in values and conventions between an individual and a firm might give rise to ethical quandaries. They are dishonorably promoting their goods if they don't disclose the products appropriately. Achieving self-control over these immoral activities requires enforcing a set of rules that everyone must observe. If a person does not obey the rules, then the appropriate disciplinary measures must be implemented against them. Therefore, marketing ethics suggests that a clear grasp of what is good and wrong in company should be visible.

## **CONCLUSION**

Marketing and advertising have been subject to a number of critiques, but the question of whether or not marketing is ethical has remained unanswered. But marketers must be aware of these claims twice and implement ethical methods for their enterprises not only in terms of revenues, but also in terms of the earth or its people. These ESG-focused marketing tactics will help organisations, customers, and society as a whole overcome any ethical gaps that may exist. Efforts to institutionalize formal ethics programmes in order to fulfill stakeholder expectations would put pressure on marketing standards. To enhance marketing ethics, a combination of normative and descriptive knowledge is needed. You may make a significant contribution to the improvement of marketing knowledge in this field. Thus concludes our short outline of marketing ethics, and we invite readers to make their own conclusions from these extensive writings.

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