

## **The Ethical and Unethical Dimensions of Marketing**

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### **ABSTRACT**

Marketing is a discipline that provokes much debate. In fact, it has been accused of being used for unethical purposes. Opponents of marketing make the accusation that marketing encourages materialism, increases the final price of the product, allures consumers into buying products they might not really need, etc. Other research studies have argued that the very core of marketing is in contrast with

the doubt and criticism that is expressed by its opponents because customer satisfaction is marketing's ultimate goal. This paper critically discusses the opposition's and supporters' views of marketing as an unethical science.

*Keywords: Customer Satisfaction, Ethics, Marketing*

## INTRODUCTION

Considering all of the management fields, marketing has taken the most criticism and carried the most doubt concerning moral and social responsibility issues (Kennedy and Lawton, 1993). Marketing critics point to false or misleading advertisements, extravagant pressure on consumers, and pricing tactics that deviate from morality and honesty limits (Nantel and Weeks, 1996). Malliaris (2001) summarized the basic points of criticism against marketing as follows: (1) It encourages materialism, hedonism, and eudemonism; (2) It generates stress on consumers for the acquisition of goods; (3) It pollutes the natural environment; (4) It contributes to the exhaustion of natural resources; (5) It creates an increase in the product's final price due to the high production cost, which must be paid by the consumer; (6) It deceives consumers by projecting imaginary or no quality differences on the products; (7) It allures consumers into buying products that they might not really need; (8) Advertising is many times of bad taste and offends the masses; (9) The involvement of too many intercessors during product distribution raises product prices; (10) Personal sales sometimes become too pushy and oppressive, thereby compelling the consumer to make buying decisions under pressure.

Kotler (2000) defined marketing as follows: "Marketing is the human activity aimed at satisfying needs and wants through the process of

transaction.” According to the previous definition and most other published definitions as well, the core ideology for marketing is customer/consumer satisfaction. The definition of marketing then is in contrast to the assertions of its opponents. If customer satisfaction is the ultimate goal, one would have a hard time questioning its morality (Rao and Singhapakdi, 1997).

Thus, there are two points of view, one that criticise as being unethical, and another that denies the ethicality of marketing arguing that customer satisfaction is marketing’s ultimate goal. The objective of the current paper is to critically present the arguments of the opponents and advocates of the marketing ethicality. The presentation of the arguments is based on the detailed review of the relevant literature.

## **ETHICS IN MARKETING**

Ethics are embodied in marketing practices in terms of social marketing. While not ignoring profit as a business’s main goal, the central idea of social marketing is the existence of justice in society and among consumers. Social marketing refers to correct practices in terms of the consequence for society (Piacentini et al., 2000). Social marketing emphasizes achieving balance among business profit, consumer needs and desires, and society’s long-term concerns.

Kotler and Zaltman (1971) were the first to advocate the embodiment of social and moral dimensions in marketing science. The social marketing sense was developed by encouraging marketers to benefit society with the inclusion of social ideas and causes in the marketing campaigns. Kotler (2000) indicated that the aim of social marketing surpasses that of marketing, at least based on its traditional definition. That is, it surpasses the element of “lasting customer satisfaction.” The goal of social marketing is the well-being of society. In other words, the

idea of social marketing causes marketers to embody social and moral issues in their practices, thereby extending the definition and purposes of traditional marketing.

Although social marketing has been around since the 1970s, its moral basis remains underdeveloped. Crane and Desmond (2002) suggested that even though social marketing has yet to make an intense appearance in academic research, it is applied in companies and even more so in non-profitable organizations. The main moral problems reported in the marketing frame will be discussed subsequently.

### **The Study of Consumer Behavior**

Since the scientific field of consumer behavior aims at gathering the determinant factors for human needs in order to better direct market to them, its importance cannot be questioned since theory becomes practice. For example, let us ponder how the theory of perception has been used by many marketing executives to guide consumers into thinking that the sale of four products for the combined price of four Euros is a good opportunity even when each product's separate price is one Euro (Murphy and Laczniak, 1981). Singer et al. (1991) suggested that the hazard that comes with the knowledge of consumer behavior is that consumer needs may be guided by the businesses themselves.

### **Product and Services Management**

Product and services management, which consists of a basic marketing activity, may also cause doubts in terms of the ethics of marketing. Laczniak and Murphy (1985) mentioned that some corporations import extremely short lived products in the market in order to benefit from the repurchase of that same product. The same thing applies to products that have been purchased by customers after being stimulated by advertising even though the products do not satisfy their actual needs and expectations.

### **Advertisement**

Advertisement is primarily marketing's most powerful instrument. It is, however, also the means that has suffered the strongest criticism and restrictions by legislative frameworks (Nwachukwu et al., 1997). The differentiation between "law-abiding" and "moral" practices is more clearly seen on television. For example, during the last few years with the appearance of products containing lower cholesterol or environment-friendly products, the case of ethics in advertising, which had been forgotten during the previous time, has been reopened (Landler, 1991).

A greater understanding of the process of information flux to the consumers has led to the creation of messages that are dangerously efficient. A classic example is those commercials where the product's benefits are projected onto the person starring in the commercial. Such are the cases where popular actors or glorified or where actors participate in a low value product's television commercial. This practice has gone one step further with the creation of "infomercials." These commercials last from thirty minutes to up to two hours, and they are presented more as a television program or documentary than a commercial. Many animated television series aimed at children were developed simply to promote toys and other similar products (Nantel and Weeks, 1996).

### **Marketing Research**

Although marketing research has been characterized as being generally "objective," some questions concerning its moral side remain unanswered (Smith and Quelch, 1993; Hunt et al., 1984). Some researchers (e.g., Tybout and Zaltman, 1974) have suggested that marketing research is an intrusion into personal data and consumers' private lives. Opponents have also accused marketing research as being a pretence or means for product sales.

### **Pricing**

Among all of a product's characteristics, price is most important to the consumer. The consumer's aim is to maximize the quality to price ratio (Nantel and Weeks, 1996). Although the legislative framework on pricing is specific and often strict, some businesses are not restrained from trying to fool consumers. Such practices are often encountered during the sales events where the offered discount is sometimes not real and is subtracted from a fictional initial price that is actually larger than the normal price.

### **International Marketing**

The practices of international marketing have also been questioned in terms of moral issues. For example, when the time came for major tobacco industries to launch an advertising campaign in the USA to discourage teenagers from smoking, these companies themselves were investing huge amounts of money into the spread and development of tobacco purchases in Asia and Africa. In order to promote their expansion to these markets, they were also using a free cigarette distribution technique. Many of these "free samples" were given to minors (Levin, 1991). In addition, many businesses exploit the inexpensive working force of underdeveloped or developing countries.

Table 1 summarizes the main moral problems that have been mentioned in regards to marketing. In summary, a reasonable conclusion suggests that while marketing benefits are well-known, marketing could be more effective by including a moral approach that may move beyond utilitarian purposes (Murphy and Laczniak, 1981). Nevertheless, according to some researchers, marketing that focuses entirely on customer satisfaction generates problems for the consumers themselves and society in general (Nantel and Weeks, 1996).

**Table 1. The moral problems in the marketing field**

Marketing Area	Main Bibliography Sources	Allegations concerning Moral Issues
Consumer Behaviour	Murphy and Laczniak (1981), Singer et al. (1991)	A risk exists that the knowledge of consumer behavior might lead to consumer needs being guided by the businesses themselves.
Product Administration	Murphy and Laczniak (1981)	Some businesses import products with a short life in the market in order to benefit from the future repurchase of that same product.
Advertising	Landler (1991), Nantel and Weeks (1996), Malliaris (2001)	Dangerously effective messages can be found in advertisements, and the creation of infomercials has effectively deceived the consumer.
Market Research	Smith and Quelch (1993), Hunt et al. (1984), Tybout and Zaltman (1974)	Market research consists of an intrusion into personal data and consumers' private lives. Also, it is a pretence or means to sell products.
Pricing	Nantel and Weeks (1996), Malliaris (2001)	Pricing can mislead the consumer through fictional discounts.
International Marketing	Levin (1991)	Companies exploit underdeveloped countries' inexpensive work force

Regarding this issue, the cigarette example is revealing. An individual desire is fulfilled in the short term, but the satiation of that desire results in damage to the consumers' health in the long run. For society's sake, somebody has to consider the constant effort that is required to balance the needs and desires of everyday life with the environment in which we live.

Although marketing cannot be directed by a single organization, countless codes and organizations, like the American Marketing Association, are intended to frame marketing with a sense of ethics. For the business sector, the Better Business Bureau (BBB) has its own moral codes. According to those codes, a business should respect the legislative framework concerning businesses, business actions, and practices and offer information on the products and services in a way that can easily be understood by the average consumer. Also, a moral business should show respect to everyone without exception or effect on its obligations towards the customer. Moreover, moral businesses should avoid unfair competition, treat customer complaints in a fair way, and avoid false or misleading advertising. As many studies have shown, the existence of codes does not ensure that a business's actions will be more moral. In fact, many executives have reported that, although codes of conduct exist, their content is sometimes completely ignored (Singhapakdi and Vitell, 1990).

The research of Chonko and Hunt (2000), which focused on 1,076 marketing executives, resulted in some basic conclusions regarding marketing and ethics. The main moral problem that was mentioned by the participating executives was bribery. Other problems that were mentioned included justice, pricing strategies, and personal decisions. The basic "moral conflict" that they mentioned is the need to strive for balance between the business's demands and the consumers' needs. According to this research, the marketing executives do not believe

that immoral behaviours lead to success. Finally, the researchers discovered that the existing moral codes are not associated with the moral problems in marketing practices.

## CONCLUSIONS

Ethics have been recently embodied in the marketing field. Businesses that show social and environmental sensitivity are considered to have a competitive advantage (Strong, 1996). At the same time, consumers' interest for moral consumption is increasingly growing (Aarosan, 2002). A typical example is that of the Body Shop. In this example, the display of great social sensitivity led the company profits to dramatically rise (Strong, 1996).

The opponents of marketing accuse it for being unethical, ruining the natural environment, attacking the public with absurd advertisements and encouraging materialism in many ways. On the other hand, marketing policies and practices have been largely responsible for the high standard of living today. The advocates of marketing also points out that the ultimate goal of marketing is customer' satisfaction. It is difficult to get a clear conclusion and to specify precisely whether marketing is ethical or unethical. The intense accusations could be only accepted as a belief of demarketing. Demarketing is the activity that tries to reduce the demand for a product or service on a temporary or permanent basis. It aims to the reduction of consumption, as it believes that marketing leads to the distraction of the society.

Marketing is a balanced serving of the combined interests of sellers, buyers and citizens. It has to be admitted that marketing does not support all the accusations for being unethical as there are no evidence for proving these statements and additionally there are research studies and arguments that confirm the opposite. The modern

consumer is well-informed and well-educated and has the ability to choose and judge marketing practices. However, despite these view, marketers should try to promote more the ethics of marketing. Social and environmental issues could be more widely incorporated in business's products and services. Companies should adopt ethical strategies because the benefits are numerous. Additionally, ethics would improve their market position compared to their direct competitors. On top of that, ethical strategies could improve the society's welfare and make a better world to consume.

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