

“ETHICAL-UNETHICAL MARKETING PRACTICES WITH RESPECT TO 7P'S IN PUNE REGION”

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INTRODUCTION

Though the pursuit of social responsibility and ethical marketing does not automatically translate into increased profit, it is still the responsibility of the firm to ensure it is responsible for its actions and their impact on society. This article will study, 1) understanding business ethics and socially responsible marketing, 2) developing and implementing a socially responsible marketing plan, 3) main aspects of socially responsible marketing, 4) characteristics of socially responsible marketing, 5) 5 benefits of integrating ethics into your marketing strategy, 6) ethical issues faced in marketing, and 7) summary of unethical marketing practices that ruin companies.

UNDERSTANDING BUSINESS ETHICS AND SOCIALLY RESPONSIBLE MARKETING

To be socially responsible is when the organization is concerned about people, society and environment with whom and where it conducts business. In its most basic form, socially responsible marketing is taking moral actions that encourage a positive impact on all the company's stakeholders, including employees, community, consumers, and shareholders. The main responsibility of marketers in this aspect is to package and communicate the organization's decisions that will impact the various communities with which they interact. Consumers have the right and power to decide which companies succeed or fail; so marketers have a major responsibility to ensure their practices are seen as philanthropic without being phony. Brand Karma is the perfect example of one of the means by which consumers make these decisions.

ETHICAL MARKETING IN GENERAL

Ethical Marketing is a philosophy that focuses on honesty, fairness and responsibility. Though wrong and right are subjective, a general set of guidelines can be put in place to ensure the company's intent is broadcasted and achieved. Principles of this practice include:

- A shared standard of truth in marketing communications
- A clear distinction between advertising and sensationalism
- Endorsements should be clear and transparent
- Consumers' privacy should be maintained at all times
- Government standards and regulations must be adhered and practiced by marketers.

ETHICAL NORMS AND VALUES FOR MARKETERS

The Marketing Association has designed a statement of ethics that governs marketers' actions. The introduction of the statement reads in summary that values are the representation of the collective idea of desirable and morally correct conduct. And that the values outlined in the document serve as the standard by which individuals measure their own actions and those of others including marketers. These values facilitate best practices when transacting business with the public and all involved.

There are 6 ethical values that marketers are expected to uphold, and these are:

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 all types, while being good stewards of the environment.

3. FAIRNESS

Balance buyer needs and seller interest fairly, and avoid manipulation in all forms while protecting the information of the consumers.

4. RESPECT

Acknowledge basic human dignity of all the people involved through efforts to communicate, understand and meet needs and appreciate contributions of others.

5. TRANSPARENCY

Create a spirit of openness in the practice of marketing through communication, constructive criticism, action, and disclosure.

6. CITIZENSHIP

Fulfill all legal, economic, philanthropic and societal responsibilities to all stakeholders as well as give back to the community and protect the ecological environment.

The Marketing Association also has a code of ethics and standards, which is a self-regulatory guideline for marketers. The principles of this code include:

- Truthfulness, which is an accurate representation of products and support of claims, made.
- Personal Information protection, which is defined in the Personal Information Protection and Electronics Documents Act (PIPEDA).
- Campaign Limitation covers non-involvement in disparaging or exploitative practices and the protection of vulnerable consumer groups such as children, teenagers, people with disabilities and the elderly.

MERGING SOCIAL RESPONSIBILITY AND MARKETING

Companies are aware that consumers are savvy and opinionated. So with this in mind, firms should create an ethically sound marketing plan and integrate it into all aspects of their marketing mix.

- Do good not just to look good - focus on being responsible and how your firm can truly help the neighborhood or country. It is in doing so that your customers, the press, and all those watching will be impressed.
- Think about long term effects, not short term gains - short sighted companies will undervalue the impact of responsible marketing for instantly gratifying

increase.

- Speak up against company policies that do not reflect the ethical profile of the company - as the face of the company, marketers should voice their concerns when there is a potential for a practice to be seen as unethical.

DEVELOPING AND IMPLEMENTING A SOCIALLY RESPONSIBLE MARKETING PLAN

While ethics and social responsibility are sometimes used interchangeably, there is a difference between the two terms. Ethics tends to focus on the individual or marketing group decision, while social responsibility takes into consideration the total effect of marketing practices on society. In order to foster an ethical and socially responsible behavior pattern among marketers while achieving company objectives, special care must be taken to monitor trends and shifts in society's values and beliefs. Next, marketers should forecast the long-term effects of the decisions that pertain to those changes. Bearing in mind that a company cannot satisfy the needs of an entire society, it best serves marketers to focus their most costly efforts on their target market, while being aware of the values of society as a whole. Five simple steps every marketer can take to create a sustainable socially responsible market plan are:

1. Define what is ethical marketing for your firm.
2. Decide which branch of ethics your marketers will apply.
3. Determine how the ethical approach to marketing will be implemented.
4. Discuss areas of the firm's operations that ethical marketing will be included as part of the program.
5. Analyse and assess how much ethical marketing will cost the company and compare this against the benefits of ethical marketing in the long run.

MAIN ASPECTS OF SOCIALLY RESPONSIBLE MARKETING

Social conscious marketing addresses the shortcomings of traditional marketing practices and follows the philosophy of mindfulness and responsibility. This philosophy states according to Chron.com, that company-marketing practices should be based on consumer satisfaction, innovative ideas

and offer society long-term value and benefit.

Below is the list of main aspects socially responsible marketing practice relying on.

CONSUMER ORIENTATION

This socially responsible practice teaches that companies should base policies and operations on a consumer perspective. Not only will the marketer discover the customers' needs, they will also, look at their plans as if they were the users. As an example, an over crowded website with lots of ads dumped onto it will be easily spotted if the marketers were to practice this method.

INNOVATION

Improving products and services in innovative manner improves the experience for users. And improving marketing strategies, policies, and brand personality, on an ongoing basis will position your company as an innovative experience to be repeated and passed on.

VALUE OF THE PRODUCT

A company that produces valuable products and focuses on offering the customer great pricing, excellent experiences and great customer service will not have to resort to pushy sales tactics and gimmicks. Apple brand is famous for having people happily wait in line overnight to be first to own an upgraded product.

SENSE OF MISSION

A clearly defined corporate mission will help companies be clear about their plans, goals, and practices. By putting the good of the community and associates over profit, companies will indeed see an increase in the number of consumers willing to pay premium prices for their products.

IMPACT ON SOCIETY

Unlike traditional marketing focus, which was cost reduction and profit increase, socially responsible marketers are more focused on providing goods and services consumers want, gaining feedback for improvement and giving back to the communities that helped them become who they are.

CHARACTERISTICS OF SOCIALLY RESPONSIBLE MARKETING

Marketers get the right products to the right people at the

right time. Ethical marketers ensure the products meet and exceed their needs, back up their claims and offer value to the customers over time while finding opportunities to pay it forward. A company that uses ethical and socially responsible marketing strategy will gain the respect and trust of the customers they target and interact with. Over long term, this will translate to greater benefits all round. Today's firms can make their practices more ethical and responsible by perfecting the following characteristics.

- **SAFETY**

Any product or service that could be hazardous to the health conditions of people, animals or the environment should have clear advisories and warnings. Once the problem is identified the company can collect data to help improve the product and reduce or eliminate the danger. An example would be fast food restaurants eliminating the use of hydrogenated oils even before trans fats were banned.

- **HONESTY**

Ensuring a product satisfies a need it promises to, or aids in providing a lifestyle it advertises. Advertising should be transparent about possible side effects and not puff up results, so clients come to respect the honesty of your advertising.

- **TRANSPARENCY**

Any techniques to manipulate and hide facts and information customers need could harm a company. Just think of the way people regard a company such as Enron that hid information and was not open to the stakeholders about what was happening.

- **ETHICAL PRICING**

Gathering data about your target market will give you information on how much they are willing to pay for your product. The rest of the pricing strategy, in a simplified manner, should be based on overhead costs and supply and demand. Creating fake shortages and bad mouthing the competition are considered unethical marketing practices.

- **RESPECTING CUSTOMER PRIVACY**

When customers trust enough to allow you access to their information, selling it to lead companies or obtaining prospective customers' information without permission is

unethical and breaks trust. Nobody wants to buy from the creepy guys, no matter how beautifully packaged their products are.

5 BENEFITS OF INTEGRATING ETHICS INTO YOUR MARKETING STRATEGY

#1: Moral Marketing Compass: This is especially important in economic downturns, when unethical practices become tempting.

#2: Win-win Marketing: The focus on customer value will increase company value.

#3: Keeps marketing legal: Reduces the risk of cutting corners and turning a blind eye.

#4: Goodwill: Goodwill and strong reputation among clients and associates are the benefits which companies cannot afford to overlook. Not only will customers believe that the company cares for them, but will also associate the brand with pleasant feelings and experiences and spread the word.

#5: Improved quality of recruits and increases retention: A good company attracts good employees, suppliers, investors, and customers, who will be happy to help the company to achieve its goals. Great marketing practices make new marketers feel like their time on the job will make a difference and so will be less likely to change jobs, as will suppliers and other people involved.

ETHICAL ISSUES FACED IN MARKETING

So far we have seen that ethical marketing can guide advertising, research and data use, strategies for gaining an edge over the competition and company policies. However, there can also be some problems that arise from trying to employ an ethical marketing strategy.

IRRESPONSIBLE MARKET RESEARCH

Improper market research and grouping can lead to stereotyping that shapes undesirable beliefs and attitudes and consequently affect marketing behavior. For example, assuming that all women like pink and therefore basing an entire advertising campaign on that belief could be a costly mistake.

SELECTING SPECIFIC MARKET AUDIENCE

According to Boundless.com, the use of selective marketing

practice is to weed out the consumers considered by companies as less than ideal, but often causes social disparity and unrest. Practices such as Victoria Secrets "Perfect Body Campaign," which came under a lot of fire from consumers for excluding every woman but those shaped like the long legged, thin and well endowed super models in their ad, can turn people away from a company.

UNETHICAL ADVERTISING AND PROMOTION

Making false claims about what the product does and its importance is an unethical way to gain profit. For many years, Nestlé has been the target of many boycotts for predatory and aggressively marketing baby foods, especially to women in poorer countries as a better substitute to breast feeding. This manipulative marketing technique has caused a lot of damage and loss to these children and their families.

DELIVERY CHANNEL PRACTICES

Marketing in ways like cold calling through telemarketing companies that purchase leads are not only annoying, they are disruptive and untrustworthy. Unsolicited approaches are these days almost synonymous with direct marketing and has left the industry with a tainted reputation. So have television commercials, email spam and direct mail, which people are going to significant lengths to avoid.

DEALING WITH COMPETITORS

Many companies advertise cheap prices as a "bait" and then once they draw in the customers, "switch" them over to a more costly product, because the advertised good was not available, insufficient or not of any value to the customer. Many online surveys and work at home opportunities use this unethical marketing technique.

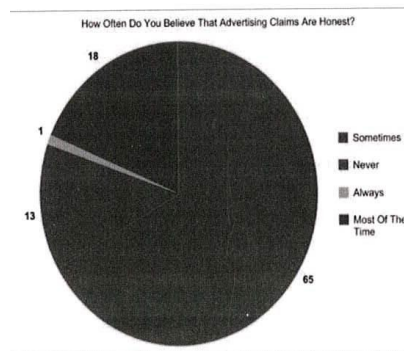
PRICING STRATEGIES

Predatory pricing or pricing beneath the competition so as to cannibalize the market and restrict the competition is an unethical pricing strategy. And setting up barriers that prevent smaller companies from entering the market is unethical as well.

SKEPTICAL CONSUMERS

Most consumers approach advertising with a healthy degree of skepticism. Even the least informed consumer knows that not every claim made by every advertiser is true. The chart

below, compiled from data from an AdWeek Media poll, shows just how skeptical consumers really are. Fewer than 20% of respondents believed in advertising even most of the time. It is clear that consumers have become cynical about the ads they see. Ethical marketing can be an effective way to restore some of the trust that has been lost between consumers and advertisers.



Marketing ethics is an area of applied ethics which deals with the moral principles behind the operation and regulation of marketing. Some areas of marketing ethics (ethics of advertising and promotion) overlap with media ethics.

Wal-Mart the case study on Lack of compassion towards the Accident victim.

TRAFIGURA

Dumping Toxic waste on the Ivory Coast and gagging the media are the examples of unethical ways the business activities.

THE RESEARCH METHODOLOGY

The sample size :- 264 managers across 7 sectors.

And 292 customers using the products and services.

The secondary and primary data

The questionnaires -

- A) for Managers and Marketing Professionals
- B) For Customers

SAMPLING METHODS

RANDOM SAMPLES

Everybody in the group had an equal chance to represent the group.

CLUSTER SAMPLING

Population consists of several groups which are convenient to use as sampling units. These groups are called as clusters. In cluster sampling, we consider cluster as sampling unit and choose simple random sample of clusters.

RESEARCH DESIGN

(a) Selecting the sampling methods and size

The items i.e. Large Scale / Small Scale Industries of different types / sectors are selected from the Pune region (Universe/population)

(b) The type of sampling method used is random / cluster sampling where different areas having different types of Industries are considered for doing the sampling work. About 264 (two sixty four) managers from various types of industries (Managers) are interviewed and questionnaires are filled in by them. Also 292 (two ninety two) customers are interviewed and questionnaires are filled up from them.

METHODOLOGY

Type of Research : Exploratory and Descriptive

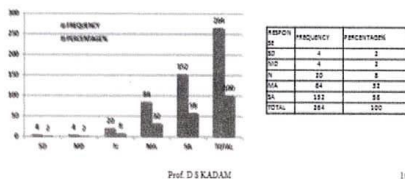
Sampling Method : Random and Cluster

Sample size : 264 managers from each of seven sectors plus 292 customers using products and services of the respective sectors.

Data Collection : Primary & Secondary

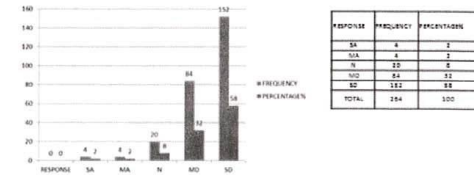
B2:-DO YOU THINK THE COMPLETE INFORMATION OF THE PRODUCT INCLUDING ITS ADVANTAGES AND LIMITATIONS SHOULD BE GIVEN TO THE CONSUMER

The respondents agreed that it is necessary to share the product information with customers and educate them , thus all agree that they share complete information



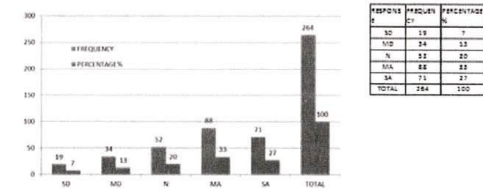
B3:-DO YOU THINK CRITICIZING THE COMPETITORS SHOULD BE USED WHILE MARKETING YOUR PRODUCT

The surveys shows that respondents do not agree to criticize the competitors while marketing there product

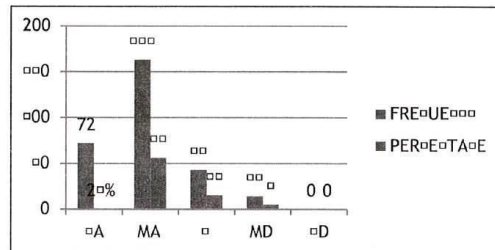


BP2:-IS YOUR PRODUCT AVAILABLE TO CONSUMERS THROUGHOUT THE YEAR WITH SAME PRICE

The survey shows that the product is available with the same price throughout the year but you there are some respondents who feel that they vary the prices of these product according to market, economic , environmental conditions.



Do you think the manager or the company follow the good ethical practices while supplying the product ?



CHARACTERISTICS OF GOOD MARKETING PRACTICES ON THE BASIS OF OBSERVATIONS

Marketers get the right products to the right people at the right time. Ethical marketers ensure the products meet and exceed their needs, back up their claims and offer value to the customers over time and Gain their respect & Trust.

• SAFETY

It helps to improve the product and reduce or eliminate the danger. An example would be fast food restaurants

eliminating the use of hydrogenated oils even before trans fats were banned.

- **HONESTY**

Advertising should be transparent about possible side effects and not puff up results, so clients come to respect the honesty of your advertising.

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- **PRICING STRATEGIES**

Predatory pricing or pricing beneath the competition so as to cannibalize the market and restrict the competition is an unethical pricing strategy. And setting up barriers that prevent smaller companies from entering the market is unethical as well.

SUMMARY OF (UN) ETHICAL MARKETING

To sum this all up in order to be ethical in marketing attempts, businesses should make honest claims, and excel

at satisfying the needs of their customers. This practice over time builds trust and customer confidence.

Below are practices of unethical marketing, which you should avoid in order not to ruin your company.

- **EXPLOITATION**

avoid using scare tactics and hard sell and protect the vulnerable consumer.

- **SPAM**

avoid flooding a customer's voice mail, mail box, email or any other means of communication with unsolicited messages or aggressive advances.

- **BAD MOUTHING COMPETITION**

focus on the value and benefit of your product and point out its unique selling point, the consumers are smart enough to choose the better product.

- **MISLEADING ADVERTISEMENT AND INFORMATION**

any exaggerated claims or dishonest promises will cause the customers to mistrust you and even determine the failure of your brand.

- **PHILANTHROPIC GESTURES FOR PUBLIC RELATIONS**

giving to charities solely for a tax write off will make the company appear callous and uncaring and people tend to shy away from these types of companies and spend money where they feel the leaders and marketers are especially humane and gracious.

- Each party in a marketing transaction brings expectations regarding how the business relationship will exist. For example, if a consumer wishes to make a purchase from a retailer, their expectations include wanting to be treated fairly by the salesperson and wanting to pay a reasonable price.

Ethical marketing decisions and efforts should meet and suit the needs of customers, suppliers, and business partners. Unethical behavior such as price wars, selective advertising, and deceptive marketing can negatively impact a company's relationships.

- Recent trends show that consumers prefer ethical companies. As a result ethics itself is a selling point or a component of a corporate image.

ETHICAL ISSUES IN MARKETING

Ethical problems in marketing stem from conflicts and disagreements.

MARKET RESEARCH

Some ethical problems in market research are the invasion of privacy and stereotyping. The latter occurs because any analysis of real populations needs to make approximations and place individuals into groups.

MARKET AUDIENCE

Selective marketing is used to discourage demand from so-called undesirable market sectors or disenfranchise them altogether. Examples of unethical market exclusion are past industry attitudes to the gay, ethnic minority, and plus-size markets.

Another ethical issue relates to vulnerable audiences in emerging markets in developing countries, as the public there may not be sufficiently aware of skilled marketing ploys.

ETHICS IN ADVERTISING AND PROMOTION

In the 1940s and 1950s, tobacco used to be advertised as promoting health. Today an advertiser who fails to tell the truth offends against morality in addition to the law.

Sexual innuendo is a mainstay of advertising content, and yet is also regarded as a form of sexual harassment. Violence is an issue especially for children's advertising.

The advertising of certain products may strongly offend some people while being of interest to others. Examples include: feminine hygiene products as well as hemorrhoid and constipation medication. The advertising of condoms has become acceptable in the interests of AIDS-prevention, but are nevertheless seen by some as promoting promiscuity.

Through negative advertising techniques, the advertiser highlights the disadvantages of competitor products rather than the advantages of their own.

DELIVERY CHANNELS

Electronic spam and telemarketing push the borders of ethics and legality more strongly.

DECEPTIVE ADVERTISING AND ETHICS

Deceptive marketing is not specific to one target market, and can sometimes go unnoticed by the public. There are several ways in which deceptive marketing can be presented to consumers; one of these methods is accomplished through the use of humor. Humor provides an escape or relief from some kind of human constraint, and some advertisers intend to take advantage of this by deceptively advertising a product that can potentially alleviate that constraint through humor.

ANTI-COMPETITIVE PRACTICES

Bait and switch is a form of fraud where customers are "baited" by advertising for a product or service at a low price; second, the customers discover that the advertised good is not available and are "switched" to a costlier product.

Planned obsolescence is a policy of designing a product with a limited useful life, so it will become unfashionable or no longer functional after a certain period of time and put the consumer under pressure to purchase again.

A pyramid scheme is a non-sustainable business model that involves promising participants payment or services, primarily for enrolling other people into the scheme, rather than supplying any real investment or sale of products or services to the public.

PYRAMID SCHEME

This business practice relies on getting the initial investor or "captain" to enroll others for a fee to them who in turn will also enroll others in order to get paid.

PRICING ETHICS

Bid rigging is a form of fraud in which a commercial contract is promised to one party, although for the sake of appearance several other parties also present a bid.

Predatory pricing is the practice of selling a product or service at a very low price, intending to drive competitors out of the market, or create barriers to entry for potential new competitors using Ethics as a Marketing Tactic.

EXPLORE THE STRATEGY OF ETHICAL MARKETING

Business ethics is one of the most complicated and contentious subjects in human history. The relationship between doing the right thing and making money has been studied by both academics and business leaders for years with little consensus reached. A survey by the Ethics Resource Center found that 43% of respondents believed their supervisors lacked ethical integrity.

According to the Bureau of Economic Analysis, corporate profits soared to all time highs in 2011. At the same time, the world was suffering through a crippling economic downturn made worse by unscrupulous business practices. The vast disparity between corporations and their customers has made ethical business practices an extremely relevant issue.

Ethical marketing is less of a marketing strategy and more of a philosophy that informs all marketing efforts. It seeks to promote honesty, fairness, and responsibility in all advertising. Ethics is a notoriously difficult subject because everyone has subjective judgments about what is "right" and what is "wrong." For this reason, ethical marketing is not a hard and fast list of rules, but a general set of guidelines to assist companies as they evaluate new marketing strategies.

PRINCIPLES OF ETHICAL MARKETING

There are distinct advantages and disadvantages to ethical marketing. Unethical advertising is often just as effective as it is unethical (See also Black Hat Marketing). And since unethical behavior is not necessarily against the law, there are many companies who use unethical advertising to gain a competitive advantage.

Many people buy diet pills even though they are rarely, if ever, effective. This is because some diet pill companies use exaggerated and manipulative claims to essentially trick customers into buying these products. For companies looking to improve the image of a brand and develop long-term relationships with customers, this kind of unethical behavior can quickly lead to failure. Customers do not want to feel manipulated by the brands they like. Companies can use ethical marketing as a way to develop a sense of trust among their customers. If a product lives up to the claims made in its advertising, it reflects positively on the entire company. It can make the consumer feel like the company is invested in the quality of the products and the value they provide customers.

It is impossible to claim that any company is completely ethical or unethical. **Ethics resides in a gray area with many fine lines and shifting boundaries.** Many companies behave ethically in one aspect of their advertising and unethically in another.

Dove Soap marketed ethically in one campaign and unethically in another. This illustrates how difficult it is to do the right thing in all circumstances.

Every company has the opportunity to engage in ethical marketing. Any business, from the smallest mom and pop store to the biggest multinational corporation can choose to be open, honest, and fair when they advertise to their customers. When done in a thoughtful way, ethical marketing can be an economical and effective form of advertising. Similarly, unethical advertising doesn't guarantee higher sales or lower advertising costs.

TYPES OF UNETHICAL ADVERTISING

- **SURROGATE ADVERTISING**

In certain places there are laws against advertising products like cigarettes or alcohol. Surrogate advertising finds ways to remind consumers of these products without referencing them directly.

- **EXAGGERATION**

Some advertisers use false claims about a product's quality or popularity. A Slogan like "get coverage everywhere on earth" advertises features that cannot be delivered.

- **PUFFERY**

When an advertiser relies on subjective rather than objective claims, they are puffing up their products. Statements like "the best tasting coffee" cannot be confirmed objectively.

- **UNVERIFIED CLAIMS**

Many products promise to deliver results without providing any scientific evidence. Shampoo commercials that promise stronger, shinier hair do so without telling consumers why or how.

- **STEREOTYPING WOMEN**

Women in advertising have often been portrayed as sex objects or domestic servants. This type of advertising traffics

in negative stereotypes and contributes to a sexist culture.

- **FALSE BRAND COMPARISONS**

Any time a company makes false or misleading claims about their competitors they are spreading misinformation.

- **CHILDREN IN ADVERTISING**

Children consume huge amounts of advertising without being able to evaluate it objectively. Exploiting this innocence is one of the most common unethical marketing practices.

A delicate balance has to be struck between the truth of the ad and its ability to persuade the customer.

- **EDUCATION/EXPERIENCE**

Here are five unethical marketing and business practices that you should stay away from if you want to avoid losing potential clients, angering your audience and hurting your business.

- **SELLING A SUB-PAR PRODUCT OR SERVICE**

If you're going to create and sell a product or service that you know is lacking, you better not be marketing as the best thing since sliced bread. Be honest that it is very basic and not for experienced professionals. Or better yet, create something more worthwhile.

- **CONTACTING PEOPLE WITHOUT THEIR CONSENT**

This one irks me like no other. Just because I email you with a question or collaboration opportunity does not give you permission to add me to your newsletter email list. Make sure you are only contacting those that have opted-in to receive information from you. If you add email addresses to your lists without consent, you are spamming.

- **DELIBERATELY MISREPRESENTING WHAT A PURCHASER WILL GET/ACHIEVE/BECOME WITH A PRODUCT OR SERVICE.**

How many times do you get an email with an outrageous promise that seems too good to be true? And what do you do with those emails? If you're like me, you first unsubscribe from that list, report the email as spam and then delete it.

- **REFUSING TO RESPOND TO AND CORRECT CUSTOMER COMPLAINTS.**

One of the worst things a business that relies on word of mouth referrals can do is ignore unhappy customers. If you receive a complaint about a service you rendered, you should respond to it promptly and seek a resolution as quickly as possible. It is not only the “right” thing to do, but you have a chance to turn a negative experience into a positive one and that may lead to a second chance with that customer.

- **NOT HAVING A CLEAR AND EASY-TO-UNDERSTAND PRIVACY POLICY.**

We see Facebook and other large social media sites running into this one quite frequently. While their missteps are probably due to their rapid growth, there are plenty of others who hide information in confusing privacy policies. Things like the right to sell their members' information to third parties or not clearly explaining how the information you share is used.

SOME UNETHICAL MARKETING PRACTICES

Ajaero Tony Martins Marketing Strategies, Alyssa Gregory
Alyssa Gregory is a small business collaborator and the founder of the Small Business Bonfire, a social, educational and collaborative community for entrepreneurs.

Whether you are playing the salesman role for your own business or you are hired to market an employer's products or services, you need to understand the thin line between ethical and unethical marketing practices.

Ethical marketing entails making honest claims and satisfying the needs of potential and existing customers. It boosts credibility and trust, develops brand loyalty, increases customer retention, and prompts customers to spread word about the products or services you're marketing.

Unethical marketing, on the other hand, can send wrong signals about your products and services, destroy your brand's reputation, and possibly lead to legal problems. This explains why you should avoid them like a plague.

Your first step towards ensuring that you avoid unethical marketing practices is to recognize those practices. Of course, you can only avoid something when you can identify it. Many business owners and sales personnel have erroneously engaged in unethical marketing practices just because they never knew what these practices are in the first place. Here are ten common examples of unethical

marketing practices that you must always avoid when promoting your products or services.

Examples of Unethical Marketing Practices That Can Destroy your Reputation

1. MAKING FALSE, EXAGGERATED, OR UNVERIFIED CLAIMS

In a desperate bid to compel potential and existing customers to buy their products or services, some marketers use false statements, exaggerated benefits, or make unverifiable claims about their offers. This is common in the weight loss industry, where marketers convince potential buyers that a particular product can help them shed so-and-so pounds within two weeks without exercise or dieting!

2. DISTORTION OF FACTS TO MISLEAD OR CONFUSE POTENTIAL BUYERS

This is another common unethical marketing practice. A typical example is when a food processing company claims that its products are sugar-free or calorie-free when indeed they contain sugar or calories. Such a company is only trying to mislead potential buyers, since they are unlikely to buy the products if it is made known that they contain sugar or calories.

3. CONCEALING DARK SIDES OR SIDE EFFECTS OF PRODUCTS OR SERVICES

This unethical marketing practice is rife in the natural remedies industry, where most manufacturers deceive potential buyers that their products have no side effects because they are “made from natural products”. But in reality, most of these products have been found to have side effects, especially when used over a long period. In fact, there's no product without side effects—it's just that the side effects might be unknown. It's better to say, “There are no known side effects” than to say “there are no side effects”.

4. BAD-MOUTHING RIVAL PRODUCTS

Emphasizing the dark sides of your rival's products in a bid to turn potential customers towards your own products is another common but unethical marketing practice. Rather than resort to this bad strategy, you should emphasize on those aspects that make your offer stand out from the rest of the pack. That's professional and ethical.

5. USING WOMEN AS SEX SYMBOLS FOR ADVERTISING

The rate at which even reputable brands are resorting to this unethical marketing practice is quite alarming. If you observe TV, billboard, and magazine adverts, there's something common to most of them; a half-naked lady is used to attract attention to the product or service being advertised. While it might be intuitive to use models in adverts for beauty products and cosmetics, having half-naked models in adverts for generators, heavy machinery, smart phones, and other products not strongly related to women is both nonsensical and unethical.

6. USING FEAR TACTICS

This is another common unethical marketing practice among snake oil salespersons. You will hear them saying something like: "This price is a limited-time offer. If you don't buy now, you might have to pay much more to buy it later because the offer will end up in two days time, and the price will go up." The only motive behind those statements is to prompt the potential buyer to make a decision on the spot. And that's wrong. Why subject someone to undue pressure because you want to make money off him or her?

7. PLAGIARISM OF MARKETING MESSAGES

Though uncommon, some business owners and salespersons engage in using the exact marketing messages of their competitors to market their own products or services. Creativity is a huge part of marketing, and using other businesses' marketing messages just passes you off as being creatively bankrupt and fraudulent.

8. EXPLOITATION

This is charging for much more than the actual value of a product or service. For marketing efforts to remain with ethical limits; the prices of your offers must be equal to or less than the value they give the buyer. If the value is less than the cost, it's unethical.

9. Demeanor REFERENCES TO RACES, AGE, SEX, OR RELIGION

Ethical marketing must be devoid of all forms of discrimination. If your marketing messages contain lines that place people of certain age range, sex, religion, nationality, or race at a higher level than others, then you are crossing the bounds of ethical marketing.

10. SPAMMING

Spamming is when you send unsolicited emails to potential customers, encouraging them to buy your products or services. This is the commonest unethical marketing practice done online. The number of time you send such emails doesn't matter. Whether you send them once, or on occasions, or frequently, you remain a spammer.

FINDINGS & CONCLUSIONS

A

1. There is a Mixed Opinion about Ethical-Unethical Practices in Marketing among Managers and Customers.
2. There are positive efforts to Improve Ethical 4P/7P Marketing Practices.
3. There is a overall positive Impact of Ethical 4P/7P Marketing Practices on Business.
4. 100% Ethical Practices missing in the Marketing Process.
5. Most of The Mrkt. Managers following Ethical Practices But Partially.
6. Elements of Unethical 4P/7P Practices Existing among Mrkt. Managers

B

1. There is strong need to improve Ethical 4P7P practices by Mrkt. Managers
2. Regular Structured Training Programs
3. Improve Interactions for Customer Feedbacks
4. Improvement in After sales services.
5. Creating Marketing Channels & Networks (IT, Internet Tools)
6. Training Managers for E-Business & Web sites.
7. Customer Centric Models (Training of Modern Methods, E-Business)
8. Ethical Practices Training.

9. Proactive Efforts for Innovative Ways.
Implementations at corporate level required.

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