

**Impact  
Factor  
3.025**

**ISSN 2349-638x**

**Refereed And Indexed Journal**

**AAYUSHI  
INTERNATIONAL  
INTERDISCIPLINARY  
RESEARCH JOURNAL  
(AIIRJ)**

**UGC Approved Monthly Journal**

**VOL-IV**

**ISSUE-X**

**Oct.**

**2017**

**Address**

• Vikram Nagar, Boudhi Chouk, Latur.  
• Tq. Latur, Dis. Latur 413512 (MS.)  
• (+91) 9922455749, (+91) 8999250451

**Email**

• aiirjpramod@gmail.com  
• aayushijournal@gmail.com

**Website**

• www.aiirjournal.com

**CHIEF EDITOR – PRAMOD PRAKASHRAO TANDALE**

## Issues in Ethical Marketing

**Dr. B. R. Gadave**

I/C Principal and HOD,  
Dept . of Commerce and Management,  
Shri Shiv Shahu Mahavidyalaya, Sarud.

### Abstract:

*Marketing is the task of creating, promoting & delivering goods & services to consumers & businesses. Acc. to American marketing Association “ Marketing is the process of planning & executing the conception, pricing, promotion and distribution of ideas, goods & services to create exchanges that satisfy individual & organizational goods.” Or Marketing is a societal process by which individuals group structure. Procure that they need or want freely exchanging goods & services value of it. A no. of distinct functions comes under it like Product development., Distribution, Pricing, Promotion and Sales. This paper deals with the various issues in Ethical Marketing.*

**Keywords-** Promoting, Service, Consumer, Executive, Procure, Price, Promotion.

### Introduction-

Now the question arises why should marketers worry about ethics? What role do the moral values play in an economic system? Is it the need of the hour to be ethical while marketing? Is it the competitive pressure] legal laws which force them to consider ethics in marketing or they have realized that in the changing climate of consumerism, they have to adopt ethical view to understand & meet the need of 21st Century customers.

Ethics in marketing is not all together a different concept or it is not performing marketing with a different concept / style but simply “It is the function & process of marketing keeping to the standard norms of it and achieving the ends through a ,sound means.” As we know that the focal point of ethics is ‘normative’ (‘what ought ‘ to be) rather than ‘ what is’. Though the ideal situations may vary from group to group & from time to time. Therefore. The marketers who wish to avoid criticism from competitors, customers, Govt, other Stake holders must follow some ethics.

“Marketing ethics is a sub-set of business ethics and examines the moral issues relating to marketing decisions made by organizations. Although its roots can be traced back to the 1960s, marketing age is believed to have come of age only in 1990s, thanks to extensive research on the subject carried out in the decade before. Several topics make up the fabrics of marketing ethics such as product quality,

Safety & liability, fairness in pricing, honesty in advertising & selling, privacy in Internet data base and marketing. According to Kotler, in recent years people have started questioning the value of marketing concept, when the world is faced with environmental degradation, resources shortages, hunger and poverty and neglected social services.

Are extra efforts needed in marketing strategy to compensate some of its weak points? Or do you think you should be honest about its weak points? As the very success of any product depends upon its marketing strategy so it is required to answer all the above questions before adopting any one.

### Ethics in Pricing -

Price is a critical element of Marketing mix which produces revenue. It communicates to the market the company’s intended value positioning of its product or brand. A firm must set a price for the

first time when it develops a new product or when it introduces its regular product into new distribution channel. Companies generally do not go for a single price rather a price structure that has some variations according to purchase timing, order levels, geographical demands, market segment requirement like Price discounts ' Discriminatory pricing ' Geographical pricing . At this stage ethics comes into the picture. Here four major areas are most common in which unethical practices in pricing may occur

- (a) Price discrimination It occurs when a company sells a product/ service at two or more prices that do not reflect a proportional differences in costs but it becomes illegal when seller offers different price terms to different people within the same group.
- (b) Predatory pricing Selling below the cost when just having the intention to destroy competition.
- (c) Deceptive pricing Deceive the customers to show them the wrong picture about the prices either.
- (d) People used to consider ethics & profits to be inconsistent & to some extent contradictory to each other. Though this concept is losing its effectiveness in 21st century scenario but still there is quite often little likelihood of immediate economic return to be more ethical than your competitor. All business men are bound to follow certain laws which we say the smallest part of ethics, now if you decide to be more ethical in the market than others whether we are going to get profit or loss?
- (e) The existing environment in particular industry firms may sometimes be dominant & influence the executives to behave in that particular prevailing practice.
- (f) Acute competition To cope with acute competition in the market and survive, marketers may practice unethical marketing.

### **Marketing ethics Imp. Issues**

Marketing ethics can be best understood in the light of its all marketing mix ~ product, price, place, promotion & people.

#### **(1) Ethical product**

Product is the first & foremost important element of marketing mix. A product is any thing that can be offered to a market to satisfy need or want. The producers know more about the product than the buyer, so he should be extra careful as not to break the trust of the buyer. Chonko (1995) has given some conditions which should be considered while product development

- (a) Initiation of the idea Who's creativity, is involved behind the idea to develop the product?
- (b) Planning & screening" of product design which criteria the firm follows only profitability & not safety utility or keeping a balance between profitability & safety-welfare? This stage depends upon the status of the in-company investments. The moment when the economics of scale are achieved, the company shows more concern for utility & safety of the product.
- (c) Development of the Product If little attention is paid to the way consumers would actually use the products, the marketers must be ready to bear the consequences of failure of the product so the crux of marketing ethics says that extra precautions are required in product development & evaluation.
- (d) Marketing Strategy Which kind of marketing strategy should be adopted? How much strong is the product to face the competition?
- (e) Introducing the product in the Market Should the company go for test marketing? What should be the sample size then? Should the company be transparent about its policies & strategies? Are they aware of the risks?
- (f) Decline Stage how the company should react in product decline stage? Should they go for some fair treatment try to overcome with decline stage? Do the companies follow pushing strategy to push the product by devious means, once a better product is available in the market?

### **Factors behind ethical Practices**

If the marketers want to run their business successfully in the long term. They must behave ethically; there are some crucial & pragmatic reasons which give backing to the application of ethical standards in marketing area like.

(1) To collect the power by society Society gives the power to marketers. Which they earn by their own efforts & influence so they should utilize their power in socially responsible & acceptable manner, other wise they might lose it

{2} Good will of the organization Nowa-day image, goodwill, reputations is big asset for any organization. As marketing executives represent whole organization & on the basis of contacts with them, society builds up the image of such company so they should be highly ethical & can'y out the business in a dignified manner.

Therefore the common unethical practices are -Duplication of original brands inadequacy & insufficiency in warranty offering time & service not producing quality product. Question mark on products safety.

### **Ethical Promotion**

Promotion plays an important role in marketing of any product/Service. It would come up with perfect outcomes only if the perfect means would have been adopted. Promotional mix consist of sales promotion, advertising, sales force, public relation. direct mail etc. Promotional claims must be of such type that the reality of the company & its standard must match.

Symmetry of information between the buyer & seller is an essential prerequisite for the ethicality of market system. Unethical promotions are those where the company's offer varies significantly from its claims.

(a) Ethical issues in Advertising Advertising is multi dimensional. it is a form of mass communication, a powerful marketing tool, a component of the economic system, a social institution, an art form, an instrument of business management. a field of employment and a profession or Advertising can be defined as any paid form of non personal presentation of ideas. goods & services by an identified sponsor.

As earlier mentioned, Ethics is a choice between right & wrong, good or bad. It is governed by a set of principles of moralities at a given time, at a given place. Ethics is related to group behavior in ultimate analysis. Advertising too has ethical values. Advertising communication is a mixed form of arts & facts. In order to be customer oriented an advertisement will have to be truthful & ethical. it should not

Are extra efforts needed in marketing strategy to compensate some of its weak points? Or do you think you should be honest about its weak points?

As the very success of any product depends upon its marketing strategy so it is required to answer all the above questions before adopting any one.

### **Conclusion:-**

The very basic function of all the advertisements is to promote any product! service by its unique strategies. So the advertisement agencies must accomplish all the ad's with communicating properly & effectively communicating to right people , communicating right message , put across through brilliant & persuasive language . Not only marketing the products but introducing & spreading corporate ethos & corporate philosophy. Advertising must reflect the cultural values of that society as ads has affected not only the core cultural values but successful advertisement is consistent with Society cultural values. It means transfer some cultural values of one society to another at a given point of time. In conclusion we could say that ethical issues are important in the growth and quality of a product and business.

**Reference-**

- 1) George G. Brenkert (2008) , Marketing Ethics, Blackwell Publications.
- 2) Paul Martin (2012), Ethics of Marketing in the New Millennium , Global Vision Publishing House
- 3) K Aswathappa (2017), Human Resource Management , Text and Cases, McGraw Hill Education.

