



MARKETING AND UNETHICAL PRACTICES

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ABSTRACT

Ethics is a code of values and principles that govern our actions regarding what is right and what is wrong. Ethics helps to shape our behavior when we are faced with a moral dilemma. Ethical standards differ around the world. Almost all areas face Ethical problems. Marketing Ethics is an applied ethics wherein marketer deals with moral principles behind the operations and regulation of marketing activities. Marketing activities are surrounded by ethical as well as unethical practices. Marketing approach of every company is different. Marketer might face dilemmatic situation about expectation from business and conduct of various transactions that might create conflict between ethical and unethical practices. Various unethical practices in marketing can be with reference to advertising, promotion, pricing, deceptive marketing, anti-competitive practices etc. Study tries to understand the unethical practices in marketing. Study is based on primary as well as secondary data. Structured questionnaire is used for collecting information. Primary data is collected from undergraduate marketing students in order to understand their thoughts, ideas and perception regarding marketing practices.

Key words: - Ethical dilemma, unethical practices, marketing ethics

INTRODUCTION

Marketing has dynamic environment; companies should be flexible enough to update themselves accordingly. Marketing tactics are not the problem but how they are used that may pose a threat. Marketing has been accused of being used for unethical purposes. Marketing is criticized because: it encourages materialism, hedonism. It creates stress on consumers for the acquisition of goods; pollutes the natural environment; contributes to the exhaustion of natural resources; creates an increase in the product's final price due to the high production cost, which is finally paid by the consumer. It deceives consumers by projecting imaginary or no quality differences on the products; induces consumers into buying products that they might not really need. Advertising is many times of

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bad taste and offends the masses. Personal sales sometimes become too pushy and oppressive, thereby compelling the consumer to make buying decisions under pressure.

When one starts a company, either online or in real life, many have hopes of striking it rich. However, not everyone wants to make money honestly using hard work. This is exactly why many people start engaging in unethical marketing practices. They may get involved into activities like to trick customers into buying more, shutting out their competition, or simply enhancing their own name in some way. If the process is not strictly honest, the company may be putting its reputation at stake.

Ethics are embodied in marketing practices in terms of ignoring profit as a business's main goal. Ethical practices should encourage marketer to follow correct practices in terms of the consequence for society. Ethics should also emphasize on achieving balance among business profit, consumer needs and desires as well as society's long-term concerns. 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 and will also improve the society's welfare.

Literature Review:

Dr. Asiya Chaudhary, Nahed Habis Alrawashdeh (2014) in their research paper have concluded that, to avoid any unethical marketing, marketers should try their best to practice the ethical practices to meet the need of customers, supplier and companies. It should be win - win situation for consumers as well as companies. Marketers should practice for the advancement so that they can lead the market much better than other marketers, which bring competitive advantages for companies.

Dr. Bouguila Siham (2013) it is seen that advertising and price politics are the areas in which an unethical practice may often occur. Most companies are engaged in some form of misconduct. Marketers engage in behaviors impacting many stakeholders, their potential to do harm is great. Paper has pointed out some of the areas marketers may have had some difficulties managing: deceptive pricing, advertisement, product claims etc. However many marketers recognize that and manage the ethical risks associated with marketing and all other business activities

Nimrah Azhar, Faiza Maqbool Shah (2015) this research focuses on unethical practices in market made by advertisers through unethical advertising which affects women purchasing behavior. These practices has to be reduced by ethical behavior of advertisers that they make ethical and truthful ads which are not telling imaginary or fantasy stories. The government should implement strict laws and regulations to unethical practices done by the companies and advertisers.

Kangan Galhotra, Dr.Sandeep Kaur (2019) the world of advertising has been introduced in market since a long period of time. Today advertising is passing through lots of criticism. Among of them is relating to unethical issues. Ethics is a great tool that carries honesty and understanding for what is wrong or right. To survive in competition, companies are adopting some unethical, practices. Today numbers of unethical advertisements are increasing; this clearly shows the lack of implementations of rules and regulations.



Ravindra Bhardwaj (2017) Ethical marketing is about making marketing decisions that are morally right. The morality of the marketing decision can encompass any part of marketing including sourcing of raw materials, staff employment, product advertising and pricing. Ethical marketing requires marketing strategies that are ethical and reflect consumer expectations. Balancing ethics and remaining competitive can be difficult. Ethical marketing involves considering the needs and welfare of suppliers, employees customers etc. If firms can adopt ethical marketing which reflect market expectations, it may make them more appealing to customers and therefore create a competitive edge.

Objectives of the study:

1. To understand different areas of unethical practices in marketing.
2. To study the various unethical practices followed by marketer.

Research Methodology:

- Research is based on primary and secondary data.
- Secondary data is obtained from internet, various published records, magazines, books and journals etc.
- Questionnaire is used for collecting data.
- For analysis and interpretation suitable statistical techniques like graphs tables etc. is used.

Limitations of Study

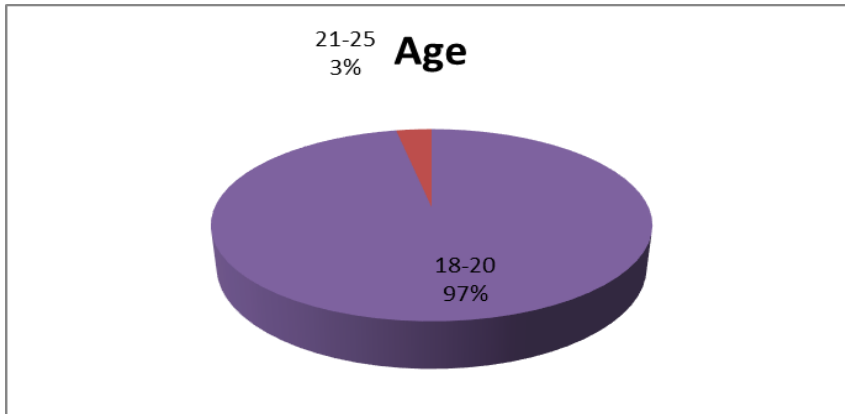
The study suffers from certain limitations and some of these are mentioned below so that finding of the study can be understood in a proper perspective.

- 1) Data is collected from undergraduate marketing students.
- 2) Due to constraint of time and other resources data was collected from 70 respondents out of which only 55 questionnaire were complete and valid.

Analysis and Interpretation:

1) Personal information:

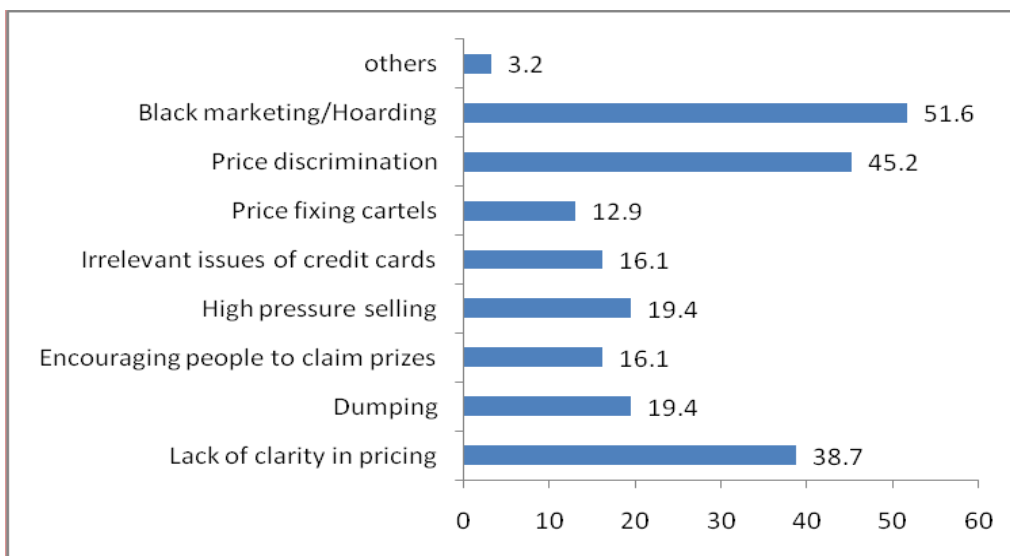
Age		
18-20	53	96.9
21-25	2	3.1



From the above table and graph we can point out that, majority of the respondents were between the age group of 18-20 years of age.

2) Pricing:

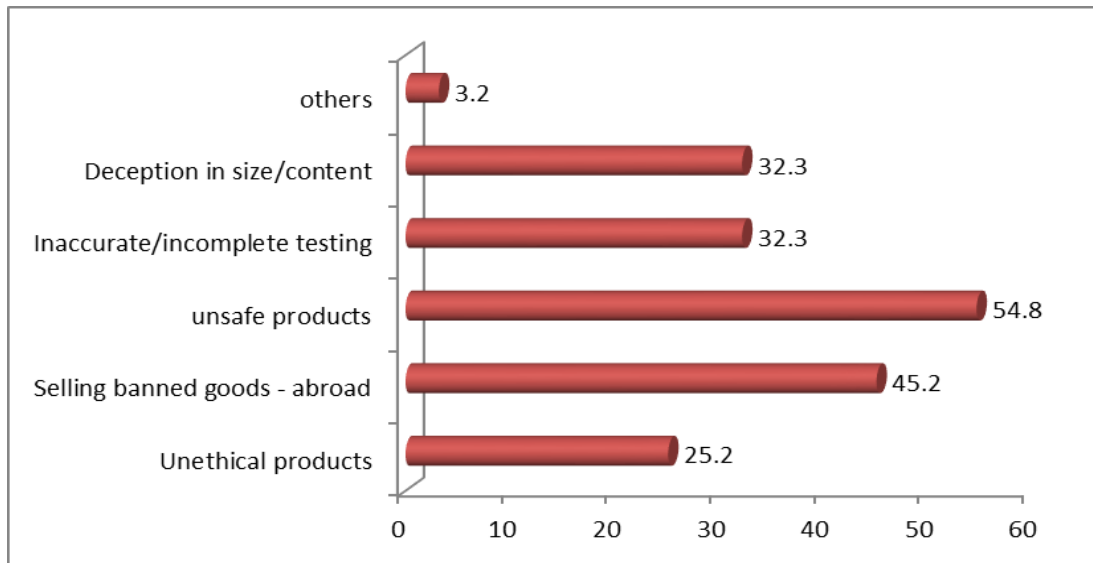
Unethical practices - Pricing	
Lack of clarity in pricing	38.7
Dumping	19.4
Encouraging people to claim prizes	16.1
High pressure selling	19.4
Irrelevant issues of credit cards	16.1
Price fixing cartels	12.9
Price discrimination	45.2
Black marketing/Hoarding	51.6
others	3.2



From the above table and chart we can understand that, as far as pricing is considered there are various unethical practices but majorly respondent pointed out that black marketing(51.6%), charging different prices for different market/customer (45.2%) and lack of clarity in pricing regarding hidden charges (38.7%) etc.

3) Product:

Unethical practices - Product	
Unethical products	25.2
Selling banned goods - abroad	45.2
unsafe products	54.8
Inaccurate/incomplete testing	32.3
Deception in size/content	32.3
others	3.2

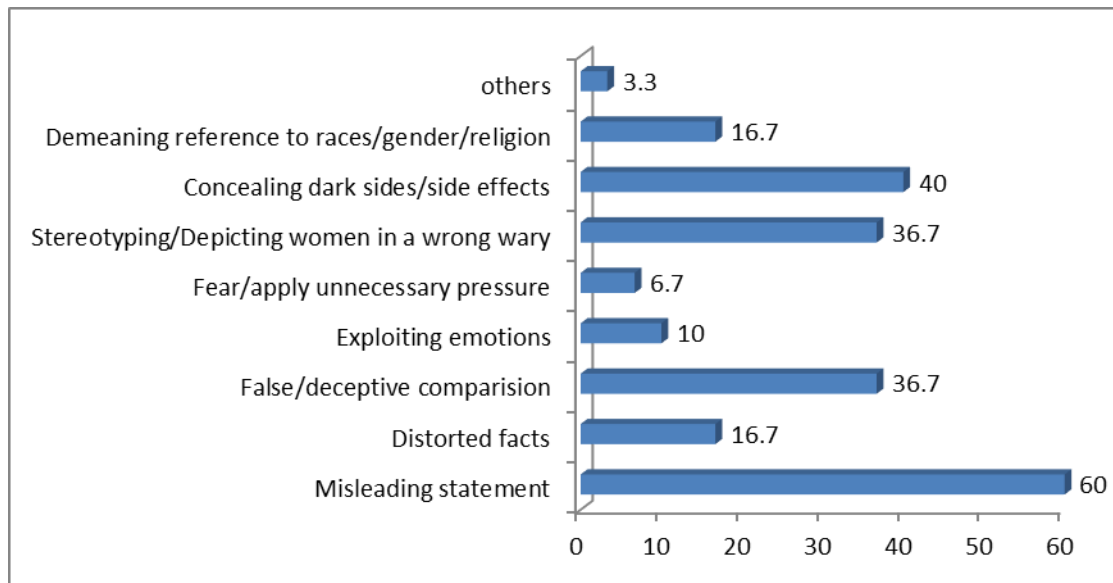


With reference to unethical practices in product area respondents made it clear that, unsafe products (54.8%), selling banned goods in abroad (45.2%), deception in size and content (32.3%), inaccurate and incomplete testing (32.3%) were some of the wrong marketing practices adopted by the marketer.

4) Promotion:

Unethical practices - Promotion	
Misleading statement	60
Distorted facts	16.7
False/deceptive comparison	36.7

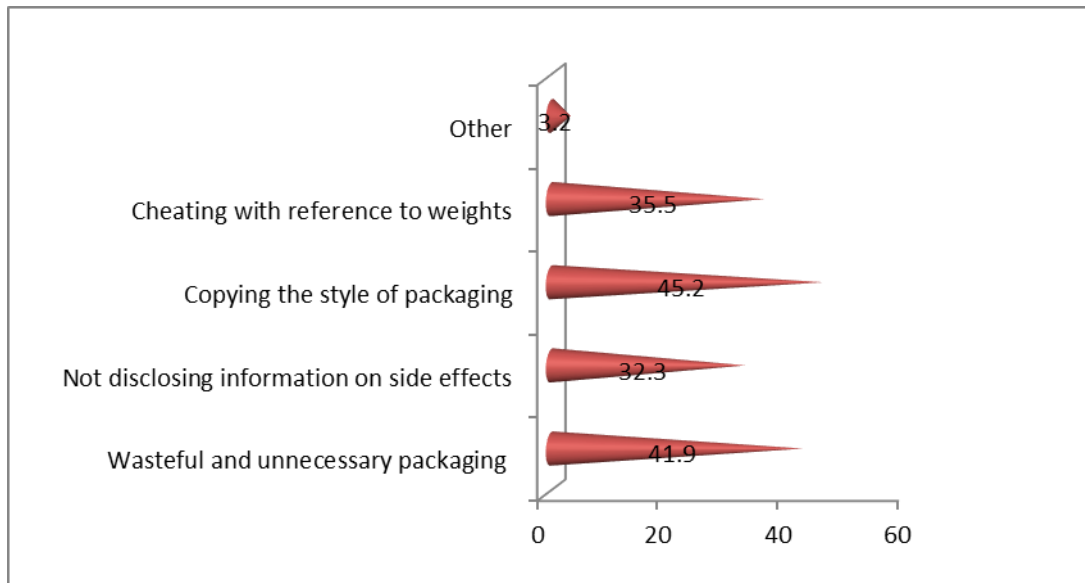
Exploiting emotions	10
Fear/apply unnecessary pressure	6.7
Stereotyping/Depicting women in a wrong way	36.7
Concealing dark sides/side effects	40
Demeaning reference to races/gender/religion	16.7
others	3.3



As far as advertising and promotion is considered there are many unethical practices that are practiced by the marketer. Respondents expressed that, misleading statement (60%) is the major problem, concealing dark sides as well as side effects (40%), depicting women in a wrong frame (36.7%) and false and deceptive comparison ((36.7%) are some of the unethical practices.

5) Packaging:

Unethical practices - Packaging	
Wasteful and unnecessary packaging	41.9
Not disclosing information on side effects	32.3
Copying the style of packaging	45.2
Cheating with reference to weights	35.5
Other	3.2



When it comes to packaging unethical practices like wasteful and unnecessary packaging (41.9%), copying the style of packaging (45.2%), cheating with reference to weights (35.5%) and not disclosing information on side effects (32.3%) etc. are some of the practices followed by marketer.

Findings:

- 1) Majority of the respondents are from the age group 18-20.
- 2) Majority of the respondents are undergraduate marketing students.
- 3) Majority of the respondents also agreed upon that, various unethical practices takes place in marketing.
- 4) Major unethical practices with reference to pricing are black marketing, hoarding, price discrimination, lack of clarity in pricing etc.
- 5) In case of product unsafe products, deception in size and content, inaccurate and incomplete testing are some unethical practices.
- 6) Advertising and promotion is the area wherein maximum unethical practices takes place like misleading statement, concealing dark sides of the product, false and deceptive comparison, demeaning references to caste, religion, gender etc.
- 7) When it comes to packaging some of the unethical practices are wasteful and unnecessary packing, copying the style of packaging, cheating with reference to weights etc.

Finally it was pointed out by the respondents, various unethical practices takes place and marketer resort to unethical practices in different spheres of marketing mix.

CONCLUSION AND SUGGESTIONS:

Marketing is a balanced serving of the combined interests of sellers, buyers and citizens. Marketer needs to educate themselves about the unethical practices of marketing. It is always better to follow



ethics in business; marketer will earn goodwill, reputation, customer's trust and loyalty in the long run.

Marketer should follow the policy of fair pricing and no price discrimination. Research and development should be undertaken to reduce cost of production, packaging and to improve quality of the product. Transparency should be encouraged, relevant and important information should be passed on to the customers by marketer. Marketer should try to raise the standard of products by improving methods of production as well as content. Heavy fine should be imposed on the people found indulging into unethical marketing activities. Marketer should try to collect proper feedback from the customer so that they can have improvement in various areas and will be able to understand needs and requirements of customer in a better way.

Finally it was concluded that, customer satisfaction should be the primary rule. If a particular firm or enterprise really wants of succeed and thrive, then being ethical is not sufficient, be unique, do something that's completely different but ethical.

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