

ETHICS IN ADVERTISING AND PROMOTION

Prof. Sarika . R . Lohana

Assistant Director (T, P & IR)

MATOSHRI PRATISHTHAN GROUP OF INSTITUTIONS

Prof. M.S. Musale

Assistant Professor,

Late Dr. S.S. College, Kalamnuri. Dst. Hingoli

Abstract:

This paper talks about how advertising promotes the cultures Market scenario. Advertising is a dynamic public forum in which business interests, creativity, consumer needs, and government regulation meet. Advertising's high visibility makes it particularly vulnerable to criticism. An annoyance with advertising is general is also expressed by the population at large. In one survey, cosponsored by Advertising age and the Roper Organization, both consumers and marketing executives were queried about their attitudes with the bad ads produced by their trade, importantly, that they're becoming more and more concerned about advertising clutter. Many research experts believe such ambivalence could be an indication of doom for the advertising industry. It is worthwhile to be aware of the social issues facing advertisers, because negative attitudes toward advertising will ever disappear. Although advertisers face extensive regulation, every issue is not covered by a clear, written rule. Many advertising-related issues are left to the discretion of the advertiser so, Ethical principles of the advertisement are to be overviewed. The piece also talks about how all of these ads affect people and to what extent they effect people. Limitations of this piece include only having one side and not pertaining specifically to ethics in advertising. We will be able to utilize this piece mostly because it contains a lot of ethical aspects of advertisement and promotion activities and good information to help us and the angle.

Key words: ambivalence, vulnerable, Roper.

"Liberation marketing takes the old mass culture critique — consumerism as conformity — fully into account, acknowledges it, addresses it, and solves it. Liberation marketing imagines consumers breaking free from the old enforcers of order, tearing loose from the shackles with which capitalism has bound us, escaping the routine of bureaucracy and hierarchy, getting in touch with our true selves, and finally, finding authenticity, that holiest of consumer grails." (Thomas Frank)

INTRODUCTION:

Marketing ethics is the 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

Ethical danger points include: Targeting the vulnerable (e.g. children, the elderly) and excluding potential customers from the market: selective marketing is used to discourage demand from undesirable market sectors or disenfranchise them altogether.

Examples of unethical market exclusion or selective marketing are past industry attitudes to the gay, ethnic minority and obese ("plus-size") markets. Contrary to the popular myth that ethics and profits do not mix, the tapping of these markets has proved highly profitable. For example, 20% of US clothing sales are now plus-size. Another example is the selective marketing of health care, so that unprofitable sectors (i.e. the elderly) will not attempt to take benefits to which they are entitled. A further example of market exclusion is the pharmaceutical industry's exclusion of developing countries from AIDS drugs.

Ethics have always been an important aspect of every business activity, although the term has meant different things at different times in different lands to different people. Nonetheless, as ethical concerns are an inseparable element of business, advertising can not ignore them. Sadly, the advertising industry has rarely cared to look beyond immediate marketing objectives. The argument in the industry is that it is the government's job to judge what is right and what is wrong. Shirking its own responsibility for regulation, the industry has belittled business values and agencies have harmed their balance sheets.

For any business, customer is very important, and businessman attempt to communicate to all their target customers using means of communication like advertising and sales promotion. Advertising is a very powerful and most commonly used tool.

Ethical Nature of Advertising

- ❖ a public notice meant (a) to convey information and (b) invite patronage or some other response. Inform and persuade (“stimulate demand”). From a marketing context, advertising could be defined as “a paid form of non personal communication about an organization and/or its products that is transmitted to a target audience through a mass medium.” Therefore one kind of promotional activity, separate from publicity (free), sales promotion (not forms of communication), and personal selling (not impersonal nor through a mass medium).
- ❖ Morally neutral i.e. neither in itself good nor bad.

Reason: Advertising is a tool.

Main Objections to Advertising

- ❖ Advertising is deceptive—in whole or in part.
- ❖ Advertising weakens or undermines personal autonomy; that some kinds of advertising are immoral. Advertising plays on human desires for security, acceptance and self-esteem to influence consumer choices. John Kenneth Galbraith’s: the Dependence Effect— industrial production turns out goods to satisfy wants, and at the same time creates the wants. Ex: mouthwash, anti-perspiring, so production is no long justifiable, the market is no longer self-correcting, and human autonomy is undermined.
- ❖ Almost all wants beyond primitive needs for food, shelter, and sex are the result of cultural influences. Desires for art, music, and literature are created by painters, musicians and novelists. Non sequitur to hold that wants created by the forces that also satisfy them are less urgent or less important. Worth of a want cannot depend on its source, but on some other criterion.
- ❖ Advertising should not cynically exploit deep-seated emotions or short-circuit logical thought processes. Good advertising appeals on many grounds, aesthetic, intellectual, humorous, heart-warming. But it shouldn’t deprive of freedom of choice.
- ❖ Advertising promotes consumption as way of life (Christopher Lasch); it empties communication of its content, destroys credence in the written or spoken word (Robert Heilbroner); it is (often) tasteless and irritating, and lowers culture in general

Advertising is a waste of resources (adds nothing to the value of consumer products and diverts resources from the production of more valuable goods) and inefficient (enables large firms with well-established brand-name products to create and maintain monopoly conditions), largely a nonproductive activity that stifles competition this reflects actually harms the system in general.

- ❖ Advertising increases value of a product by creating buyers of the product, creates an expanding market, and actually has been shown to lower prices. And there is no guarantee that dollars saved on advertising could be utilized more efficiently, especially in a surplus economy

Ethical Principles especially relevant to Advertising General

- ❖ Principles of the moral order must be applied to the domain of media
- ❖ Human freedom has a purpose: making an authentic moral response. All attempts to inform and persuade must respect the purposes of human freedom if they are to be moral.
- ❖ Morally good advertising therefore is that advertising that seeks to move people to choose and act rationally in morally good ways; morally evil advertising seeks to move people to do evil deeds that are self-destructive and destructive of authentic community
- ❖ Means and techniques of advertising must also be considered: manipulative, exploitative, corrupt and corrupting methods of persuasion and motivation

Three Specific Moral Principles

- ❖ RESPECT TRUTHFULNESS (deception objection)
- ❖ Never directly intend to deceive
- ❖ Never use simply untrue advertising
- ❖ Do not distort the truth by implying things that are not so or withholding relevant facts
- ❖ “Puffery” is acceptable where it is consonant with recognized and accepted rhetorical and symbolic practice

RESPECT THE DIGNITY OF EACH HUMAN PERSON (attacks autonomy objection)

- ❖ Do not exploit our “lower inclinations” to compromise our capacity to reflect or decide either through its content or through its impact: using appeals to lust, vanity, envy and greed, and other human weakness.

- ❖ Give special care to the weak and vulnerable: children, young people, the elderly, the poor, and the culturally disadvantaged

RESPECT SOCIAL RESPONSIBILITIES (promotes consumption, empties communication, objections)

- ❖ **Example:** Concern for the ecology— advertising should not favor a lavish lifestyle which wastes resources and despoils the environment
- ❖ **Example:** Advertising should not reduce human progress to acquiring material goods and cultivating a lavish lifestyle

Benefits of advertising

- ❖ Communication The organization has to attract the customer and create a market for its products. For this purpose, advertising is the most powerful and widely used tool for communicating message regarding products/ services to a large target audience.
- ❖ To raise the standard of living In our developing economy, advertng with its micro and macro level influences, exerts vast and varied influences that have played key role in raising the standards of physical and material well being of the Indian society.
- ❖ To make market competitive In India, one finds many innovations being introduced which has changed the market structure from seller’s market, and thus the result is more competitive market conditions.
- ❖ Product differentiation it is a fact that advertising brings about products variety through real and psychological product differentiation.

Ethical pitfalls in advertising and promotional content include:

- ❖ Issues over truth and honesty. In the 1940s and 1950’s, tobacco used to be advertised as promoting health.^[15] Today an advertiser who fails to tell the truth not only offends against morality but also against the law. However the law permits “puffery” (a legal term). The difference between mere puffery and fraud is a slippery slope: “The problem... is the slippery slope by which variations on puffery can descend fairly quickly to lies.” See main article: false advertising.
- ❖ Issues with violence, sex and profanity. Sexual innuendo is a mainstay of advertising content (see sex in advertising), and yet is also regarded as a form of sexual harassment. Violence is

an issue especially for children’s advertising and advertising likely to be seen by children.

- ❖ **Taste and controversy.** The advertising of certain products may strongly offend some people while being in the interests of others. Examples include: feminine hygiene products, 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. Some companies have actually marketed themselves on the basis of controversial advertising - see Benetton. Sony has also frequently attracted criticism for unethical content (portrayals of Jesus which infuriated religious groups; racial innuendo in marketing black and white versions of its PSP product; graffiti adverts in major US cities).
- ❖ Negative advertising techniques, such as attack ads. In negative advertising, the advertiser highlights the disadvantages of competitor products rather than the advantages of their own. The methods are most familiar from the political sphere: see negative campaigning.

Delivery channels

- ❖ Direct marketing is the most controversial of advertising channels, particularly when approaches are unsolicited. TV commercials and direct mail are common examples. Electronic spam and telemarketing push the borders of ethics and legality more strongly.
- ❖ Shills and astroturfers are examples of ways for delivering a marketing message under the guise of independent product reviews and endorsements, or creating supposedly independent watchdog or review organizations. For example, fake reviews can be published on Amazon. Shills are primarily for message-delivery, but they can also be used to drive up prices in auctions, such as Ebay auctions.

The use of ethics as a marketing tactic

Business ethics has been an increasing concern among larger companies, at least since the 1990s. Major corporations increasingly fear the damage to their image associated with press revelations of unethical practices. Marketers have been among the fastest to perceive the market’s preference for ethical companies, often moving faster to take advantage of this shift in consumer taste. This results in the expropriation of ethics itself as a selling point or a component of a corporate image.

- ❖ The Body Shop is an example of a company which marketed itself and its entire product range solely on an ethical message, although its products were deceptively characterized and its history was marked by misrepresentations. “The Body Shop’s only real product is honesty...” (Jon Entine in an ethics audit of the company). However the story of the Body Shop ended with increasing criticism of a gap between its morals and its practices.
- ❖ Greenwash is an example of a strategy used to make a company appear ethical when its unethical practices continue.
- ❖ Liberation marketing is another strategy whereby a product can masquerade behind an image that appeals to a range of values, including ethical values related to lifestyle and anti-consumerism.

Critical evaluation of advertising

Though many benefits are achieved through advertisements, the ad message is becoming more and more exaggerated. To achieve competitive advantage, advertising magnifies unimportant differences, resorts to clever, tricky product promises, and claims more and more unbelievable benefits. The customer finds many advertisements as false, deceptive, or misleading. Consumers are uncertain regarding whether or not the performance of a product purchased will in fact meet their needs. If they find that the product lacks in quality, advantage, durability etc., as advertised they might not buy it again, and develop an aversion to every other product of that company.

Unethical advertising

Advertisement is considered unethical in the following situations;

- ❖ When it has degraded or underestimated the substitute or rival’s product.
- ❖ When it gives false or misleading information on the value of the product.
- ❖ When it fails to give useful information on the possible reaction or side effects of the product.
- ❖ When it is immoral i.e Ways of misleading the consumers
- ❖ Many a time, traders entice the customers into their stores by advertising goods at a very low price, but they stock only a handful of such sale items in the store. When the advertised goods are sold out, consumers are steered towards the higher-priced stock or lower quality goods.

Retailers must ensure that reasonable supply of products is available during the sales, and retailers should not purposely avoid it. Retailers should make it clear in the advertisement that how many items on sale are available or when the sale ends.

- ❖ Sale offer should be for a limited period. Advertisement should declare that sale offer is for a limited time period. The period of the offer should be made clear in the advertisement only when the advertised goods are available for a limited period or stocks are limited.
- ❖ Traders often offer insignificant price reduction. To illustrate, a trader may advertise that the price of product is reduced to Rs.99.95, when the normal selling price is Rs.100.. The trader must include the normal selling price and discounted price in his offer .The trader sale offer is misleading if the trader claims the product is below cost , when the price is not below cost after discounts, rebates and other allowances it is misleading if the trader simply shows a fictitious higher price as normal selling price in the advertisement.
- ❖ Advertisement must clearly indicate the total price of goods or services. All price comparison must be truthful and must not intentionally or unintentionally mislead the consumers. Under the Fair Trade Practices Act, retailers have an obligation to ensure that they do not mislead or make false representations to customers with respect to price of the goods. The consumers who shop around and compare the prices of various products are less likely to be deceived by misleading claims consumers should also be aware of what is a reasonable price of goods and not take any advertised discounts at face value.
- ❖ While many sales are legitimate or genuine, the consumers should not get attracted to such sales offers i.e., “Hurry...very few days remain for sale”. The consumers should be aware of what to expect when retailers place items on sale and how to avoid being misled by discount advertisements. A marketer should take care to ensure that when goods or services are advertised to be available at a discount or as being on sale, it is a genuine discount or sale.

Remedies to overcome deceptive advertisements

- ❖ Cease-and- Desist Orders The cease-and-

desist orders, which prohibit the respondent from engaging any more in deceptive practice, are actually the only formal procedure established by the Federal Trade Commission Act for enforcing the prohibition of ‘deceptive acts and practices.’”

- ❖ **Restitution** Restitution means the consumer is compensated for any damage caused to him by the product that had advertised claims not adequately substantiated. Restitution is rarely considered because of its severity.
 - ❖ **Affirmative Disclosures** If an advertisement has provided insufficient information to the consumers, an affirmative disclosure might be issued. Affirmative disclosure requires ‘clear and conspicuous disclosure’ of omitted information. Often the involved information relates to the deficiency or limitations of the product or service possibly relating to matters of health or safety.
 - ❖ **Corrective Advertising** Corrective Advertising requires the advertisers to verify past deception by making suitable amendment in any of its future commercial.
 - ❖ **Self Regulation in Advertising** It is our responsibility to regulate our operations. And we must do it ourselves. Self regulation is not a quick-fix solution; it will be completely ineffective without commitment from and the integrity of one and all. Self Regulation may require the following;
 - ❖ The development of a self-regulatory code of conduct covering all forms of media that is sensitive to ethics, legalities, decency and truthfulness in advertising.
 - ❖ Provision for monitoring and accountability, including a policy allowing for the removal of ads that violate the code.
 - ❖ Greater participation of advertising professionals in the regulatory process.
 - ❖ The inclusion of non-industry players in the process
 - ❖ Consumer awareness of the self regulation system.
 - ❖ Simplification of the complaint process against ads.
 - ❖ Transparency throughout the entire system.
- These reforms will achieve three goals. They will make the industry accountable for its actions. They will make regulators and critics think twice before attacking the industry and finally they will lead the public to trust ads,

advertisers and agencies.

Conclusion

Reputable companies and advertising agencies avoid telling lies. They realize the cost of being caught. A dent in trust can prove to be much costlier than the failure of an ad campaign or for that matter, even a brand. The challenge before advertisers and agencies is to ensure that ads reflect our values. We must endeavor to see that “advertising” does not remain a dirty word.

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