

Emerging Trends of Ethical Marketing in India: An Overview

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Abstract

As a part of society, business is responsible to act credibly and behave ethically. Social values must become the guiding principles for business. Ethics are standards or norms of moral conduct laid down by the society. They are concerned with what is right and what is wrong in human behavior. The marketers should not maximize their self interest at the cost of the interest of the consumers and society. They must be able to distinguish between what is ethical from what is unethical. 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. Marketing Ethics provide marketing code of conduct for marketers. They laid down norms of behavior to be observed by the business. Consumers avoid marketers who are perceived to be unethical. Marketing ethics requires that marketers practice the virtues of honesty, fairness and transparency.

Key words: Social values, Ethical Marketing, Principles, Human Behavior, Honesty, Fairness, Transparency.

Introduction

Ethics are standards or norms of moral conduct laid down by the society. They are concerned with what is right and what is wrong in human behavior. They refer to moral principles which should govern human conduct. The application of moral principles in the area of marketing is called marketing ethics.

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.

Marketing Ethics provide marketing code of conduct for marketers. They laid down norms of behavior to be observed by the business. Salient practices of marketing ethics are as follows:

- To charge fair prices from the customers.
- To use fair weight for measurement of commodities.
- To pay taxes to the government honestly.
- To earn reasonable profits.

The purpose of marketing ethics is to regulate both, objectives (ends) of business and the means adopted to achieve the objectives of business. Ethics cover all possible areas of business-ends and

means must be justifiable as per all norms of society. A business practice which is against the moral principle laid down by the society is termed as unethical. A few examples of unethical behavior on the part of business are as mentioned below:

- i. Hoarding and black marketing of goods.
- ii. False claim in an advertisement.
- iii. Exploitation of consumers.
- iv. Offering pay-off (bribes) to government officials and politicians to get undue favours.
- v. Avoidance of taxes.

Marketing ethics requires that marketers practice the virtues of honesty, fairness and transparency. A business is an integral part of the society. It is, in fact, marketing trustee of the resources of the society. So, the business must observe the ethical standards of the society while using the resources. If a business fails to observe the social norms, it will lose its public image.

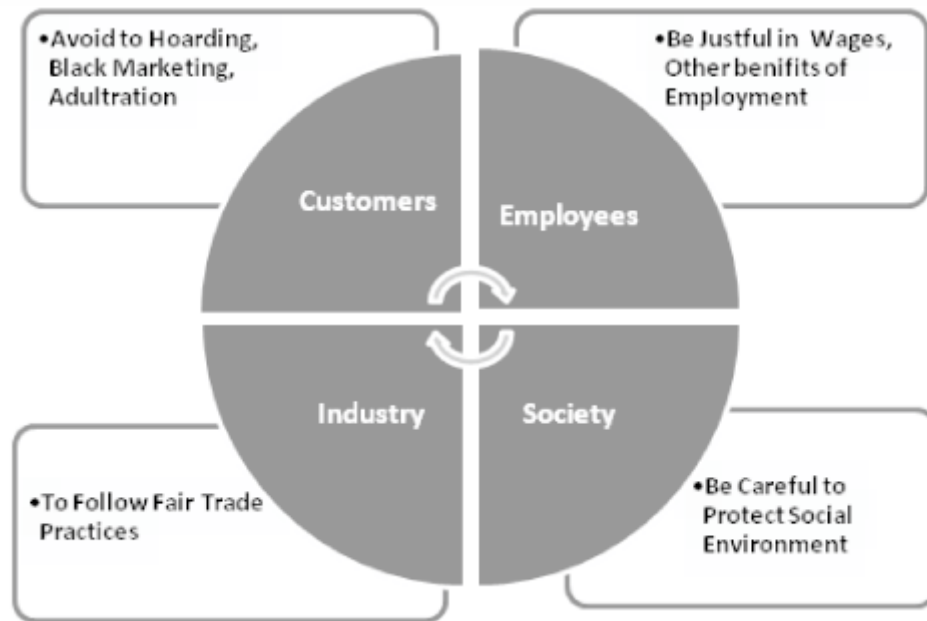
It should be remembered that if the marketers do not act in public interest, the public and customer will strike back in one way or the other. When marketing practices deviate from accepted standards, the exchange process will break down, resulting in customer dissatisfaction, and lack of trust. Consumers avoid marketers who are perceived to be unethical.

Marketing ethics required that marketers practice the virtues of honesty, fairness and transparency. High level of personal morality alone may not be sufficient. It is necessary to codify ethical standards into meaningful policies so as to spell out what is and what is not acceptable behavior.

Implementations and Beneficiaries of Ethical Marketing

"Ethics is good business" is the main motto of PHD Chamber of Commerce and Industry. A large number of business houses such as Ranbaxy, DCM Shriram, Apeejay Satya Group, Ballarpur Industries, Hero Cycles, Dalmia Brothers, Hindustan Sanitaryware, etc. have endorsed the code of ethics adopted by PHD Chamber of Commerce and Industry. **In order to ensure ethical conduct and behavior in marketing some salient steps need to be taken:**

- v Ensuring top management commitment to ethical marketing.
- v Formulation of code of conduct consisting of formalized rules and regulations/ standards in the field of marketing. The code would guide the marketers in dealing with ethical dilemmas.
- v Appointment of ethics officers to disseminate code of ethics, to answer questions about ethical issues, to take actions on possible code violations, to review and modify the code of conduct.
- v Open communication on ethical issues to nurture ethical behavior. This means providing employees with ethics training, clear channels of communication, and follow up support



throughout the organization. Some firms have set up ethics hotlines to handle employees' concern on ethical issues.

- v Imposing penalties or punishment on those who violate the code of conduct.
- v Publishing company's commitment to ethical practices in dealing with customers, suppliers, Shareholders employees and general public.

PHD Chamber of Commerce and Industry

It is believed that the best way of promoting high standards of business practices is through self regulation. Business should be conducted in marketing manner that it earns the goodwill of all concerned through quality, efficiency, transparency and good values. This code has been designed as a voluntary guideline achieved these objectives:

- Be truthful and realistic in static claims.
- Be responsive to customer need and concerns.
- Treat all stockholders fairly and with respect.
- Protect and promote the environment and community interests.

Common unethical practices in Advertising

Promotion of Sub standard Products

Sometimes, Consumers are trapped because of the power of advertising as the main objective of advertising is to influence, convince and create customers, irrespective of utility of any product. Therefore, cheap, spurious and substandard product often gain from advertising as their cost of

production is low. In short, advertising promotes sub standard products.

Wrong portrayal of Women

Some advertisements portray women as mere sex objects which suggest women's features are things separate and more important than a women's true self. It is also objectionable that some advertisements portray women as weaker sex, mindless, submissive, confused, childish, generally in need of help and so on. This encourages women to believe that they are or they desire to be or ought to be weak, mindless and needy. This kinds of advertisements affect the society at large and influence the attitude of men towards women. All these erode the self-esteem of women which is totally unjustifiable.

Conclusion

As a part of society, business is responsible to act credibly and behave ethically. Social values must become the guiding principles for business. When an organization fails to behave in accordance with the society expectations, it may loss its image, market share, and it's very right to exist. A manager is expected to serve as a trustee of various groups such as customers, workers, shareholders, and suppliers. As such, he must respect the social norms and expectations. Various laws reflect the ethics of society. If the business is not ethical, it will attract the intervention of Government and courts of law. Consumers are no longer at the mercy of the business firms. They have organized powerful associations to discipline the business firms. To avoid any confrontation with the consumers association it is advisable for the business to follow ethical practices.

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