

## **ETHICS IN MARKETING**

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### **Abstract**

The popular opinion about Marketing is that it is related to business and firms try to cheat customers through false advertisements. However, “Marketing” like “Charity” begins at home. The paper is conceptual in nature and has attempted to project the concept that ethics in marketing can be achieved only if ethics are imparted at home followed by educational institutions.

The effect of the present day environment and technology in further distancing the people from adopting ethical practices has been brought out. The four stages of life, practiced in ancient India have been correlated with the Maslow’s Theory of Hierarchical needs for explaining the transactions between individuals and the society. Open-source material has been used to bring out how watch-dog agencies such as Ethisphere Institute monitor ethics of firms in the western countries. A similar approach is recommended for implementation by the Confederation of Indian Industries.

Towards the end, few suggestions have been recommended for educational institutions, which have the potential both to mould the minds of students towards ethical code of conduct as well as to educate them in the professional aspects of the subject called “marketing”.

The best policy for companies to enhance their ethical standards is to encourage their advertising/ marketing managers to sell the reputation of the firm along with their products, both goods and services.

**Keywords :** Marketing, Ethics, Ethisphere, Professional and Services.

## INTRODUCTION

The popular opinion about Marketing is that it is related to business firms and these firms try to cheat customers through false advertisements and make huge profits. There are numerous web-pages on how the firms should practice ethical code of conduct and aim to remain relevant in the long-term business. While this is true to a large extent, if one were to introspect, one would realize that “Marketing” like “Charity” begins at home. This paper aims to bring out the origins of “marketing” in the human minds at a tender age and how the lack of focus on “Moral Science” creates an unfavorable circumstance for ethics to be found in “marketing”. Towards the end a few suggestions have been recommended for educational institutions, which have the potential both to mould minds of students towards ethical code of conduct as well as to educate them in the professional aspects of the subject called “marketing”.

### Human Mindset

The English Dictionary indicates the meaning of “*market*” as “*an area or arena in which commercial dealings are conducted*”. The word “*marketing*” is explained as “*the action of promoting and selling of products or services*”. This has made all of us to believe that marketing is related to markets which are separate arenas, located elsewhere. When we contemplate further, we realize that the arena includes our homes. Since the term “marketing” quite explicitly brings out the idea of promoting, it need not be limited to products or services. It applies to everything such as humans, household items, knowledge, beauty, skill etc. We tend to hear ourselves and our neighbors say that our children are scoring good grades, they are good dancers/ singers, our siblings are beautiful, tall, good sportspersons, our parents are rich, and that we possess luxury mobile phones, cars, wrist-watches, jewelry etc. In the author’s opinion, it is nothing but marketing ourselves, our relatives, house hold possessions etc. The great “Bard of Avon”, William Shakespeare has written in his famous play “As you Like it”, that “*All the world’s a stage, And all the men and women merely players*”. In the author’s opinion, a similar couplet can be made that “*All the world’s a market, And all the men and women are competitive marketers*”. Besides, just like “Charity begins at home”, it can be said that “Marketing begins at home”. Therefore, it is evident that “marketing” is natural to the human mind set.

## **Today's Environment**

Till about 30 years ago, familial society was encouraged in India. Strangers were introduced as relations such as Brother, Sister, Uncle, Grandmother, etc. Age took priority and was respected. The effect of media was almost nil and the pre-dominant source of entertainment was through movies, where-in the protagonist was a good child, spouse, parent, friend, citizen etc. In most movies, the antagonist reformed by the end of the movie. Justice prevailed and the villains were only arrested. Atonement was usually through self inflicted injury or through seclusion from the society. The movies ended with a Happy Group Photo. A large number of movies were based on the Gods and how people used to be protected by the divinity. This inadvertently conditioned the young minds to feel a sense of belongingness to the society, develop mutual trust and respect and also defined the boundaries of relationships. It also assured them that the "Good" wins over the "Evil" under all conditions.

In the last two decades, the entertainment channels have sprung up like mushrooms. Every TV serial shows that own family and relatives are always conspiring against each other. The protagonist ends the societal evils by hacking the evil-doers (without regard to law). Law enforcement is usually biased to the villains. Calling parents by name and elderly as oldies is portrayed as cool and plain speaking thereby lifting the boundaries on the relationships. Go-getter attitude is glorified even if the desires are unlawful and amoral. Atonement is by lip-service and facial expressions (and we wonder whether the character is repenting at all). The movies end with gore and corpses strewn around. A large number of movies and TV shows are based on Horror involving Ghosts and paranormal. Repeated exposure to such influence would indoctrinate young minds to be selfish, skeptical and hedonistic. Once used to such visuals, the human mind becomes insensitive to the wrong and demands more violence and evil. Further inadvertently, the citizens are condition to lose hope and made to feel that the dark side of human personality is to be glorified and peace and restraint are for the losers in life.

## **Technological Advancements**

The advent of digital technology has brought various services to our palms, which could be utilized by a soft touch of the "App". While it has numerous benefits in terms of day-to-day

working, it is opined that its greatest strength is also its greatest threat to the society. The biggest advantage that the digital technology has brought to the society was that of “shrinking the globe”. People at various parts of the world are connected in their personal relationships. Similarly, people across the globe are networked to promote mutual business interests. This however is also the singular most detrimental effect that the digital technology has brought to the society. It has psychologically isolated people.

Since the mutual dependence has been reducing, the virtues of society are slowly being eroded. For e.g. in earlier times, the neighbors used to visit the elderly if they staying by themselves (which in itself was a rare phenomenon) without the support of their children or other relatives. They would ask them if something is required such as grocery, medicines etc. In the present day, since online shopping has been made possible, the items are being procured through websites and there is hardly any interaction between the lonely elderly people (which is on the rise) and their neighbors. This resulted in preclusion of an important human aspect.

When the neighbors used to enquire for requirements, they also used to look up the health and comforts of the elderly by spending time with them. Thereby the older generation was receiving not just the physical comfort but emotional comfort as well. With the online shopping, the emotional comfort has gone missing thereby making the elderly vulnerable to psychological ailments such as depression etc. Similarly, every age group is affected by this alienation of human interaction. Children are increasingly getting into online games and most of them involve violence. This conditions their minds to consider killing as a normal feature of human existence and makes them comfortable with the idea. The Youth are being lured by online gambling sites, yellow journalism and immoral content thereby making them lose their moral fiber. The Adults are facing the stress at offices owing to exponentially growing requirements to meet online deadlines. Since everything is possible on the human Laps (laptops) the management is constantly nudging their employees to perfect their efforts. The results of these factors are evident and the happiness quotient is steeply spiraling downwards as can be seen statistically where-in our country ranks 6<sup>th</sup> in Global GDP while it ranks 139<sup>th</sup> in the World Happiness Index.

### **Marketing**

Since marketing is a natural trait of humans, one needs to introspect if it is being done ethically. The main difference between ethics and laws is that of legality. Ethics define actions that can be discriminated as morally right and wrong, while Laws define actions that are legally

correct and incorrect. Not following ethical code of conduct does not attract legal action by the judiciary. However, it can disturb the societal eco-system and can cause disharmony among the citizens. While introspecting, one needs to judge the merits of one's actions whether it is absolutely necessary. Towards this, the marketer needs to evaluate three things as mentioned by great saints. Every thought of individuals are to pass through three gates before they are realized into words or deeds. The three gate keepers within human minds should question whether "Is it True?", "Is it Necessary?" and "Is it Kind?".

The same approach needs to be adopted by marketers to question themselves. While promoting their children and siblings, every individual should ponder as to whether what they are saying is true or not. This would dissuade them from vain boasting and false claims. Even if it is true, they should think whether it is necessary. By offering a thought, one realizes that more often than not, it would be unnecessary. In exceptional circumstances, if elders of the house use it in a constructive manner, they can motivate the siblings and cousins by quoting the behavior and moral conduct of good children. The last question that one should impose upon oneself should be whether their marketing methods are kind. It means that while praising the attributes, one should be careful of not demoralizing the others or even worse, inculcating rivalry among contemporaries.

If such an approach is followed, while marketing the familial attributes, it would help in propounding ethics at home. The Children would learn whatever they are exposed to and so they would learn to speak the truth, behave honestly and live in harmony with others around them. These children when they grow up to become good citizens would be taking up employment and follow ethical practices which would enable healthy competition and all round growth of personalities as well the society.

Since "marketing" is innate to the human mind set, this paper presumes that the entire firm or a company is inclined to marketing their products except a few exceptions like those who are in core production job. Therefore statistical data as to how many employees are involved with marketing has not been stated. Besides, the open-source is not clear on the percentage of employees related to marketing department in India. Statistics are available for the USA where-in 40-60% of the employees are related to marketing and advertising. However, it is the author's opinion that the remaining percentage of employees who are associated with HR, IT etc would

also be marketing their company at all available opportunities. So it can be construed that 100% of the employees would be involved with marketing either directly or indirectly.

### **Ethics in Marketing**

In the ancient India, the societal norms divided the human life into four stages that every individual had to comply. When analyzed from the transactional perspective, in the first stage, the individual only takes from the society during the childhood. In the second stage, it involved both taking and giving between the individual and the society which was adhered by the Youth. In the third stage, the individuals were giving without taking anything from the society. This was to be followed by the middle age citizens who still had the physical and psychological strength to contribute willingly but not on demand. This helped them to repay the society. In the fourth stage, the individuals neither gave nor took anything from the society. This was meant for the elderly and it was the time for introspection of the lives that they led, the changes they made or could not make, repent their wrong doings and guide the youth to not to repeat the same mistakes.

Almost a similar model was predicted by Maslow in his theory of hierarchical needs. It begins with Physiological needs and progresses to Safety, Social, Esteem and ends with Self-actualization of humans. However, both the ancient Indian way of life as well as Maslow's Theory of Hierarchical needs have left the application of the theories to the individuals and societies/ organizations. There is no clear demarcation as to when a particular level is deemed to be complete and when the next level is to commence. An attempt has been made in this paper to define bench marks for transiting between the levels of hierarchy, so that the business organizations could utilize them for enhancing their ethical standards.

It is a known fact that every individual works for self-promotion and success. Therefore this aspect does not warrant further debate. However, in doing so, it is the responsibility of every citizen to follow the principle of "live and let live". The father of the nation, Mahatma Gandhi had remarked that there is enough in this world for everyone's need and not for everyone's greed. Although the 'Greed' and 'Need' appear to be relative and subjective, a benchmark needs to be setup. It is opined that this benchmark could be defined as an individual's ability to consume. In most cases, it starts with the consumption of goods and services by the individual and then it extends to that of the near and dear ones, friends, followers and the circle keeps

growing. Thus, the individual's "Greed" is apparently projected as his/ her "Need". Since, societies at large and business firms in particular are made up of individuals it is appreciated that if every individual stops drawing resources after his/ her consumption, the organization would tend to become ethical.

The concept is further elaborated by citing some examples. The present day education is elaborate and therefore the student phase is stretching almost upto 25 years of age, in contrary to ancient times when the education is deemed to have been completed by adolescence. This extension in duration makes the individuals dependent on the society with nothing to offer in return. If the NCC/ NSS/ vocational courses are made compulsory for all those above the age of 18, the society can expect to get dividends from each individual above this age. The above mentioned benchmark for limiting the consumption of resources at individual level (without it being extended to others known to them) would enable to predict that the physiological needs are met with.

During the youth phase, upto the age of 45-50yrs, a maximum wage ceiling as envisioned by Mahatma Gandhi, could be imposed. This would reduce the disparity between the haves and have-nots and would bring in certain equilibrium in the society. It would enable to meet the psychological needs of Safety and Social needs as per Maslow. At the adult phase of life, citizens are to be encouraged to offer free services to the society related to their professions, for may be 2-3 hrs a week. The contributory services could vary between giving free speeches at educational institutions to that of holding free medical camps or preparing free engineering drawings for civil constructions or for participating in cleanliness drive etc. This could be done upto 60-65yrs of age. The free service would earn respect for the individuals in the society and the good-will so developed would naturally enable them to gain Esteem in the society as per the Maslow's needs. From this age onwards, till the final stages of the human life, the utmost priority should be to maintain a good health so that there is no disturbance to others because of them by maintaining a Spartan life-style. This period could be utilized for self-actualization which will accrue huge benefits to the society if every individual adopts this practice.

In the business companies, the top-management needs to play a major role in ensuring ethical practices. If the Chairman sets targets to his employees to maximize profits by whatever means, it would imply that he/ she is willing to look the other way, even if the employees resort to unethical methods. Conversely, if the employees are given a target by their Managing Director

to promote good-will and attract more customers, it would translate into the employees treating the customers with dignity and expanding the customer base. While doing so, the employees should focus on the 'spirit' of dealing with their customers rather than the legality of the 'terms and conditions' and the fear of getting caught by the law-enforcement agencies.

In most cases, the marketers come under scrutiny for not delivering the promises that they make while trying to influence customers. If the marketing agents bring out the various options available with them for meeting the requirements of customers and indicate to them upfront, it would aid in developing a mutual trust. It is opined that this will enable establishment of long term relations between the firm and its customer. This in other words is the assurance that the company will last long and would not wind up within a few years.

To enable that the ethics in marketing is sustained in the society, already companies are being graded for their Ethical Standards by watch-dog agencies such as Green Citizen and Ethisphere Institute. These agencies accord weightage to various aspects of Ethics such as the company's program on ethics, promoting the Ethics Culture amongst its employees, Their Societal Impact and Reputation. In short the company's are evaluated for their policy on ethics and their ability to implement the same. Presently, in India the agency called Futurescape is evaluating the firms only on their Corporate Social Responsibility (CSR). It is suggested that the Confederation of Indian Industries could constitute a watch-dog agency for evaluating the Indian companies on Ethical Practices.

The best policy that the companies can adopt to enhance their ethical standards is to encourage the philosophy that their advertising/ marketing managers and sales persons should sell the reputation of the firm along with the product (either goods or services).

### **Educational Institutions**

The paper has so far brought out the aspects pertaining to the Natural human mind set which craves for marketing every attribute of self, related humans and their possessions and believes in the dictum "If you got it, flaunt it"; Today's media which is inadvertently conditioning the minds to think and act "dark"; Advanced technology which is psychologically alienating core human emotions; The diverse expectations from "marketing" between the firms (which wants to maximize profits) and the customers (who expect ethical behavior). It is said that "Today's children are tomorrow's citizens...".Against the already mentioned backdrop, the



educational institutions have a greater role and responsibility in grooming their students as good citizens of future which should translate into ethics in marketing. Since marketing is the natural trait of every individual, if the institutions can inculcate ethics and values among its students the society could become a better place to live.

The Educational institutions have a target audience ranging between the age group of 3-23, with students studying from Nursery to Master's degree. At every age and stage of education, the teaching methodology should be different. Whether the present syllabus and teaching is translating into the students imbibing ethics and moral values is highly debatable. In this context certain suggestions have been provided for enhancing the ethical standards in marketing.

### **Suggestions**

The first step towards imparting training on abstract yet relevant subjects such as ethics and moral values is to ensure that these subjects are made compulsory by the States. Presently, teaching of moral science in schools and colleges is not mandatory in India and does not have evaluation or certification. The state of Odessa, has recently made ethics as a compulsory subject which needs to be taught in all six terms of Graduation such as BSc, BCom and BA which include examination and certification.

Whenever the States introduce and make such subjects compulsory, the educational institutions may not be able to find professional teachers in these subjects. Initially they need to train their teachers on these subjects, through online education sites such as Udemy, Edx etc which offer capsule courses on Ethics. The program varies anywhere between one hour to 10 weeks. Therefore, it should be mandatory for institutions to train at least 1-2 teachers in such courses.

The Conduct Certificate issued by the Schools and Colleges need to have different grades instead of a single one such as "Satisfactory". Thus the institutions can ensure that they would provide citizens who are not only accomplished in professional subjects but also on conduct and the grades would enable to identify the suitability of such citizens for different types of jobs.

The award winners from the academic years should not only be restricted to the performance of the students in professional subjects but also on morals and integrity. Therefore a separate award for the "Best Ethical Student" needs to be constituted.

Present day society has trivialized the aspects of Ethics and Morals as something that is adopted by those who are left behind. Therefore it is the obligation of the society to demonstrate that “Honesty Pays”. Accordingly, a scholarship or honorarium needs to be introduced in academic institutions for students with high moral values.

The course on Moral Science, Ethics and Values should continue for all courses including Phd Courses at different levels of Ethics such as day-to-day conduct and behavior without causing disturbance to fellow human beings, feeling of compassion etc.; work ethics such as not letting down colleagues or aspiring to rise through unfair means, etc.; academic ethics such as plagiarism etc.; all of which stem from the same natural trait of the human mind i.e. marketing of self, near and dear ones, house hold possessions, company’s goods and services etc.

The States could make NCC/ NSS/ Vocational Courses mandatory for students above the age of 18years to receive contribution from them for the society.

The Confederation of Indian Industries (CII) could constitute a watch-dog agency for evaluating the Indian companies on Ethical Practices similar to that of foreign agencies such as Ethisphere.

Although the paper has focused on the Ethics and not on legal rules, if the option to accumulate wealth beyond a certain value can be curbed legally, it may be possible to arrest the “Need” escalating into “Greed”. Gandhiji had foreseen this a long time ago and proposed a “Maximum Wage” similar to a “Minimum wage”.

## **Conclusion**

The society is slowly spiraling towards decay of the moral standards and it is time that we took notice of the same. It would enable to make the society a pleasant place to live without fear or prejudice. It is therefore time that each one of us introspects deeply about the decaying ethical standards of the society, which cannot be substituted with legal connotations. If the society commits to raising the ethical standards, the high expenditure incurred in the design and development of sophisticated equipment to reduce crime could be brought down and the financial savings could be re-appropriated for alleviating poverty, providing additional facilities to the citizens etc.

The paper has attempted to project a concept by which the ethics in marketing can be achieved only if ethics are imparted at home followed by educational institutions. Just like

Orchards need to be planted and nurtured so that the fruits are available after years, the society needs to invest in educational institutions to realize future ethical leaders. It cannot be achieved in a day, but over a decade of sustained efforts. Further, ethics cannot be inculcated by firms alone when most of the students join the jobs at the age of 25 and it would be too late. Further, for teaching, the tutor should be accomplished in the subject. It would not be possible to teach something if the teacher itself is not trained. The conceptual paper has been written independently based on experience and observations. However, the literature which has been the source of inspiration (read at various stages of life) has been indicated for the reference of readers.

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