

## **The product Marketing and Ethics of business.**

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**ABSTRACT-** *The Marketing Concept to achieve organizational goals by determining the needs and wants of customers and delivering the desired products more effectively and efficiently than competitors. And it is a societal process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with others.*

*Marketing ethics is one of the most important marketing solutions, but also one of the most misunderstood and controversial concepts in marketing. There is no universal approach to marketing ethics yet. However, marketing ethics is important to promote marketing solutions that are both acceptable to the company and beneficial to society.*

*My aim behind this research to discuss relevant issues related to the ethical product marketing of business.*

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### **I. INTRODUCTION-**

Marketing ethics is one of the most important marketing tool but also one of the most misunderstood and controversial concepts in marketing. There is no universal approach to marketing ethics yet. However, marketing ethics is important to promote marketing solutions that are both acceptable to the company and beneficial to society.

Ethics refers to moral judgment for decisions and actions as right or wrong based on accepted principles of behavior. Thus, in marketing ethics present moral principles that define right and wrong behavior in marketing. Most major ethical issues are formalized by laws and regulations according to the standards of society. But marketing ethics exceeds legal issues, which is why ethical marketing solutions encourages mutual understanding between society and businesses.

Ethics is individual behavior and may differ between people. Marketers, although in some cases act in their own interest, must comply with the standards of accepted conduct to guide all marketing decisions. They should be in accordance with moral principles based on ideals such as honesty, fairness and trust.

#### **Definition of marketing ethics-**

Ethics in Marketing "is a moral judgment and behavior standards in marketing practice in marketing area" (Gaski, 1999). Moreover, marketing ethics is to search the base and structure of rules of conduct, standards, and moral decisions relating to marketing decisions and practices.

#### **Ethics in product decisions-**

There are a lot of ethical problems related to product strategies. Some companies do not consider and pay attention to ethics and legal subjects in new products that's why defective products can be put on the market and these products can damage consumers. Moreover, some information on labels can be misleading (Chonko, 1995), problem added to these issues related to packing (Menezes, 1993)...

Consumers usually take unethical marketing activities such as false advertising, intentional sale of harmful products, etc. as unacceptable and often refuse to enter into business relationships with people who have such behavior. Therefore marketing decisions should be evaluated by the position of ethics. Everyone, however, has different ideas about what is ethical and what is unethical depending on personal ideas and life experience.

Many ethical decisions in marketing are made by groups rather than individuals. These decisions are based on business goals rather than personal goals. Making ethical decisions in marketing includes answering questions such as:

What is deceptive advertising?

What is bribery in private sale?

What is a false statement about a product?

These and other ethical issues for some people seem clear and easy to solve, but in reality years of experience are needed to deal with them. For example, whether the proposal from a seller to a buyer to take them to a restaurant can be accepted as a bribe or as a good communicative practice to improve sales.

Regardless of how a person or company considered the admissibility of an action if the society believes that it is unacceptable or unethical, then this view directly affects the company's ability to achieve its objectives.

### **Why Marketing Ethics are Important**

All though accounting fraud (Satyam computers) has been in the spot light lately, many unethical activities relate to marketing activities. These unethical acts often begins as a marketing effort that only in retrospect is revealed to be unethical. Coco-cola, following the allegations of product contamination in Belgium, was forced to lay off a number of high-level executives as a result of the troubles and the CEO resigned. To overcome its many ethical and marketing mistakes. Coco-cola launched over 1,000 new products in 2005 to deal with falling sales, as Pepsi company's sales growth has exceeded cokes' over the past five years. Businesses that effectively manage ethics can systematically absorb, react and appropriately adjust to most break downs in conduct or decisions.

### **The Role of an Ethical Corporate Culture**

Marketing managers cannot motivate employees or coordinate implement and marketing strategies without effective communication about values, standards, and expectations. Communication is important in marketing for ethical standards and activities across the functional areas of the business. No marketing strategy can be implemented without complete, understanding of its objectives and employee cooperation to make it work: while most marketing managers and employees don't have "ethics" in their job title everyone is ultimately accountable.

## **II. ISSUES OF PRODUCTS MARKETING AND ETHICS**

### **Interests, Behaviors and Concerns of Consumers**

Surrogate advertising though banned is still observed and continued on television, generally seen at places like sports stadiums, art exhibitions in the form of sponsorships of the event. Most companies, as part of their Corporate Social Responsibility give a statutory warning on their products as in the case of statutory warning on cigarette packs. Some food companies also warn in similar way – on products that contains Monosodium Glutamate (MSG). But still people keep on consuming such products and the companies who just try to behave in a socially responsible manner are fully aware that the sales loss resulting from their CSR 'concern' is negligible. On the other hand, there is sometimes resistance from the consumers themselves when the companies genuinely struggle to find avenues to reduce the ill effects of too much consumption of their products. Keeping the calorie conscious people in mind, Coca-Cola and Pepsi introduced the Diet Coke and Pepsi One brand with low calorie content. Coca-Cola also recently announced the launch of Coca-Cola Zero, a new, zero-calorie cola drink. All these are the results of feedback and behavior from the consumers themselves as well as the pressures from the regulatory bodies.

### **Interests and Behaviors of Food Marketers**

A food business operator will try his level best to maximize product sales or service operations and leave the negative consequences of such food consumption to be the result of free choice of consumers. Some food stuffs like pastries, burgers, sweets, pizzas and carbonated soft drinks are not so harmful as compared to alcoholic drinks, cigarettes or drugs but the former are poor in nutritive value with rich fat, sugar and salts content causing obesity and other diseases. As mentioned earlier, children and youth are virtually addicted to such 'junk' food stuffs. These customer segments are the company's treasures who later become heavy users in due course accounting for their huge margins.

## **III. STRATEGIES TO ADDRESS ETHICAL ISSUES IN MARKETING PROCESSED FOOD ITEMS**

**Making safer products:** The food to be manufactured and marketed to the consumers should have minimum quantities of fat and calories. This can be made possible by means of selling more of salads and healthy sandwiches. The beverage companies can think of introducing non-alcoholic products in huge quantities as the young population largely consumes it. Similarly, soft drinks companies can focus on increasing their packaged

drinking water production which is safer and healthier than carbonated soft drinks. The soft drinks can be added with nutrients and vitamins so as to deliver better health benefits to the consumers.

**Support the efforts to promote healthy eating habits:** Consumers in general, have limited proficiency in nutritional aspects of various food stuffs. The companies who have extensive expertise in persuasive techniques should support the Government/regulatory authorities in communicating the effects of various 'junk foods' on the health of a person. Communicating with the target audience about the low-nutrition foods that does not benefit in any way and rather harm their health, by means of effective media like television via cartoon characters, celebrities, contests etc. will discourage them from buying and will indirectly help the society to improve itself.

**Follow the basic ethical norms and values:** Marketers must strictly adhere to applicable laws and regulations, which will automatically add value to their organizations and customers. The products should be appropriate for their intended uses and intentionally deceptive or misleading marketing communication should be avoided. The ethical values should be embraced, communicated and practiced so as to safeguard consumer interests. They should be responsible and accept the consequences of any marketing decisions and strategies, should be fair by trying to balance the needs of the buyer with the interests of the seller and respect the basic human dignity of all stakeholders.

**Restrict the sale or use of certain products:** Whenever a product is proved to cause any ill effect to the consumer, such items should be either restricted or totally banned from the market. Such products should never be advertised or promoted to prevent any illegal usages. This could be made effective only with the adequate support of the companies who should take responsibility and show more concern for the society than on its own profit motive. Of course, equal support is required from the society as well to make it successful.

**Focus on some specific issues:** Marketers should focus on some specific issues particularly in case of marketing the food products for children such as it should mislead them regarding the emotional, social or health benefits of a product. They should never market any food by negatively portraying the parents, teachers or any other popular personalities. They are advised not to suggest that a person who buys a certain product for the child is better than the person who does not. Also, they should not use pictures of healthful foods like fruits or vegetables to market the low-nutrition foods.

**Use appropriate and ethical marketing strategies:** Packaging or serving the food in reasonable portion sizes without encouraging overeating would be an appropriate strategy for ethical food products marketing. The products also should be reformulated to reduce the amount of calories, the sodium content along with refined sugars and saturated fats. Emphasis should be to improve the nutritional value of food stuffs by concentrating more on fruits, vegetables, whole grains and low-fat milk contents. Food marketers should promote healthy eating habits by portraying 'healthy foods' in a positive way. The advertisements centered on nutritionally poor food products especially on those Television channels watched by children should never be encouraged.

**Healthy Food Choices: A Community Responsibility:** Making healthy food choices is a matter of personal choice. Individually, we make daily decisions about the food we eat. Having the desire, facts, and practical skills to choose healthy foods helps us to make the best decisions. These are important, but there are many things that impact our decision-making. These include:

The types of foods in our grocery stores, work places, schools, recreational facilities, and restaurants. The quality of foods available and information on food labels Purchasing power to buy nutritious foods. Right knowledge about food and nutrition. A healthy public policy influences all the above factors. Policies provide guidelines for making decisions. They set guidelines for government, schools, and other organizations to provide the "greatest good for the greatest number". Healthy public policy also influences our every day food choices and makes it easier to make the best decisions. Healthy nutrition policies protect the health of all people by ensuring access to food that is personally acceptable, affordable, and safe. Setting policy involves arriving at a balance between science and the values, needs, concerns and financial realities of all those affected by policy. Community input and action is the key to the development of healthy public policy. Making wise food choices

is an important personal responsibility, which is influenced by the community around us. As citizens, we need to be aware of what influences our food choices and bring these issues to the attention of those who make the decisions.

**Consumer Protection:** Consumer protection is a form of government regulation, which protects the interests of consumers. For example, a government may require businesses to disclose detailed information about products - particularly in areas where safety or public health is an issue, such as food. Consumer protection is linked to:

- The idea of **consumer rights** - that consumers have various rights as consumers
- The formation of **consumer organizations** which help consumers make better choices in the marketplace.

**Consumer protection law (or consumer law):**

Is considered as an area of public law that regulates private law relationships between individual consumers and the businesses that sell those goods and services. Covers a wide range of topics including but not necessarily limited to product liability, privacy rights, unfair business practices, fraud, misrepresentation, and other consumer/business interactions.

**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.
- Business ethics has been an increasing concern among larger companies, at least since the 1990's:
- 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.
- The body shop is an example of a company, which marketed itself and its entire product range solely on an ethical message. However, the story of the Body Shop ended with increasing criticism of a gap between its morals and its practices.
- Green wash is an example of a strategy used to make a company appear ethical when it's 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.

**Marketing strategy**

The main theoretical issue here is the antagonism between free markets and regulated markets:

- In a truly free market, any participant can make or change the rules.
- However, when new rules are invented which shift power too suddenly or too far, other participants may respond with accusations of unethical behavior, rather than modifying their own behavior to suit.
- Most markets are not fully free: the real debate is as to the appropriate extent of regulation.

Following list presents unethical or controversial marketing strategies:

- Bait and switch
- Pyramid scheme
- Planned obsolescence
- Vendor lock-in / vendor lock-out
- Viral marketing / guerilla marketing
- Anti-competitive practices
- Controversial marketing strategies associated with the internet:
  - Search engine optimization
  - Spamdexing

- Embrace, extend and extinguish
  - spyware / adware
- **Pricing ethics**  
Following list presents **unethical pricing practices**:
- Price fixing
  - Price skimming
  - Price discrimination
  - Variable pricing
  - Predatory pricing
  - Supra competitive pricing
  - Price war
  - Dumping (pricing policy)

➤ **Market audience:**

Ethical danger points include:

- Targeting the vulnerable (e.g. children, the elderly).
- 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. Examples of marketing which unethically targets the elderly include: living trusts, time share fraud, mass marketing fraud and others. In the case of children, the main products are: unhealthy food, fashion ware and entertainment goods.

Other vulnerable audiences include emerging markets in developing countries, where the public may not be sufficiently aware of skilled marketing ploy transferred from developed countries, and where, conversely, marketers may not be aware how excessively powerful their tactics may be.

The definition of vulnerability is also problematic: for example, when should indebtedness be seen as vulnerability and when should "cheap" loan providers be seen as loan sharks, unethically exploiting the economically disadvantaged.

➤ **Ethical Issues in Advertising:**

The advertisements are also serious issue of the ethics in product marketing it includes the following points

- It includes issues on honesty and truth
- Issues with violence, sex and profanity.
- Negative advertising of products

#### **IV. CONCLUSION:**

The final conclusion is to understand issues of product marketing ethics of the business. The society must understand the relevant ways of the product in front of the society. The above discussed points are help avoid the unethical issues in product marketing. And business must set up ethics which are helpful to society.

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