

AN IMPACT OF ETHICS IN MARKETING ON SUSTAINABILITY OF AN ORGANIZATION – WITH GLOBAL CONTEXT.

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Abstract:

This paper is a mini research which has been conducted to know the Impact of ethics in marketing on revenue of a company. Ethics are the moral principles that guide the responsibility to conduct and analyze without deception to ensure authenticity. A great deal of attention has been focused on the application of ethical marketing in the present scenario and also this study elaborates the impacts that ethical marketing would have on the revenue of a company. As per my research, it is based on the fact that it helps avoid legal and reputational risks.

Additionally, it builds customer trust and credibility, leading to increased loyalty and customer retention. This study stays focused on the balancing of profitability with social responsibility and customer trust. The repressive and instructive strategies have been used in this research to help the company's revenue growth with ethical marketing. Hence, the results reveal that usage of ethical marketing would have an optimistic impact on the revenue of a company. It would be filling the gaps with transparency, honesty, legal compliance and corporate responsibility to bridge the gap for the growth of revenue of a company.

Key Words: 1.Ethics 2. Marketing 3. Revenue 4. Growth

Introduction

Ethics is an order of an hour as they act as long term branding, word of mouth, and trust building techniques to optimize a product/services presence, leads, sales and conversions. Marketing is the process of getting people interested in a company's product (or) service and also it's an act of satisfying and retaining customers. Ethics in marketing are moral principles and values that a company follows while conducting marketing campaigns. Ethical marketing is based on what is more common than legal standards.

According to reports by Forbes, over 90% of millennial customers like buying products from ethical companies. Also, over 80% of those who believe that ethical brands beat other market players that allow ethical marketing. It is the marketer's obligation to ensure all marketing activities stick to core ethics principles, including integrity, humility, honesty-both internally and externally. It is important to an organization's growth and development overtime.

Literature review

1. The ethics and marketing responsibility literature by assessing the factors that impact consumer's behavioral intention and usage behavior. (Ethics & marketing responsibility a bibliometric analysis & literature review. By: Manoj Kumar Kamila)
2. Ethical standards should guide marketing actions more than legal ones. Also postulated is that the actions of marketing personnel should be judged by three criteria-Intent, means & ends. (Ethics in marketing By: Patrick E. Murphy)
3. An orthodox view in marketing ethics is that it is morally impermissible to market goods to especially vulnerable populations in ways that take advantage of their vulnerabilities. (The ethics of marketing to vulnerable populations. By: David Palmer & Tervor Hedberg.)

Statement of Problem

Marketing in a broader way is convincing people to purchase the product either ethically (or) unethically. To think different unethical means of marketing yield more revenue but it may not be everlasting so the research is carried out to find out the relationship between ethical marketing & revenue with conceptual framework.

Objective of Study

To study ethics in marketing.

To study impacts of ethical marketing on revenue.

To suggest if any.

Research methodology

This paper carried out research based on secondary data using case study context & research information there too. It has also collected information from known customers about their experience towards the company by the ethical experience.

This paper is a work of conceptual framework with global context.

Findings

1. Implementing ethical practices can also contribute to the achievement of short-term & long-term marketing goals. While using marketing ethics, brands can engage prospects with credibility, customer loyalty, significant market share & better revenues.

Case Study:

Talk to any environmental activist, and they'll tell you one thing: the fashion industry is one of the largest contributors to climate change. It generates 2.1 billion metric tons of greenhouse gas emissions annually—more than Germany, France, and the UK combined. But businesses like Patagonia are changing the industry. The brand's philosophy is all about being green, so ethical marketing is a natural part of the strategy. Besides sharing awareness of environment-friendly practices, Patagonia also promotes anti-consumerism. The "Don't Buy This Jacket" campaign is a great example of ethical marketing. Instead of encouraging consumers to buy more on Black Friday, Patagonia asked them to take a pledge to reduce consumption (see below). The campaign raised the awareness of the environmental impacts of consumerism in the industry and encouraged many to consider the effect of their purchases.

PATAGONIA: "The Greenest Product Is The One That Already Exists"

DON'T BUY THIS JACKET



COMMON THREADS INITIATIVE

REDUCE

WE make useful gear that lasts a long time

YOU don't buy what you don't need

REPAIR

WE help you repair your Patagonia gear

YOU pledge to fix what's broken

REUSE

WE help find a home for Patagonia gear

you no longer need

YOU sell or pass it on*

RECYCLE

WE will take back your Patagonia gear
that is worn out

YOU pledge to keep your stuff out of
the landfill and incinerator



REIMAGINE

TOGETHER we reimagine a world where we take
only what nature can replace

Patagonia's ethical marketing strategy extends to all their content. The company's blog is a treasure trove of inspiring social activism stories, clothing repair tips, and video stories of people protecting the environment. This amazing illustrated guide from the Patagonia blog teaches people to "donate with dignity" by outlining tips for donating clothes. It's a part of the brand's mission to protect the environment and encourage recycling of fashion.



But there's one more huge aspect that makes Patagonia's ethical marketing strategy brilliant: its own initiatives. With its "1% For The Planet" project, the brand has donated 1% of sales to the preservation and restoration of natural environments—over \$140 million so far.

The bottom line here?

Thanks to the focus on ethical marketing, Patagonia is now a thought leader in social activism, environmental protection, and eco-friendly practices. Plus, it generates an impressive \$19.8 million in annual revenue.

2. Ethical business practice can reduce costs and effectively increase their profits. Sustainable brands, an alliance of organizations committed to sustainability, recently leading businesses made profits out of it.

Case study:

The world's first sustainable, 100% compostable phone case— This is Pela Case's original product developed to fight environmental pollution caused by the plastic-heavy smart phone case industry.

The brand is an example of using two ethical principles in advertising: promise keeping (a genuine intention to full fill a goal) and integrity (being transparent with marketing).

The brand applies these ethics principles by: Off setting their entire carbon footprint

Sharing all data about manufacturing, materials, and footprint Donating one percent of sales to environmental organizations



The brand also constantly reinforces its mission in marketing. Let's see a couple of campaign examples. "Plastic-Free July" was an example of an ethical marketing campaign that raised awareness of plastic pollution and ways everyone can reduce their footprint.

This post was a part of the effort:



The next great ethical marketing example— A campaign where the brand's Instagram follower could win an eco-get away and other weekly prizes.

Here's the announcement post with more details:



3. The ethics of marketing, Balancing profit and responsibility.

Case study:

Introduction

Marketing plays a vital role in the success of any business by enabling them to connect with potential customers, raise brand awareness, and boost revenue. While pursuing profit, businesses must also be mindful of ethical considerations.

Ethical marketing goes beyond simply complying with legal obligations and entails being accountable and truthful in how a business advertises its products or services. This article will explore marketing ethics and how businesses balance profit and responsibility.

Step1: Honesty and Transparency

The first step towards ethical marketing is honesty and transparency. Businesses should ensure that their marketing messages are truthful and not misleading. The repercussions of deceptive advertising can be severe for the consumer and the business. When consumers perceive that a company's marketing tactics are misleading, they tend to lose faith in the company and may opt to switch to other options. To maintain transparency, businesses can provide explicit details about their offerings, including any possible limitations or hazards associated with their usage. For example, a company marketing a dietary supplement should disclose any potential side effects or interactions with other medications. Transparency also means being up front about pricing and any hidden fees or charges.

Step2: Avoiding Exploitation

Another important aspect of ethical marketing is avoiding exploitation. Businesses should not exploit vulnerable individuals or groups in their marketing efforts. This includes avoiding tactics such as fear-mongering, manipulation, and coercion. For example, a company should not market a weight loss product by preying on individuals' insecurities about their body image. Businesses must be mindful of cultural sensibilities and abstain from employing offensive vocabulary or stereo types in their marketing communications. In a diverse and globalized market place, businesses must ensure their marketing efforts do not inadvertently offend or alienate potential customers.

Step3: Respecting Privacy

In the era of digital technology, the issue of privacy is gaining more significance. Businesses must honor their customers' privacy rights and refrain from using their data for marketing unless they consent. This entails abstaining from collecting and utilizing information such as browsing history, location details, and buying records. Moreover, businesses should guarantee that their marketing strategies conform to privacy regulations like the General Data Protection Regulation (GDPR) in the European Union. Breaching these laws can result in hefty fines and harm the company's reputation.

Step4: Social Responsibility

Social responsibility is another critical aspect of ethical marketing. Businesses should be aware of their products or services impact on society and the environment. They should strive to minimize any negative effects and promote positive social change. Take the instance of a plastic product manufacturing firm, which can adopt eco-friendly measures such as utilizing recycled materials or reducing its packaging waste to decrease its environmental footprint. Furthermore, a business can also address social issues by allocating a portion of its profits towards charitable causes or supporting local events.

Step5: Building Trust

Building trust with customers is crucial for any business's success. Ethical marketing practices help build trust by demonstrating the company's commitment to responsible and honest practices. Businesses can also build trust by responding to customer feedback and promptly addressing concerns or complaints.

BENEFITS OF ETHICS OF MARKETING

Adopting an ethical marketing approach can offer several benefits to businesses, including:

Enhancing brand reputation: Ethical marketing practices can build a positive image for a brand, demonstrating to customers that the business prioritizes integrity and responsibility. This can help establish a loyal customer base and increase brand awareness.

Improved customer relationships: Ethical marketing can create a deeper connection with customers, building trust and fostering long-term relationships. Businesses can enhance customer satisfaction and loyalty by demonstrating a commitment to responsible practices and addressing customer concerns.

Increased sales and revenue: Ethical marketing can also increase sales and revenue. Customers are more likely to purchase from businesses prioritizing ethical practices, especially if they perceive that the company's values align with theirs.

Compliance with laws and regulations: Adhering to ethical marketing practices helps businesses comply with advertising and marketing laws and regulations. This can prevent legal and financial repercussions and protect the business's reputation.

Competitive advantage: Ethical marketing practices can also offer a competitive advantage over other businesses prioritizing profits over responsibility. In a crowded market place, ethical practices can differentiate business and attract customers who value social responsibility and integrity.

Adopting ethical marketing practices can benefit businesses significantly, including improved reputation, stronger customer relationships, increased sales and revenue, legal compliance, and competitive advantage.

ETHICAL ISSUES FACED IN MARKETING

Deceptive advertising: A widespread ethical issue in marketing is misleading advertising, which can include making dishonest assurances, utilizing deceptive phrases, or overstating the advantages of a product or service. Businesses that engage in deceptive advertising can face legal and financial repercussions and harm their reputation.

Exploitation: Businesses may encounter ethical dilemmas regarding exploitation, which could involve taking advantage of susceptible individuals or groups, such as minors, seniors, or those with restricted financial means. Exploitative marketing can damage a business's reputation and lead to consumer back lash.

Privacy concerns: The collection and use of consumer data for marketing purposes can raise ethical concerns related to privacy. One essential aspect of ethical marketing is transparency in data collection practices and adherence to relevant laws and regulations.

Social responsibility: Businesses must consider the social impact of their marketing practices. This includes avoiding offensive or discriminatory messages, promoting social causes, and minimizing the environmental impact of products or services.

Influencer marketing: The increase in influencer marketing has given rise to moral issues such as revealing sponsored content, verifying the genuineness of endorsements, and the likelihood of exerting excessive influence over consumers.

Targeting vulnerable populations: Companies that focus on susceptible groups, such as those with mental health or addiction problems, may encounter ethical dilemmas concerning the exploitation and harm of these individuals.

Intellectual property: Businesses need to guarantee that their advertising methods uphold the rights of intellectual property, which encompasses trademarks, copyrights, and patents. Overall, businesses must be mindful of the ethical issues in marketing and prioritize responsible and transparent practices to avoid legal and reputational harm.

4. On the other hand, unethical marketing practices can lead to negative consequences, such as consumer distrust, loss of reputation, legal issues, and financial loss. For instance, when companies engage in deceptive advertising, they risk alienating their customers and facing legal action.

Case study:

Protein World-Beach Body Ready

The ad: Starting off our list is this beach body ad campaign by health supplement supplier Protein World. Released in 2015 across London and New York billboards, the offensive ad pictured a bikini-clad girl with the slogan "Are you beach body ready?" The idea was to promote their supplements to users who wanted the perfect beach body for summer. However, the ad quickly received plenty of back lash via social media and even resulted in many passersby vandalizing and writing over the ad.

Why it's an unethical ad: The problem with this ad campaign was the fact that it promoted "body shaming" and an unhealthy body image. Many feminist groups noted that the wording of the ad insinuates that the body in the picture is the only "acceptable" beach body. This means that any other body type not like the one in the picture is "unready". Despite the backlash from the public the ad received a lot of publicity and press coverage. Protein World went on to make a reported £1million profit from the £250,000 they spent on the advertising campaign. Although it caused a lot of controversy around the world, it somehow still managed to boost the company's sales.

LUSH–#spy cops



The ad: LUSH is a UK based handmade cosmetics manufacturer that has stores all across the UK and USA. In 2018 LUSH released its spy cops campaign across all their UK stores which raised many eyebrows. In addition to running the advert across all of their UK shops, they also produced several online articles explaining the issue. The campaign focused on “spy cops” or undercover police who infiltrate political groups and form relationships in order to gather and collect data on subjects. There have been many stories of police officers having sexual relations with these campaigners all while hiding the truth from their real families. The ad was basically a whistle blowing campaign to raise awareness of the police tactics and the devastation it brings to families and children. Why it's an unethical ad: The main issue with this campaign is that it came across as very anti-police to most of the general public. In fact, there were reports of people complaining and becoming very aggressive in the stores, resulting in LUSH having to call the police. Due to the negative reception of the ads, LUSH ended up pulling them and releasing an official statement on their website.

Suggestions

Increase trust with your customer. If they know they can trust you, they become more willing to work with your business and make more purchases.

Be transparent

Be honest & upfront about your product and services. Don't make false claims (or) misrepresentation about what you are selling.

Effective decision-making

Many ethical dilemmas can be resolved easily with consultation and reflection

Ethical marketing practices ensure

Foster consumer trust, improves brand reputation & contribute positively to society & the environment.

Prioritizing long-term growth over short-term vanity metrics. Ethical marketing requires trending the short-term chase for mouth-over-mouth growth of building relationship with brand's prospects customer's and advocates.

Conclusion

Product without marketing is a black cat in a dark room, without marketing it is harder to reach organization goals & objectives on the other hand ethics is a basic fundamental for a company to assure its long run survival. Ethics & marketing go hand in hand for achieving the reputation & long run existence of the company.

In this paper we have gone through several findings which has both positive as well as negative impact towards revenue by ethical marketing but organization's like Tata & more are surviving in the market competing others by pursuing their ethical values so this shows ethics in marketing has a long run positive impact over revenue with the global context.

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