

Social Responsibility and Ethics in Marketing

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Abstract

Ethics are our perception regarding what is right and wrong. Although these ideals may range from one person to a distinctive or one company to another, ethics and social responsibility are a foremost part to any company's marketing department. Ethics has a tendency to focus on the individual or marketing group decision, whilst social responsibility takes into account the overall effect of marketing practices on society. The main aim of the marketing department is to select an audience, engage to that audience, and get the audience to buy that unique products or services. In doing this, a company should make sure that they are first abiding by way of all laws and regulations, however they ought to also attempt to be sure that they are appearing ethically and honestly. Though the pursuit of ethical marketing and social responsibility does no longer automatically translate into increased profit, it is far nonetheless the responsibility of the company to ensure it is accountable for its actions and their impact on society. This paper will have a look at the significance of integration of ethics in social responsibility marketing and the ethical issues faced in the marketing.

Keywords: *Social Responsibility Marketing, Ethical Marketing, Marketing plan, Ethical issues*

Introduction

A variety of phrases have been used from time to time interchangeably, to refer to social responsibility such as business ethics, corporate accountability, sustainability, corporate citizenship to describe companies' efforts to deal with ethical practices, governance, employee-friendly regulations, human rights, environmental effect, and community engagement in the core features of the business.

In accordance with the research by the global non-profit organization known as 'Business for Social Responsibility', companies now tend to report publicly on their social responsibility activity so as to fulfil the needs and demands of various stakeholders and other interested people consisting of personnel, consumers, suppliers, clients, shareholders, regulators and lawmakers, who are asking companies to be more responsible now not only for their own overall performance, but also for the impact of their products, the performance of their delivery channel, and the well-being of their personnel (Marinova, 2013). A company

that makes use of both ethical and socially responsible marketing strategy will definitely benefit with the respect and trust of their customers they target and interact with. Over long term, this could translate to greater benefits all spherical.

Objectives

1. To understand the concept of social responsibility marketing and Ethical marketing.
2. To develop and implement a socially responsible marketing plan.
3. To analyze the benefits of integrating ethics into marketing strategy.
4. To understand ethical issues faced in marketing.

Literature Review

Social Responsibility Marketing

Socially responsible marketing is a marketing philosophy that a business enterprise have to take into consideration; "What is within the best interest of society in the present and long term?" It is totally based on the concept that market offerings should not

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be simplest profit-driven, however they should also reinforce social and ethical values for the advantage of citizens. Social responsibility in marketing is often considered with ethics. The difference among the two is that what is taken into consideration ethical in phrases of business, society and individually might not be the same thing nor do all business actions necessarily should be socially accountable so that you can be taken into consideration ethical. Social responsibility is a large concept that pertains to a business obligation to maximize its positive impact on society whilst minimizing its negative impact (Anatasia, 2015)

To be socially responsible is when the organization is basically concerned about individual, its society and environment as a whole with whom and where it conducts business. In its most fundamental form, socially responsible marketing is taking ethical movements that inspire a positive impact on all of the company's stakeholders, including employees, community, consumers, and shareholders (Hunt et al., 1990). The main responsibility of marketers in this regard is to package and communicate the organization's decisions that will impact the various communities with which they interact (Marinova, 2013). Consumers have the right and strength to decide which companies succeed or fail; so marketers have a main duty to make sure their practices are visible as philanthropic without being phony. BrandKarma is the right example of one of the means by way of which consumers make those decisions.

Socially responsibility marketing is a marketing philosophy. It shows that a company must considerate what is in the best interest of the society in the present and long time. Socially responsible companies have to produce desirable products fervently. Consumer's immediate gratification can reap from this type of products and this form of product can also benefit consumers and society in the long time. Marketers provide the right products to the right people at the right time. Ethical marketers make certain products meet and exceed their needs, back up their claims and provide value to the customers over time whilst finding possibilities to pay it ahead. (Kotler et al., 2013).

Social conscious marketing directs the drawback of traditional marketing practices and follows the philosophy of mindfulness and responsibility.

Company-marketing practices must be primarily based on consumer satisfaction, innovative ideas and offer society long-term value and benefit (Marinova, 2013). A company that makes use of both ethical and socially responsible marketing strategy will benefit the respect and trust of the customers they approach and interact with. Over long time, this may translate to greater benefits all round. Now a day's firms could make their practices more moral and accountable by perfecting the following characteristics.

- **Honesty:** Making sure a product satisfies a need it promises to, or helps in presenting a lifestyle it advertises. Marketing have to be transparent about viable side effects so customers come to recognize the honesty of your marketing.
- **Safety:** Any product or service that might be risky to the health conditions of people, animals or the environment need to have clean advisories and warnings.
- **Transparency:** Any strategies to control and disguise facts and information customers need could damage a company. The practices of the company must be transparent, obvious moral or ethical.
- **Respecting Customer Privacy:** When customers believe sufficient to allow you to access to their information, selling it to steer companies or acquiring prospective customers' information without permission is unethical and breaks trust.
- **Ethical Pricing:** Accumulating data about your goal market will come up with information on how much they may be inclined to pay in your product. Creating fake shortages and terrible mouthing the competition are considered unethical marketing practices.

Ethical Marketing

Good ethics is a keystone of sustainable marketing. In the long run, unethical marketing damages customers and society at a large. Further, it ultimately harms a company's effectiveness and reputation. As a result, the sustainable marketing goals of long-term customer and business welfare can be achieved best through ethical marketing conduct. Ethical marketing is a philosophy that consciousness specializes in honesty, fairness and

responsibility. Ethical marketing is a process through which companies generate customer interest in products or services, construct healthier and strong customer interest/relationships, and create value for all stakeholders by means of incorporating social and environmental considerations in products and promotions (Anatasia, 2015). All aspects of marketing are considered, from sales strategies to business communication and business development. Though wrong and right are subjective, a widespread set of guidelines can be put in vicinity to ensure the company's intent is broadcasted and accomplished.

Marketing ethics can be defined as formulating guidelines to establish practices that are obvious and straightforward. It is basically establishing marketing policies and strategies for corporate sectors where actions show integrity and equity to consumers and all other stakeholders. (Saviour & et al. 1997). The main reason of marketing ethics is to address principles and standards for growing desirable conduct inside the marketplace (Mohamed, 2007).

Marketing ethics inculcate decisions about what is right or wrong within the organizational context of planning and implementing marketing activities in a global business environment to advantage (i) organizational overall performance, (ii) social acceptance and advancement in the organization, (iii) individual achievement in a work group and (iv) stakeholders (Hunt et al., 1990). This kind of definition of marketing ethics acknowledges that ethical decisions arise in a complex social network within a marketing organization. Marketers are usually asked by top-level management to assist in making the numbers by reaching almost impossible sales targets. In reality, most marketing misconduct is accomplished to help the organization. Being a team player and bending the policies and procedures to make targets may additionally and effectively result in a promotion.

The following are the principles of ethical marketing:

- All marketing communications share the same standard of truth and trust.
- Marketing professionals should follow the highest standard of personal ethics.
- Ethics should be discussed honestly and openly during all the minute marketing decisions.

- The privacy of the customer should be utmost important and should never be compromised.
- Marketers should be obvious and transparent about to whom they pay to endorse their products.
- Consumers should be treated with equity based on the nature of the product as well as consumer (e.g. marketing to children).
- Marketers must comply with the rules, regulations and standards established by various governmental and professional organizations.

Merging Social Responsibility and Ethical Marketing

Organizations are conscious that consumers now a day are savvy and opinionated. The company's activates directly or indirectly which have an effect the stakeholders whether it be individuals, groups or businesses. With the continuous growth of business, industry and increased push for marketing efforts, marketing ethics is growing to be the top of the corporate agenda. (Kotler et al, 2013).

Social responsibility and marketing ethics ought to go hand in hand. It is the social responsibility to formulate rules and regulations which might be applicable ethically and which work not for maximizing the profits of the businesses but which targets at the larger interest of all the stakeholders (Anatasia, 2015). So with this in mind, companies need to create an ethically sound marketing plan and combine it into all elements of their marketing mix.

- **Do good not just to look good** – Focus on being accountable and how your firm can honestly help the community or country. It is in doing so that your customers, the press, and all those watching may be inspired.
- **To acknowledge the social obligations to shareholders**- It is the duty of the marketer to accept the effects of their marketing decisions, policies and strategies and accept the social obligations to shareholders that include increased marketing and economic power.
- **Speak up against company policies that do not reflect the ethical profile of the company** – As

the face of the organization, marketers should voice their concerns whilst there may be a potential for a practice to be seen as unethical.

- **Think about long term effects, not short term gains** – Short sighted groups will undervalue the effect of responsible marketing for instantly enjoyable growth.
- **To try to balance justly the needs of the buyer with the interests of the seller**-The marketers must constitute their products in a clear way in selling, marketing and other forms of communication. This consists of the avoidance of false, misleading and deceptive promotion.

Developing and Implementing a Socially Responsible Marketing Plan

While ethics and social responsibility are used sometimes interchangeably, there is a distinction between the two terms. Ethics mainly focuses on the individual or marketing group decision, whereas social responsibility takes into account the full effect of marketing practices on society. Ethical marketing doesn't refer to a plan in and of itself, but it gives tools for organization to evaluate the marketing techniques they use in the past, present, and future (Gilbertson, 1999). If an organization makes a decision that an ethical marketing strategy can increase their earnings or develop their public image, they can take steps to revise their existing marketing. Social responsibility and ethical marketing typically comes into the marketing plan technique in one of two ways i.e. it can be a corporate-level strategy with particular objectives or can be a part of the marketing mix primarily based on the situation analysis.

In order to foster a socially responsible and ethical behavior pattern among marketers while achieving company targets, special care need to be taken to display trends and shifts in society's values and ideals. Next, marketers should forecast the long-time period effects of the decisions that pertain to those changes. Bearing in mind that a company cannot fulfil the desires of an entire society, it best serves marketers to focus their most costly efforts on their target market, whilst being aware of the values of society at a large (Anatasia, 2015).

Marketing strategy must consider stakeholders consisting of managers, employees, customers, business partners, industry associations, government regulators, and special-interest group, all of whom make contributions to accepted standards and society's expectations. The most basic of these standards were codified as laws and policies to inspire organizations to conform to society's expectations of business conduct (Gilbertson, 1999). In response to customer demands, together with the threat of improved regulation, increasingly more companies have included ethics and social duty into the strategic marketing planning process. Any organization's recognition may be damaged by way of poor performance or ethical misconduct. However, it is much easier to recover from bad marketing performance than from ethical misconduct.

Five simple steps every marketer can take to create a sustainable socially responsible market plan are:



Figure-1: Steps to create a sustainable socially responsible market plan

Source: Author's own creation

Benefits of Integrating Ethics into your Marketing Strategy

Marketing ethics has been advanced with reference to business ethics that mirror the interest of numerous stakeholders. These ethics describe ideas which might be acceptable in marketplace. Marketing is an activity which is at the front of enterprise activities with up to date interfaces with customers and the general public. The non-adherence to moral practices in marketing has paved way for two major actions such as consumerism and environmentalism (Kotler et al., 2013). These organizations have started exerting pressures on marketers to recall and act in an ethical

manner. Interest in ethical concerns in marketing has significantly heightened (Marinova, 2013). There is no overstatement in citing that researches in marketing ethics have emerged as a precursor of researches in ethics in different areas.

Many companies integrate social responsibility and ethics into their strategic marketing planning process through ethics compliance packages or integrity initiatives that make legal compliance, social responsibility and ethics an organization-wide effort. Such programs establish, communicate, and monitor a firm's moral values and legal requirements through codes of behavior, ethics workplaces, education programs, and audits. The marketing plan ought to consist of distinct elements of ethics and social responsibility as decided by upper-level marketing managers. Marketing strategy and implementation plans ought to be evolved that replicate a knowledge of (i) the risks related to ethical and legal misconduct, (ii) the values of organizational members and stakeholders, and (iii) the ethical and social effects of strategic choices (Gilbertson, 1999).

Increasingly, companies are responding to the need to offer organization guidelines and policies to assist their managers' cope with questions of marketing ethics. Of course even the best guidelines cannot resolve all the difficult ethical decisions that people and corporations ought to make. But there are few concepts that marketers can choose amongst (Hunt et al., 1990). One principle states that such troubles ought to be determined by the free market and legal system. A second, and more enlightened principle, places obligation not on the system but in the hands of individual companies and managers. Every firm and marketing manager have to work out a philosophy of socially responsible and ethical behavior. Under a sustainable marketing concept, managers have to look beyond what is legal and allowable and develop standards primarily based on personal integrity, long-time consumer welfare and corporate conscience (Marinova, 2013).

The following are the benefits of integrating ethics in marketing strategy:

- **Improves marketing performance:** Socially responsible companies and their personnel can better respond to the stakeholder's demands. A

company's reputation for social responsibility is very critical for consumers' buying decisions. Social responsibility and ethical behavior both can reduce the costs of legal violations, civil litigation, and damaging publicity.

- **Moral Marketing Compass:** This is significant in economic downturns when unethical practices ought to become tempting.
- **Win-win Marketing:** The focus of this is primarily on customer value which will increase company value.
- **Keeps marketing legal:** It reduces the risk of cutting corners and turning a blind eye.
- **Goodwill:** Goodwill and strong reputation among customers are the benefits which organizations cannot afford to overlook. Not only will customers believe that the organizations care for them, but will also accomplice the brand with pleasant feelings and reviews and spread the word.
- **Improved quality of recruits and increases retention:** A good company attracts good personnel, customers, suppliers and investors, who will be satisfied to assist the organization to reap its goals. Great marketing practices make new marketers feel like their time at the job will make a difference and so will be less likely to change jobs.

Ethical Issues Faced in Marketing

Ethical marketing can guide advertising, research and information use, strategies for gaining a facet over the competition and organization policies (Hunt et al., 1990). Ethical issues in marketing get up from the conflicts and lack of settlement on specific issues. Parties involved in marketing transactions have a set of expectancies about how the business relationships will take shape and how diverse transactions need to be performed. However, there can also be some issues that stand up from seeking to employ an ethical marketing strategy.

Individuals who have confined business experience often find themselves required to make unexpected decisions about product satisfactory, marketing, pricing, sales techniques, privacy, hiring practices, and pollution control (Gilbertson, 1999). Whilst personal

values are inconsistent with the configuration of values held through the work group, ethical conflict may additionally take place. It is essential that a shared vision of acceptable conduct develop from an organizational perspective, to cultivate dependable and reliable relationships with all involved stakeholders. A shared vision of ethics that is part of an organization's way of life can be questioned, modified and analyzed as new issues develop. However, marketing ethics should relate to work environment decisions and must no longer control or impact personal ethical issues (Hunt et al., 1990).

Each marketing concept has its own ethical issues such as:

- **Irresponsible Market Research:** Improper market research can lead to stereotyping that will shape undesirable ideas and attitudes which will ultimately affect marketing behavior.
- **Selecting Specific Market Audience:** The use of selective marketing practice is to select specific customers and weeding out the other consumers which are less important for company which causes social disparity and unrest.
- **Unethical Advertising and Promotion:** Making false claims about the uses of the product its importance is an unethical and immoral way of creating profits. These are related with deceptive advertising when the consumer is led to believe something which is not true.
- **Pricing issue:** It emerges when competitors are making similar products jointly to determine its price and manufacturers are forcing retailers to charge very high prices.
- **Delivery Channel practices:** Marketing like selling their products through telemarketing companies which are not only annoying, but are also disruptive and not trustworthy. Unsolicited approaches now-a-days are almost synonymous with direct marketing and has left the industry with a tarnished reputation.
- **Dealing with competitors:** Many companies advertise low prices as a bait and then once they draw the attention of the customers, they switch them over to a higher priced product, because the advertised good was unavailable or not of any

value to the customer. Many online surveys and work from home opportunities use such kind of unethical marketing technique.

Conclusion

The ethics of marketing and its bond with the clients forms a basis to the victory of the company. Ethics are the sincere values and standards that govern the actions and verdicts of an entity or cluster. It is normal that customers anticipate to be handled in a fair manner and with reference. Reliability of service, responsiveness, trustworthiness, understanding and reception of value addition to products are few of the expectations of the customers. They do not want unrealistic guarantees, or deceptive services. There are few ethical dilemmas for marketers in meeting the expectations of customers. Ethical issues usually arises due to the dissimilarity between the individual and organization's values and norms. When the products are not disclosed properly then they are dishonorably advertising their product.

Conscientious marketers face many more dilemmas. The best thing to do is often uncertain. Due to the fact that not all managers have excellent ethical sensitivity, companies need to increase corporate marketing ethics regulations- broad guidelines that everyone within the organization must comply with. These regulations should cover distributor relations, advertising standards, pricing, customer support, product development and general ethical standards. If someone does not follow guidelines then the right actions have to be taken against them for breaching the codes of conduct. In sum, marketing ethics shows that there should be an apparent knowledge of what is right and what is wrong in business.

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