

A Study of role of ethics in Digital Marketing

Akansh Bansal and Dr Deepa

KIET School of Management, Ghaziabad

Abstract

Digital Marketing is rapidly becoming one of the major sources of customer outreach for brands which was previously offline branding or television advertising. An ethical issue is an identifiable situation and also an opportunity which requires an individual or organization to choose from the actions that must be evaluated as right or wrong, ethical or unethical, etc. Product-related ethical issues arise when marketers fail to disclose the risks associated with a product. In pricing, common ethical issues are price fixing or failure to disclose the full price of a purchase. The data has been collected from various secondary sources like Journals, articles, websites and books. The aim of this research paper is to study role and importance of ethics in digital marketing and to identify whether the companies are following marketing strategies which are ethical while achieving the company objectives and goals.

Key words:*Digital Marketing, ethical issues, marketing strategies, unethical*

Introduction

With the growth of IT and internet digital marketing have become important tool for marketers. Scope of digital marketing is very broad; it covers internet marketing, online advertisement and advertisement through various electronics channels. Consumers can be approached timely and in cost-effective manner through digital marketing. Although there are opportunities in digital marketing to influence consumers but there are some issues as well. This has been due to the advent of Web 2.0. The term was coined by Darcy Dunicci in 1999, it does not refer to any technical specification or an update but to how the web content is designed and implemented with the consumer. There have been progressive research on consumer perception about ethical image of brands but there is very little research study on how consumers perceive various marketing techniques adopted by brands in digital

marketing. This paper is mainly focused on consumer perception about various marketing methods in digital marketing that are used now a day.

Ethics is the study dealing with what is the proper course of action for human or living being. It answers, "What do I do?" It is the study of right and wrong in human behaviours, basically, it is the method by which we define our values and pursue them. Ethics is a requirement of human life. It is the means of deciding what should be our action. In its absence, our actions would be haphazard and aimless.

Objective

1. To understand business ethically responsible digital marketing,
2. To develop and implement an ethically responsible digital marketing plan
3. To study ethical issues faced in digital marketing.

Methodology

Our main aim is to research about the role of ethics in digital marketing. The research is an *exploratory research*. Data is collected by surveying different people. Exploratory research is used to form verifiable new ideas. Ethics in digital marketing was still a left-out area for research in comparison to research on ethical marketing strategies. So, to know whether digital marketing is ethical or not we conducted a research to fill out this gap.

A sample of 15 highly educated people is selected as participants of AKTU aged from 20-23 who have some prior knowledge of digital marketing. All the participants had access to the internet via mobile or laptop, thus they were aware of advertisements done via different sources related to digital world.

Qualitative and useful data collection requires information rich participants, but selection of participants was not a major issue as all participants are the meritorious students of AKTU and had the access to the internet. Selection of candidates is made without any biasness. All the participants have to undergo a face to face interview for in-depth results.

Questioning pattern was as follows:

To get an idea about the most popular sites amongst the youngsters and the level of marketing done on these sites interviewees were first asked about the sites they surfed on daily basis and enquiry is taken to know the platform they use.

Then secondly their current knowledge about digital marketing is checked. After analysing their knowledge if it was felt that participants need a rough idea about what digital marketing is, we provided them minimum knowledge so that we can have their point of view. The analysis was done in such a way that no prior information was provided to them; this was done so that we can have an unbiased approach to help us in our survey.

To avoid biased results a formal questionnaire was not prepared as it will need some prior information. We gave them many pointers to extract information and we made special effort in giving pointers so that our questions or pointers did not affect their thinking about digital marketing. Interview was conducted on semi-formal basis. There were 8-10 questions which were asked and the view of the candidates was precisely recorded.

Literature review

In general, the term ethics refers to moral norms and principles that guides people's behavior. Every individual can have different moral norms and values that can be negative, positive or neutral based on their subjective perception. The terms good or bad, ethical or unethical depends on individual perception.

Philosophically there are two moral principles that guides individual behavior one is deontological and other is teleological.

Deontological principle refers that individual perception is rule based. It is often termed as non-consequential ethics. An individual considers an action right or wrong based on rule or law.

While teleological evaluation of an action or event is based on possible outcomes of following law or rules or an alternative route. The evaluation is based on how productive is the outcome through both routes. It is termed as consequential ethics.

Since the beginning of the Internet, people have been trying to figure out ways of profiting from the people who use it. It started with online sales, then online advertisements, and now has grown into several different areas of marketing. Digital marketing now a day involves internet marketing, online advertising and various other electronic channels such as SMS

through mobile phones and emails. The digital marketing process is effectively used in both the pull and push marketing strategies. The question is what kind of marketing practices can be considered ethical or unethical on the Internet. Many companies use standard advertisements, but what about the pop-up ads that take over screen, the cookies that register to websites to tell them what advertisements consumer respond to most, or the endless spam e-mails send to consumer each day? Digital marketing with permission of consumer may be effective because it involves needs and interests of the consumer while if the consumer is not interested but the advertisement messages are still delivered they may not be that effective and can be disturbing. Further, appropriate email content can play a key role in advertising effectiveness. A brand's success is built on consumer trust and so delivering on its promises is the key. If a brand fails to act ethically, whether this is done accidentally or deliberately, this trust is hindered. With new generation of marketing technological tools it becomes easier to overstep moral boundaries.

It becomes important to understand that how consumers react to various ethical or unethical practices. An investigation of how marketing decisions are perceived by consumers – who are major stakeholders, becomes equally important. Crane, 2005, suggests that companies lack clear understanding of their consumers' ethical beliefs. Consumers' perception of what means are ethical or unethical may differ from that of company's perception. Consumer's perception is not always aligned with definition of ethics. Consumer may perceive means adopted by brand for marketing as good even if they are not ethical based on definition of ethics. Many researchers have done work on consumer's relation with company/Brand's ethical image. But there is little research on what kinds of means adopted by Company/Brand in digital marketing actually evokes consumers' perception to be negative or positive. Privacy and security are some ethical issues which are supposed to influence purchase behavior of the consumer.

There is a line to what is ethical using marketing on the Internet. There is a line on how far you can take marketing practices when it comes to the Internet before you can be viewed as unethical but further that depends on individual perception of the consumer.

Findings

After researching on this topic we found that if any organization follows unethical marketing behavior it will produce negative results and at times could even lead them into legal troubles and create a bad reputation and worse customer experience.

Below are practices of unethical marketing, which you should avoid in order not to ruin your company.

- Exploitation – avoid using scare tactics and hard sell and protect the vulnerable consumer.
- Spam – avoid flooding a customer’s voicemail, mailbox, email or any other means of communication with unsolicited messages or aggressive advances.
- Bad mouthing Competition – focus on the value and benefit of your product and point out its unique selling point, the consumers are smart enough to choose the better product.
- Misleading Advertisement and Information –any exaggerated claims or dishonest promises will cause the customers to mistrust you and even determine the failure of your brand.
- Philanthropic gestures for public relations – giving to charities solely for a tax write off will make the company appear callous and uncaring and people tend to shy away from these types of companies and spend money where they feel the leaders and marketers are especially humane and gracious.

Conclusion

After making an in-depth study on role of ethics in digital marketing it can be concluded that one cannot survive in market even with using digital platform but without having ethics in it. The definition of what is ethical and what is not has changed a lot from convention.

In today’s era of globalization experience of using a particular website is more important than the matter of privacy. Users now have a mind-set of that whatever they are sharing can be looked out by other users also and they are ok with it. The importance of user experience and personal benefits is reinforced by our other findings as well where a particular unethical practice is fine for a user as long as it provides some personal benefit and soothes his/her experience. Basically in our research we aimed at to develop our own definition of ethics and not to go with a rigid definition which has leaded us at this:

If one has no intentions of harming or misleading other particular users for their bad, like they don't want to waste their time and mislead them, but still it proves to be harmful then it is unethical on part of a brand while something which even while misleading gives them benefits is ethical on part of brand.

Our research not only highlighted ethics but also cleared the picture of brand perception as various digital marketing practices also came into light. Here again as expected with the offline marketing brand perception and ethics were closely linked.

If a brand follows ethically correct practices it can change the perception for good while on other hand not doing so can result in the hindrance of its image and its extent was also found to be too drastic.

Recommendations & suggestions:

To sum this all up, in order to be ethical in marketing attempts, businesses should make honest claims, and excel at satisfying the needs of their customers. This practice over time builds trust and customer confidence in your brand's integrity and therefore leads to loyalty, customer and employee retention, great public relations and increase in business from customers spreading the word.

- Companies need to evaluate whether they are truly practicing ethical and social responsibility marketing.
- Companies must adopt and disseminate a written code of ethics, Build a company code of ethical behavior, and hold its people fully responsible for observing ethical and legal behavior.
- “Good marketing is Ethical Marketing” – Marketing is about satisfying and developing a long term relationship with the customers.
- Deceiving customers may help a firm to earn profits in short run, but it is not the way to build a successful business.

- The firm has to take care of its customers, stakeholders, employees, suppliers and distributors, society and the environment as well.

References

- Akaah, I. (1997) 'Influence of Deontological and Teleological Factors on Research Ethics Evaluations', *Journal of Business Research*, 39(2), pp. 71-80.
- Birnbacher, D. (1999), 'Ethics and social science: which kind of cooperation?', *Ethical Theory and Moral Practice*, 2(4), 319–36.
- Blackwell, J., Miniard, P. and Engel, J. (2001), *Consumer Behaviour*, Ohio: South-Western
- Booms, B.H. and Bitner, M.J. (1981) *Marketing strategies and organisational structure for service firms*. In J.H. Donnelly and W.R. George (eds), *Marketing of Services*. Chicago, USA: American Marketing Association, pp. 47-52.
- Chaffey, D. Ellis-Chadwick. F. (2015) *Digital marketing - Strategy, Implementation and Practice*, 5th edn., : Pearson.
- Du Plessis, P. J., G. G. Rousseau, and N. H. Blem. 1994. *Consumer behaviour: Strategic marketing applications*. 2nd ed. Halfway House, South Africa: Southern Book Publishers.
- Foxman, E. R., P. Kiicoyne (1993), "Information Technology, Marketing Practice, and Consumer Privacy: Ethical Issues," *Journal of Public Policy & Marketing*, 12 (Spring), 106-19.
- Gaski, J.F. (2016) *The trouble with marketing ethics*. In: Nill, A. ed. *Handbook on Ethics and Marketing*. Cheltenham, UK: Edward Elgar Publishing Limited, pp.111-124.
- Haase, M., (2016). *The cooperation of marketing theory and the ethic of responsibility: an analysis with focus on two views on value creation*. In: Nill, A. ed. *Handbook on Ethics and Marketing*. Cheltenham, UK: Edward Elgar Publishing Limited, pp. 125-145
- Hunt, S., Vitell, S. (2016). *The general theory of marketing ethics: the consumer ethics and intentions issues*. In: Nill, A. ed. *Handbook on Ethics and Marketing*. Cheltenham, UK: Edward Elgar Publishing Limited, pp. 15-34
- Murphy, P. E., Laczniak G. R., Bowie N. E. and Klein T. A. (2005) *Ethical Marketing: Basic Ethics in Action*, Upper Saddle River, Prentice Hall.
- Saunders, M., Lewis, P. & Thornhill, A. (2016) *Research Methods for Business Students*. 7th ed. Harlow, England: Pearson.
- Schlegelmilch, B., Oberseder, M. (2010) 'Half a Century of Marketing Ethics: Shifting Perspectives and Emerging Trends', *Journal of Business Ethics*, 93(1), pp. 1-19.