

THE LIMITS OF ETHICAL MARKETING

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Abstract

In today's business environment, ethical marketing has become a crucial tool for improvement a company's competitiveness. More businesses are integrating ethical principles into their marketing strategies to build trust and long-term relationships with consumers. Ethical marketing involves applying moral standards to marketing practices, focusing on transparency, fairness, and responsibility. It seeks not only to boost sales but also to build consumer trust, support the community, and promote sustainable business practices. Ethical marketing promotes truthful advertising, fair pricing, respect for consumer privacy, and aligns with social values, avoiding misleading information. However, challenges in ethical marketing persist. Deceptive advertising is one of the main issues, where companies exaggerate or misrepresent their products. Another concern is targeting vulnerable groups, such as children and the elderly, who are more susceptible to manipulation. Greenwashing, or making false claims about a company's environmental efforts, and hidden costs in promotions also mislead consumers. Such practices damage consumer trust, highlighting the need for integrity in marketing strategies. The aim of the paper is to highlight how unethical marketing practices can negatively affect consumer trust and a company's reputation, while also emphasizing the importance of responsible marketing in modern business practices.

Keywords: ethical marketing, unethical marketing, greenwashing, deceptive advertising.

INTRODUCTION

Marketing is a way of thinking and a guiding philosophy for business. The core of the marketing concept is the transaction, meaning the exchange of value between two participants, where value is not limited solely to money, goods, or services [1]. It includes a range of activities designed to understand and meet customer needs effectively and efficiently. The aim of these efforts is not only to satisfy customers but also to achieve the organization's goals. These goals often include increasing profits, boosting sales, and expanding the company's position in the market. By focusing on both the customer and the organization's interests, marketing creates a balance between what customers want and what the business aims to accomplish. In the context of marketing, especially from an ethical standpoint, many controversial and debatable issues arise, as different parties often have competing interests. Marketing

professionals frequently encounter ethical dilemmas, where they must determine the appropriateness of their choices and actions. These dilemmas challenge whether the actions taken are fair to all stakeholders. To address this, organizations establish specific ethical boundaries to uphold principles of responsible and fair business conduct [2]. However, ethical challenges in marketing continue to arise.

ETHICAL MARKETING

Ethical marketing is a holistic approach that involves the application of ethical principles in all marketing activities.

Unlike traditional marketing, which often focuses on boosting sales and maximizing profits, ethical marketing aims to create lasting benefits for businesses but also for society as a whole. Rooted in values such as trust, respect for life, family support, wise decision-making, and fair wealth distribution, this approach seeks to

balance profit with social responsibility [2, 3].

Marketing ethics, as a specialized area within business ethics, focuses on understanding how moral standards should guide marketing decisions, behaviors, and the broader structures of marketing institutions. This field helps marketers apply ethical principles to guide their actions and decisions. Marketing ethics builds on core principles from business ethics, such as honesty, integrity, and fairness [3, 4, 5]. Through these core values, ethical marketing promotes practices that are transparent, credible, and accountable to customers and other stakeholders [3]. This approach fosters transparent and reliable business practices, encouraging marketers to establish relationships grounded in trust and respect [5, 6].

Ethical marketing is based on fundamental moral values which includes the following [7]:

- honesty is fundamental, pointing out that a marketer should be straightforward, transparent, and trustworthy when building relationships with customers, it also involves fulfilling the promises made by the brand;
- responsibility is a key principle, holding marketers accountable for all their practices, it also reflects a commitment to environmental stewardship;
- fairness referring that marketers are expected to safeguard customer information, avoid deceptive practices, and uphold customer trust;
- respect is a core value, highlighting the importance of treating all stakeholders with consideration and regard;
- transparency calls for openness in all marketing activities, enabling proactive and constructive actions.
- citizenship relates to fulfilling economic, legal, philanthropic, and

social responsibilities to all stakeholders, it also encompasses serving the community and contributing to environmental sustainability.

Ethical marketing practices provide managers and marketers with a structured approach to navigate complex ethical issues they may face in their work [8]. As a result, customers develop greater confidence in the brand, seeing it as trustworthy and accountable [9]. This, in turn, leads to stronger, long-lasting relationships that go beyond transactional exchanges, enhancing the brand's reputation and creating a foundation for sustained loyalty and success in the marketplace.

MYTHS SURROUNDING ETHICAL MARKETING

According to [10], there are a few misconceptions about ethical marketing, which include:

- ethical marketing is just about following law
- ethical marketing means sacrificing profits
- ethical marketing is not for all industries
- ethical marketing is just a trend
- ethical marketing is just for big companies.

While following legal standards is essential in ethical marketing, it's only the beginning. Ethical marketing goes beyond mere compliance, embracing values like integrity, fairness, and social responsibility. This approach involves making choices that genuinely reflect what is right, not just what is legally allowed. For example, an ethical marketer prioritizes honest advertising and clear communication, even if regulations are lenient. Such a commitment supports values like trust and wisdom, helping to build a strong reputation based on honesty and integrity in all business practices. This deeper approach to marketing fosters customer loyalty and trust.

Contrary to common belief, ethical marketing does not mean sacrificing

profitability. In fact, it often leads to stronger financial performance over time. By establishing a reputation for honesty and fairness, businesses build deep trust and loyalty with their customers. Ethical marketing may involve higher initial costs, like investing in fair trade materials or sustainable practices, but these are balanced by long-term benefits such as increased customer loyalty, higher retention rates, and a positive public image. Companies that focus on ethical marketing are not just protecting their wealth; they're also supporting life by enhancing the well-being of their customers and the wider community.

Ethical marketing is a universal principle that can be applied across all industries, from technology and healthcare to finance and retail. Any company, regardless of its sector, can adopt ethical practices that reflect its core values and contribute positively to society. For example, a tech company might focus on data privacy and security, while a retailer might prioritize fair labor practices and sustainable sourcing. Ethical marketing practices align with the preservation of faith, family, and life by ensuring that business operations contribute to the greater good and respect the rights and dignity of all stakeholders.

Ethical marketing is more than just a passing trend; it marks a lasting change in how businesses operate. As consumers grow more conscious of ethical issues in their buying choices, companies that adopt ethical marketing practices are in a strong position to gain lasting trust and loyalty. This shift reflects a broader awareness of the social and environmental effects of business actions. By embracing ethical marketing, companies are not merely following trends that they are paving the way toward a more sustainable and responsible future. This approach represents a commitment to long-term success and positive social impact.

Ethical marketing isn't limited to big corporations; it's equally valuable and attainable for small businesses. Smaller

companies often have the flexibility and close community ties that allow them to implement and highlight ethical practices effectively. Whether it's a local bakery sourcing fair trade ingredients or a small tech startup focusing on data privacy, ethical marketing is rooted in a commitment to principles rather than company size. This approach aligns with values like integrity and community, showing that ethical practices aren't just possible but essential for businesses of all sizes.

WHAT UNETHICAL MARKETING CAN DO?

Ethical marketing faces various limitations that stem from the nature of the market, organizational goals and pressures, as well as the complexity of ethical dilemmas. The weaknesses of ethical marketing most often occur in advertising practices, which can include [11]: (1) the unethical nature of dishonest, seductive, or misleading advertising; (2) the unethical use of manipulation and coercion in advertising; (3) ethical concerns about paternalism in advertising; (4) the ethics of restricting certain forms of advertising; (5) the allocation of moral responsibility within advertising; (6) advertising aimed at children, (7) deceptive or misleading advertising, (8) hidden advertising, (9) controversial advertising, (10) offensive advertising, (11) comparative advertising, and (12) sexist content in advertising, among others.

Ethical marketing challenges are more common in gray areas, such as the underground economy, where legal actions can sometimes be unethical, or where the legitimacy and ethicality of behavior may be unclear [7].

The impact of unethical marketing practices is widely recognized and has been brought to light by numerous high-profile cases. For instance, tobacco companies used misleading marketing tactics for years to promote smoking, leading to severe health impacts for millions of people [12,

9]; tech companies have faced criticism for failing to protect user data and allowing misinformation to spread on their platforms [9]. Similarly, the fast-fashion industry has been condemned for harming the environment and providing poor working conditions in production countries [13, 9].

Greenwashing poses a significant risk to consumers and society as a whole. It affects business from economic, social, and environmental perspectives by raising concerns about the honesty and responsibility of companies that claim their products or services are eco-friendly, even when they don't truly meet sustainable standards. This practice harms the transparency and accountability of companies, misleading customers by promoting themselves as environmentally friendly without genuine commitment to sustainability. As a result, greenwashing damages consumer trust, disrupts the market for sustainable products, and creates unfair competition for businesses that are genuinely committed to sustainable practices. It involves giving stakeholders a false impression of a company's environmental efforts, often by selectively presenting positive information and hiding negative aspects. This approach can also damage employee trust and reduce their engagement with the company, leading to dissatisfaction and negative reactions [14].

Such irresponsible behavior in companies is usually punished sooner or later. As a result, it is difficult to create satisfied consumers, loyal customers, or achieve positive word-of-mouth marketing. A new consumer culture is developing where people increasingly consider the impact of their purchases on the environment and society. Consumers are showing greater dedication to making choices that benefit not only themselves but also the communities they belong to. Modern consumers are informed, educated, and aware of their rights, which they use to make specific demands on businesses. This new level of awareness has created consumption patterns focused on ethical

products and services, as well as changing preferences. More consumers now seek brands that uphold ethical standards, responsible practices, and social responsibility, helping drive positive change in society [1].

CONCLUSION

Ethical marketing represents a commitment to fostering long-term customer satisfaction and loyalty while also respecting the wider community and environment in which businesses function. These examples underscore the importance for companies to actively engage with ethical practices and responsibilities in their marketing efforts, taking into account the lasting impacts of their actions. By incorporating ethics and responsibility into their strategies, businesses can not only prevent negative publicity but also cultivate more sustainable and trustworthy brands.

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