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ETHICS AND ADVERTISING

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ABSTRACT

Advertisements are the most common marketing method used by businesses. The term Ethics means a set of moral principles which govern a person's behaviour or how the activity is conducted. Thus while advertising, companies should keep legal and ethical considerations in mind. Ethics is the most important feature of the advertising industry. Though there are many benefits of advertising but then there are some points which don't match the ethical norms of advertising.

This study includes marketing norms by American Marketing Association, ethical issues in advertising, about Advertising Standards Council of India and some selected cases handled by it in the year 2013 and 2014. The information for the present study is collected from secondary sources like books, journals, magazines and internet.

Like other countries around the world, India also has a self-regulatory organization for advertising content – The Advertising Standards Council of India (ASCI), It is founded in 1985. ASCI is a self-regulatory voluntary organization of the advertising industry. Along with this there is a good regulatory network in India for regulating advertising. The complaint making procedure of ASCI is simple and fast. There are thousands of ads against which complaints are registered, which include ads of many famous and reputed companies. From the study of selected cases of complaints it can be concluded that most of the famous companies are not following any regulations, norms and ethical codes for advertising in fact it is seen that they are not bothered about such advertising codes.

INTRODUCTION:

Advertisements are the most common marketing method used by businesses. They last longer than word of mouth or networking, and have a greater potential to reach a large number of people, especially in the digital age. As the public is bombarded by advertising on a daily basis, ads are subject to many regulations or by set of moral principles which are called Ethics. The term Ethics means a set of moral principles which govern a person's behaviour or how the activity is conducted.

Thus while advertising, companies should keep legal and ethical considerations in mind. The main area of interest for advertisers is to increase their sales, gain more and more customers, and increase the demand for the product by presenting well decorated, puffed and colourful advertisements. They claim that their product is the best, having unique qualities than the competitors, more cost effective, and more beneficial. Advertising has played a major role in consumer marketing, and has enabled companies to meet communication and other marketing objectives. Typically, advertising is used to inform, persuade, and remind consumers. It importantly reinforces their attitudes and perceptions. Advertising has been a target of criticism for decades and has been hailed as a capitalistic virtue, an engine of free market economy, and a promoter of consumer welfare.

But most of these ads are found to be false, misleading customers and unethical. The advertisers use colouring and gluing to make the product look glossy and attractive to the consumers who are watching the ads on television and convince them to buy the product without giving a second thought.

Advertising means a mode of communication between a seller and a buyer. Thus ethics in advertising means a set of well defined principles which govern the ways of communication taking place between the seller and the buyer. Ethics is the most important feature of the advertising industry. Though there are many benefits of advertising but then there are some points which don't match the ethical norms of advertising.

OBJECTIVES OF STUDY:

The objectives of present study are as follows:

- 1) To study marketing ethical norms given by American Marketing Association.
- 2) To know ethical issues faced in advertising.
- 3) To study the advertising regulation in India with special reference to the Advertising Standard Council of India.
- 4) To analyze selected cases of complaints handled by ASCI.

RESEARCH METHODOLOGY:

The information for the present study is collected from secondary sources like books, journals, magazines and internet.

MARKETING ETHICAL NORMS PROPOSED BY AMERICAN MARKETING ASSOCIATION:

The American Marketing Association commits itself for promoting the highest standard of professional ethical norms and values for its members that are practitioners, academics and students. Norms are established standards of conduct that are expected and maintained by society and/or professional organizations. Values represent the collective conception of what communities find desirable, important and morally proper. Values also serve as the criteria for evaluating our own personal actions and the actions of others. Marketers must recognize that they not only serve their organizations but also act as stewards of society in creating, facilitating and executing the transactions that are part of the economy. In this role, marketers are expected to embrace the highest professional ethical norms and the ethical values implied as their responsibility towards multiple stakeholders like customers, employees, investors, peers, channel members, regulators and the host community.

ETHICAL NORMS OF AMERICAN MARKETING ASSOCIATION:

- 1) *Do no harm*- This means consciously avoiding harmful actions or omissions by embodying high ethical standards and adhering to all applicable laws and regulations in the choices marketers make.
- 2) *Foster trust in the marketing system*-This means striving for good faith and fair dealing so as to contribute towards the efficacy of the exchange process as well as avoiding deception in product design, pricing, communication, and delivery of distribution.
- 3) *Embrace ethical values*-This means building relationships and enhancing consumer confidence in the integrity of marketing by affirming the core values like honesty, responsibility, fairness, respect, transparency and citizenship.

ETHICAL ISSUES IN ADVERTISING:**1. Puffery & Hype:**

It means advertising or a self presentation relying on exaggerations and superlatives with no credible evidence to support its vague claims. Advertisers use exaggerations and hyperbole to get people's attention and to make their message memorable. Companies compare their product to that of a competitor without scientific studies to substantiate their claims which can lead to deception. Hence puffery may be tolerated to an extent as long as it does not amount to misrepresentation.

For example: Parle G Gluco biscuits put a tall claim of being "the world's largest selling biscuits" on its package.

2. *Good Taste / Stereotype:*

Stereotype is defined as to attach an idea or image to a person who belongs to a particular group. Marketers are constantly seeking ways to make their products more easily identifiable to specific groups of end users. In some cases, they may intentionally or unintentionally use stereotyping to show a product as appealing to their desired target market or in an attempt to interject humor into the ad. Stereotyping about gender, race, ethnicity, age, lifestyle, handicaps, religions, etc. In advertisements, woman would always be the showpiece mom, daughter, wife and sister, a direct reflection of how society viewed her.

As many as 4,430 complaints poured in against 784 advertisements telecast between 2007 and 2012 on television channels, and 54% of them were upheld as they showed women in poor light.

3. *Stealth Advertising:*

Stealth advertising includes promotional messages embedded in a story line but not explicitly presented as advertising. It is a practice wherein customers are paid to use or pitch products in public settings without disclosing the facts that they are been paid to do so, hence stealth advertising is considered as unethical as it fails to disclose the relationship between the marketer and the customers. For example, a cooking show is paid to use a certain brand of cookware, a movie company is paid to use a certain type of sports car in its chase scenes.

4. *Advertising to Children:*

Advertising to children is a sensitive and emotionally-charged issue because children are easily influenced and like to experiment with new things and they are vulnerable to manipulations through advertising messages and are prone to accept such messages as truthful and unbiased. Such marketing tactics in advertising can lead children to adopt certain consumer behaviour which can result in negative impacts on their physical and mental health. Especially ads of products like alcohol, tobacco, cigarettes, junk food, gambling, etc

5. *Gratuitous Sexual Content:*

It includes using nudity, sexual imagery, and sex appeal, for the purpose of attracting attention, despite little or no inherent sexual aspects of the product/service/idea being advertised. Women appear as a sexual object in any kind of advertisement or as an attractive material standing nearby a product. Sometimes firms use sexual saleswomen to facilitate the sale or to attract consumers' attention to the firm or product. Particularly, it is very common to use sexually attractive women in advertisements regardless of the product is related to sexuality. The use of

sexual women images in advertisements is so wide spread that such images are found in the advertisements for most product types from clothing to motor cars, from cosmetics to furniture.

6. *Negative Content:*

This includes fear appeals, guilt appeals, and threats. It also includes an approach to advertising that focuses on negative aspects of rival products.

Advertising regulation in India with special reference to the advertising Council of India:

In India the government assumes the role of regulating the business activity by bringing a number of laws, regulations and codes. The following laws have been enacted by the government, which contain provisions that regulate advertising in India.

- I. Laws having horizontal application on advertising
- II. The Consumer Protection Act, 1986.
- III. The Emblems and Names (Prevention of Improper Use) Act, 1950
- IV. Trade and Merchandise Marks Act, 1958.
- V. Cable Television Networks (Regulation) Act, 1995
- VI. Indecent Representation of Women (Prohibition) Act, 1986.
- VII. Monopolies and Restrictive Trade Practices Act, 1969.
- VIII. Motor Vehicles Act, 1988
- IX. Laws having vertical application on advertising
- X. Section 58 Companies Act, 1956
- XI. Drugs and Cosmetics Act, 1940.
- XII. Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954.
- XIII. Pre-natal Diagnostic Techniques (Regulation and Prevention of Misuse) Act, 1994.
- XIV. Prevention of Food Adulteration Act, 1954/ Food Safety and Standards Act, 2005.
- XV. Prize Chits and Money Circulation Schemes (Banning) Act, 1978.
- XVI. Prize Competition Act, 1955
- XVII. The Infant Milk Substitute, Feeding Bottles and Infant Foods (Regulation of Production, Supply and Distribution) Act, 1992 and Amendment Act, 2002.
- XVIII. Transplantation of Human Organs Act, 1994
- XIX. The Young Persons (Harmful Publications) Act, 1956

THE ADVERTISING STANDARDS COUNCIL OF INDIA (ASCI):

Like other countries around the world, India also has a self-regulatory organization for advertising content – The Advertising Standards Council of India (ASCI) , It is founded in 1985. ASCI is a self-regulatory voluntary organization of the advertising industry. The aim of ASCI is

to maintain and enhance the public's confidence in advertising. Their mandate is that all advertising material must be truthful, legal and honest, decent and not objectify women, safe for consumers - especially children and last but not the least, fair to their competitors.

ASCI's team consists of the Board of Governors, the Consumer Complaints Council (CCC) and its Secretariat. ASCI has 12 members in its the Board of Governors, 04 each representing the key sectors such as advertisers, advertising agencies, media and allied professions such as market research, consulting, business education etc. The CCC currently has about 21 members: 9 are from within the industry and 12 are from the civil society like well-known doctors, lawyers, journalists, academicians, consumer activists, etc. ASCI also have its own independent Secretariat of 5 members which is headed by the Secretary General.

CODES OF ASCI:

ASCI have adopted codes for Self-Regulation in Advertising. It is a commitment to honest advertising and to fair competition in the market-place. It stands for the protection of the legitimate interests of consumers and all concerned with advertising - Advertisers, Media, Advertising Agencies and others who help in the creation or placement of advertisements.

- 1) **Truthful & Honest** – The advertisements should be truthful, fair and non-derogatory to competitors. They should not be misleading and plagiarized.
- 2) **Non-Offensive to public**- Advertisements should be within the bounds of generally accepted standards of public decency and propriety.
- 3) **Against harmful products/unsafe situations**- Advertisers should not involve in the promotion of products which are hazardous or harmful to society or to individuals particularly minors, to a degree unacceptable to society at large.
- 4) **Fair in Competition**-Advertisers should ensure that advertisements observe fair in competition so that the consumer's need to be informed on choices in the market place and the canons of generally accepted competitive behavior in business are both served.

COMPLAINTS HANDLING BY ASCI:

There is no other non governmental body in India which regulates the advertising content that is released in India. If an advertisement that is released in India seems objectionable, a person can write to ASCI with his complaint. Complaint can be filed online or, by calling or by sending e-mail, or through post. This complaint will be deliberated on by the CCC after providing due process to advertiser to defend the advertisement against the complaint and depending on whether the advertisement is in alignment with the ASCI code and law of the land, the complaint

is upheld or not upheld and if upheld then the advertisement is voluntarily either withdrawn or modified. The CCC's decision on complaint against any advertisement is final.

DETAILS OF SELECTED CASES OF COMPLAINTS HANDLED BY ASCI

Sr. No.	Name of the Company	Name of the Product	Details of Complaint	Decision
01	Reckitt Benckiser	Dettol antiseptic liquid	Commercial ad was released which claims that Dettol protects your family from more than 100 disease causing germs	CCC concluded that the this ad misleads the consumer, by implication and ambiguity into believing that all product under the brand name Dettol have the same properties as that of Dettol antiseptic liquid i.e. ' Dettol aapke pariwar ko100 se bhi jyada bimari phaylane wale kitano se bachata hai... ". PROTECTS FROM 100 GERMS'. This is misleading and therefore, this ad was upheld in November, 2013
02	Godrej	Goodknight	A child standing near the mosquito vapouriser", whereas the product's leaflet includes a precaution that the electrical liquid vaporising machine should be kept away from the reach of children.	The CCC concluded that advertisement features a dangerous practice, manifests a disregard for safety and encourages, negligence that's why ad was upheld , in October, 2014
03	Online retailer Snapdeal.Com	Heavy discounts	Heavy discounts on all products	CCC concluded, while purchasing the products these products were not available and were sold out or the rates were higher while clicking the buy button, it added The claim of Snapdeal "bachaey raho" discount offer was false and was not substantiated, that's why ad was upheld in October,2014
04	Philips Electronics	Philips Kerashine Styling Kit	Ad shows a girl on the rear seat of a car standing up while the vehicle is moving on the road.	CCC concluded this advertisement encourages a dangerous practice and manifests a disregard for safety and is in violation of the traffic rules that's why the ad was upheld in October, 2014
05	Flipkart on line shopping	Flat 90 per cent off	Flat discount of 90% on all products	CCC concluded that the advertising is misleading as it did not mention that the offer is on limited stock that's why ad was upheld in December,2014
06	Hindustan Unilever Ltd.	Fair & Lovely	Ad claiming that product marketed in India gives better results than other fairness creams marketed in Dubai, Singapore and Japan.	CCCC concluded that advertisement is misleading by exaggeration and implication that the advertised product is unbeatable with all the products in those countries, that's why the ad was upheld, in December ,2014

**NO. OF COMPLAINTS HANDLED BY ASCI IN THE YEAR 2014
(JANUARY TO NOVEMBER)**

Month	No. of Complaints Received	No. of Complaints Upheld
January	144	134
February	136	99
March	108	68
April	124	82
May	140	121
June	38	25
July	147	134
August	95	84
September	100	79
October	146	105
November	144	113

CONCLUSION:

The norms proposed by American Marketing Association are self contained and if followed by all business organisations then there will be no ethical issues in marketing.

In India we have various acts regulating advertisements and also a self regulatory voluntary organisation that is ASCI, but still the norms and codes proposed by these regulatory bodies are not followed while advertising products, that's why there are many ethical issues pertaining to advertisements released in India, all this is evidenced through number of complaint cases handled by Consumer Complaint Council of ASCI.

From the study of selected cases of complaints it can be concluded that most of the famous companies are not following any regulations, norms and ethical codes for advertising in fact it is seen that they are not bothered about such advertising codes.

SUGGESTIONS:

Looking at all these above mentioned points, advertisers should start taking responsibility of self regulating their ads by:

- Design self regulatory codes in their companies including ethical norms, truth, decency, and legal points.
- Keep tracking the activities and remove ads which don't fulfil the codes.
- Inform the consumers about the self regulatory codes of the company
- Pay attention on the complaints coming from consumers about the product ads.
- Maintain transparency throughout the company and system.

When all the above points are implemented, they can result in:

- Making the company answerable for all its activities

- Will reduce the chances of getting pointed out by the critics or any regulatory body.
- Will help gain confidence of the customers; make them trust the company and its products.

FUTURE PROSPECTS:

A study can be undertaken of complaint cases of advertising handled by ASCI for ten years classifying different types of products and ads against which frequently complaints are made.

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