Ethical Issues Related Advertising

Nina Kustura, Teoman Duman

International Burch University, Faculty Management,
71000, Sarajevo, Bosnia and Herzegovina
E-mail: ninakustura@hotmail.com

Abstract
Advertisement is used to draw attention to a product or service in a special and unique way to increase sales. Promotions are a major driver of a firm’s integration to impel sales. In a competitive environment, advertisement can be a leading technique to sell if it is distinctive and attractive to consumers. The firms must provide customers with a product or services that stands up to the covenants of the firm’s product or service. Ethical issues in advertising are allied to all businesses and customers. Prominent scholars have premeditated these issues for years. The purpose of this paper is to explain the ethical issues pertaining the messages, the products or services and the target customers. It also explains the main ethical issues in truth of advertising, advertising to children, harmful products, and tactics.

Keywords: Advertising ethics, marketing ethics, legal issues, moral values, message, target audience, marketers, and advertisers

1. INTRODUCTION
Ethical issues have increased related to marketing. Marketing has always been open to criticisms about unethical practices. (Nill and Schibrowsky, 2007.) The marketing function of business is noted most for ethical abuse and almost every aspect of marketing has been criticized (Murphy and Laczniaak, 2006). Businesses are interesting in making money and advertising helps a great deal to sell products, but can be just as harmful. Advertising is a form of communication that attempts to influence customers to purchase or consume more of a particular product or service. Every major medium is used to deliver these messages, including radio, television, magazines, newspapers, Internet and billboards. In terms of ethical standards, advertising has been rated the lowest on 14 ethical dimensions in the functional areas of business (Burnett and Pettijohn, 2003).

There is a difference between moral values and ethics and how both affect the behaviors and decisions of people. These same reasons apply to business organizations that should follow an advertising policy. Firstly, moral values are basic beliefs and knowledge about what is wrong and what is right. People obtain moral value from their religious background, beliefs,
culture and training. Secondly, ethics are ways of acting appropriate to one’s moral values. People develop moral values from their cultures and apply these values in daily decisions to know the difference between wrong and right. Applying both moral values and ethics, people make a plan to act and behave in an ethical manner. Moral values and ethics affect the decision and behavior in the workplace. These principles should be applied into businesses and marketing, to create an advertising policy that is created based on moral values and ethics. The figure below summarizes these principles into creating an advertising policy that is honest, distinct, and socially and environmentally respectful.

![Figure 1. Moral Values and Ethics Applied to Advertising](Source: Based on Suggestions by Greenberg Jerald, 2005; see page 48)

There are numerous benefits to advertising through economic, political, cultural, moral and religious perspectives. Through an economic perspective advertising is a toll used for sustaining honest competition by informing people of the availability of new products and services and the improvements in existing ones. Politically, it helps avoid monopolization of power by informing people of ideas and policies of other candidates. From a cultural perspective, it can give positive influence on improving society. To encourage and inspire people to behave in way that benefit themselves and others. Finally, from a moral and religious view, advertisement can communicate messages of faith, patriotism, charity, health and education through tasteful and entertaining advertisement.

At the same time, there are disadvantages of advertisement from the same points of view. Firstly, from an economic perspective, it can misrepresent and without relevant facts.
Secondly, from a political view, the costs of advertising can limit campaigns to only wealthy candidates, and be abused to misrepresent view of other candidates. From a cultural view, it can damage culture and values. From a moral and religious view it can harm religion with vulgar and morally degrading advertising.

It is important for organizations to understand the basic knowledge of moral values and ethics and how to apply them to their advertising campaigns. Advertisement has an affect on the entire environment, from politics, economy, culture, and religion. Advertising ethics has sustained itself a towering lightning rod for controversy; perhaps, because it is the most visible tool today, exposing the public to thousands of messages each day, which are sometimes more than questionable (Coyne and Traflet 2008). The issue arises because there are no benchmarks for ethical practices as yet, forcing advertisers to adapt more traditional notions of what constitutes appropriate conduct as long as no legal issues are tampered with as those would stand to be prosecuted (Belch and Belch, 2007).

However, there are companies that neglect their ethical responsibility by continually producing and airing unethical advertisements (Polonsky and Hyman, 2007). The ethical issues in advertising apply to companies globally and all consumers. The consumers should not be misled about the products or services that are being promoted.

The purpose of this paper is to outline the ethical breaches that are brought on by advertising. The paper is divided into three major ethical issues concerning advertising. Those are, the infringement of the messages, the target audience, and the product or service.

2. MAJOR ETHICAL ISSUES RELATED TO ADVERTISING

2.1 The Message

The message in the public notice is the most crucial component of the advertising strategy. It is inside the message that advertisers can form various representation of the message and insert a hidden meaning. The message of the commercial can be broken down into two different groups in which it communicates. Misleading statements and attractiveness are ways of communicating to viewers.

Misleading statements are messages that are presented to viewers and the advertiser discloses their identity. Deception or misleading in advertising leaves viewers with other than reasonable knowledge, which is required to make a purchasing decision, about the product (Caron et al 1985). These messages give consumers incorrect information about products or service, which persuade them to buy it. Organizations are in a business to make sales, and providing false information to consumers to make sales is a risk that they are willing to take. Deceptive claims include advertisements of cigarettes and alcohol for example. Even though, there are many legal restrictions concerning the promotion of cigarettes and alcohol,
marketers still find a way to exploit these products deceptively. For example, cigarette ads in magazines and billboards represent joy of life instead of death. Alcohol represents a good evening instead of health problems. Advertisers are very skillful to be able to portray these products as healthy and life enduring even though they are not. This is because in these ads and commercials, people are never seen smoking a cigarette or drinking an alcoholic beverage. This is a deceptive claim and does not make the advertisement ethical. Also, honesty is something that these advertisers do not exactly follow. Advertisers are using words like “finest” and “number one,” which are incomparable and untruthful. These kinds of ads are directly affecting consumers and changing their purchase decisions.

Representations that are exotic, sexist, or racist endure the potential to damage the reputation of the represented group, and associated group members, as the audience creates meaning and subjective interpretations of such ads which are believed to construct reality as part of the lived experience (Hughes, 2000). The issue occurs when these groups or individuals feel offended as to how they’re being portrayed in the advertisements. As mentioned before, advertisement is changing the way people portray society, culture, and individual self. Stereotyping in advertisement includes the misinterpretation of how women, religious groups, and children function in society. The ethical issue in this is, these advertisements include idealized people performing or using products, which creates uncertainty to the audience and have caused many health effects. For example, anorexia and bulimia has increased because artificial images of actors set up implausible standards of living beyond reach of the regular population (Elliot and Elliot, 2005). It is unethical to advertise such non-natural images of certain people performing or using certain products that offend and insult groups and individuals.

The message of advertising is the most important element in the communication process from businesses to consumers. The message holds the most glitches pertaining ethical values and is the most criticized.

2.2 Target Audience
Marketing strategies include certain products and service to pertain to a specified target audience. Ethical issues exist amongst advertisements to certain target audiences. These include children, women and senior citizens or the elderly.

Many statistical studies have proven that children watch the most commercials on television. This allows advertisers to strategically place commercials on television for children’s products. Targeting children is seen as profitable since children have an effect on families. Advertising to children through television commercials, magazines, and Internet is a concern for parents and society, because children to not have judgments abilities and are vulnerable to
stray influences (Preston, 2004). Children should not be misled and advertisers should not misrepresent products advertised to children.

When targeting women, there is an enormous ethical issue. Women are used in ads mostly as things and sex objects. Models are portrayed flawless and perfection of the physical appearance is strongly suggested. Women do find these ads insulting, but continue to buy the products. Although, the ads cause no harm immediately, but after time with continuous ads of women is portrayed as sex object, it has affected all of society. These ads have caused much health and decrease is self-esteem. Health problems include eating disorders, stress, and abusive use of certain beauty products. Also, with such low self-esteem, more and more women are getting plastic surgery to achieve a flawless physical appearance. Women should be portrayed through their natural beauty.

Senior citizens or in other words the elderly are vulnerable consumers to pharmaceutical products. Advertisers use abusive and fear-inductive ads that make the elderly anxious, and tense. It is unethical to promote pharmaceutical products in such an unpleasant manner. The elderly should not be persuaded to purchase products or services through shocking advertisements.

2.3 The Product or Service

The ethical issues related to products or services can very immensely depending on cultures. For example, in some eastern cultures advertisements for women’s under garments, contraceptives and sexually related products are found to be offensive and inappropriate. These countries do not advertise such sensitive and personal products publically. While in other liberal cultures in western countries do not find such advertisements insulting. Whether the society accepts such products; it should be in line with the law. Ethical issues arise in all societies liberal or conservative depending on how graphic and arousing this advertisements can be. It is unethical to have billboards in public places that can make people feel sexually aroused or offended and uncomfortable.

Advertisements for cigarettes and alcohol are very controversial at the same time. These products are targeted towards young adults, through persuasive advertisements, leading teenagers to believe it is in trend to smoke and drink. New public policies have changed the way tobacco and alcoholic beverages are to be advertised. Advertisements for alcohol include a message to drink responsibly. Cigarettes have new laws to include and specify health risks faced with smoking.

Even though laws have been enforced concerning these two controversial products, it does not solve the problems. Teenagers are continually picking up the horrible and unhealthy habit
of smoking. Drunk driving accidents statistics are increasing and young teenagers are victims of such accidents. Drinking and smoking are advertised to be appealing and fashionable, and young adults are persuaded to use the products.

3. CONCLUSION

This paper has addressed three areas of ethical issues in advertising related to the message, the product or service and the target audience. Although, ethical issues in advertising are different from country to country, depending on culture, tradition, customs and religion. These three issues are most common in unethical advertising.

Governments did impose restrictions and rules in the marketing industry, but advertisers still find ways to use unethical advertising without tampering with legal issues. Firms need to decrease their ethical violations in advertising. Firms have to be more aware of ethical issues and put more effort in becoming more respectful to their consumers. Firms should monitor and police the extent of ethical violations deemed plausible for business, and they can let the market be aware of the manner in which they control their advertising ethics stature as a signal of their endeavor toward action and commitment of their corporate social responsibility perspective. (Boddewyn, 1985).

It is important for advertisers to fully understand and follow an ethical way of promoting products or services. Promotions are to be conducted in a way not to persuade the audience to do something. The message in an advertisement should be honest and not deceptive. An ad should serve to simply promote a new product or service to be used for the sole purpose of it. The target audience should not be misleading in certain ways that apply to them. Children, teenagers and women should be appropriately targeted with advertisements that are not aimed at their inabilities to make the right decision. Marketers/advertisers must stop indulging in unethical practices and start respecting local moral values and ethics. The public needs to be aware of unethical advertising and take concern in protecting the children, women and elderly of the society.

REFERENCES


Transformation Of The Institutional Structure Of Western Balkan Countries

Şermin Şenturan, Samir Husić
1Bülent Ecevit University, Zonguldak/Turkey
2International University of Sarajevo, Bosnia and Herzegovina
E-mails: senturansermin@gmail.com, samirhusic@gmail.com

Abstract

Transformation of the institutional structure affects economic development both from the cost of transactions aspect and the operating costs. In development theory it is usual to define development as economic growth plus structural change. But in the framework of institutional economic theory development could be defined as economic growth plus appropriate institutional change, meaning institutional changes which facilitate further economic growth. There are several factors influencing reforms in the Western Balkan countries. Those countries prove that institutions can successfully change at the time of crisis. Although the general rule shows strong correlations among the many reform measures, some institutions develop independently of other measures of institutional or organizational reform. As it is emphasized on the role of institutions in growth and development, it should be also recognized that institutions can change regardless of undesirable environmental factors.

Keywords: institutional change, economic transition, Western Balkan Countries

1. INTRODUCTION

Transformation of the institutions in a new market economies have been mostly radical in an astonished and unpredictable direction. Numerous factor influenced reforms that followed in liberalization of prices, privatization, opening of economy to the foreign investments, liberalization of the foreign exchange market, and the reduction of foreign trade restrictions.

The main dimensions along which various national capitalist systems can be placed are the corporate governance and macroeconomic institutional environment (Cernat, 2001). Corporate governance and business-state relations influenced choice and path that economies in transition undertaken. Regardless of strong efforts, disintegration of these economies suffered severe contraction due to collapse of export demand from former trading partners, while domestic demand declined.