Role of Ethics in Digital Marketing

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Abstract: Digital Marketing is rapidly becoming one of the major sources of customer outreach for brands which was previously offline branding or television advertising. We felt the need to research on this as there were not many papers on how ethics play a role in digital platforms while it had been established for offline media. The aim of this study was to study role and importance of ethics in digital marketing from point of view of customers who are the direct targets. During our study we also to some extent were able to establish a relation between brand perception and ethics from customer’s point of view. We took a survey from 15 people who were residents of IIT Delhi and our findings are presented further.

1. 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 [3]. Although there are opportunities in digital marketing to influence consumers but there are some issues as well [23]. This has been due to the advent of Web 2.0. The term was coined by Darcy Dunici 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. It points towards websites that focus on user-generated content, where the contribution happens from both end, the production and the receiving end. The word has become synonymous with social media, which we later see through the literature review and through our survey, which has become the major avenue for digital marketing for majority of the companies. Web 2.0 is used by companies, non-profit organizations and governments for interactive marketing [20]. This has led to a perceived difference between how the marketers market their product and how the consumers perceives them. The difference in perception of ethics from both the end has emerged and has been amplified after the emergence of Web 2.0 which we have tried to address in our paper.

There have been progressive research on consumer perception about ethical image of brands [5] but there is very little research study on how consumers perceives 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.

2. Literature Review

In general, the term ethics refers to moral norms and principles that guides people’s behavior [5]. Moral norms and values could be negative, positive or neutral based upon the subjective perception of the individual. The terms good or bad, ethical or unethical depends on individual perception. Philosphically there are two moral principles that guides individual behavior one is deontological and other is teleological [24]. 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 involve 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 [3]. 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[3]. Further, appropriate email content can play a key role in advertising effectiveness [6].

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 undermined. With new generation of marketing technological tools it becomes easier to overstep moral boundaries. There is moral dilemma that internet is meant to be free from control and a force for good where ideas and information can be freely exchanged. But who defines when something is ‘a force for good’ and when it’s okay for information to be ‘freely exchanged’?

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 [4] but further that depends on individual perception of the consumer.

3. Method

3.1 Research Design

Our main aim is to research about the role of ethics in digital marketing. The research is an exploratory research. We used data collection method by surveying different people. Empirically formed new ideas can be deducted through exploratory research. There was a lot of research done in ethical marketing strategies but there was no research being done in ethics in digital marketing. We wanted to fill this research gap by conducting an analysis on whether marketing done through digital media is ethical or not.

3.2 Sample Profile

The participants of this research are 15 people of IIT Delhi aged from 20-22 who had some prior information about 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. The sample chosen was highly educated.

3.3 Data Collection and Analysis

Qualitative and useful data collection requires information rich participants [25], but selection of participants was not a major issue as all participants are the students of IIT Delhi and had the access to the internet. There was no biasing done in selection of candidates. We conducted in-depth face to face interviews with all the participants.

The line of questioning was like following:
First interviewees were asked about sites they surfed on daily basis and the platform they used. This was done so that we can have an idea which sites are most popular among the youngsters and how much marketing is done on these sites to attract the customers. The next question was about their current knowledge about digital marketing. This was done so that we can have a point of view on their knowledge about digital marketing and if they said no then we gave minimum amount of information so that they can get a rough idea about it. 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. A formal questionnaire was not prepared because then some prior information might have been needed and hence giving biased results. 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.

4. Findings and Discussions

While there were some common issues with digital marketing that were obvious before the interviews and that were identified by all the interviewees but there were some issues that were not so obvious and common as some specific users experienced them and gave a detailed review about those issues. While going through the responses we identified
these issues and have tried to explain them, while supporting them with the respondents’ quotes.

First issue that comes up is of spamming. Spamming as identified from the analysis of interview has turned out to be a major issue mainly in terms of email marketing. Based on consumer perception spamming was defined as excessive promotional emailing by companies (#3: “As soon as you log in, a lot of useless emails come in necessarily”). 15 out of 15 interviewees were quite against this practice and considered it to be annoying and irritating (#7: “random and frequent advertisements are not cool”). This leads us to believe how sending excessive emails and spamming used by companies is unethical based on our study of normative ethics. 12 out of 15 interviewees did not have a problem with excessive mails as long as they were relevant (#14: “Mails are very useful. Sometime attractive discounts and new information about useful products come”) which makes relevancy a bigger issue rather than frequency of mails. If we go by definition of ethics any company can’t be defined as unethical as long as it presents a clear choice of avoiding it [12]. This is why spamming can’t be entitled as unethical means straight away, as 7 interviewees were fine with it as there was an unsubscribe option available to them (#9: “Spamming no problem as long as the unsubscribe button is there”). Although there were some issues regarding the visibility of the unsubscribe button (#8: “I can’t avoid the ad, no skip, unsubscribe button, irritating”) which again forces us to question the ethicality of a particular brand but overall, if presented an option that is recognizable by the receivers they were okay with receiving such emails and brand perception remained positive.

Next comes the privacy issues and usage of personal data by the companies which is major ethical issue and it was previously expected to be a major point of concern among the respondents based on earlier research done. It is a common knowledge now that marketers use IT for improved market segmentation and target marketing[18] (#6: “If ads have to come, it's better they are useful and personalized”) (#15: “Google and Facebook use location and privacy settings. No problems as such. They need information, so they have to access it”). Only one of the respondents objected to the use of personal data by the companies without explicit mentioning and warnings. Also the widespread acceptance of internet as a public platform has made it possible to collect wider range of user information [17]. Use of information is not morally wrong [18], but the way in which the data is collected and the locations where the data is used by the companies, were expected to be of more importance ethically [18], but during our survey, it was conveyed that majority of the respondents didn’t care about the technicalities and the source from where the data was being taken as long as they were receiving a better online experience, and were aware of it. Users were convinced that companies take this information finally for their own good and it will enhance their experience which is a subconscious behavioral change brought about in the user due to an environment created online where you can’t do your basic jobs without providing your personal information [18]. But consumers need to be empowered with the information to make an informed decision and the technological ability to control the flow of information from their computer [17] (#11: “It is preferred when I am notified when my data is being taken”) (#4: “I don’t mind companies taking my information but I should be informed of it”). A related issue of over advertisement also came up during the discussion where the respondents were in sync that the data taken by the companies from them is more often than not misused, and they are subjected to repetitive ads and approaches from the companies. (#2: “Search based ads are fine for some time but become a problem if they are prolonged”) (#12: “They invade personal space”). This was identified as a common unethical practice by the companies and one of the respondents commented that the big companies should take the responsibility of monitoring this and controlling this issue (#13: “Big companies like Amazon should avoid it, even though their content is relevant and useful most of the time”).

One of the trends that had no variation among all interviewees was that of their irritation for misleading advertisements. (#10: “misleading ads are irritating”) (#12: “No misleading content should be there. Hurts brand image”). Consumers were not happy with the amount of misleading links, pop-ups etc. they were presented with or rather were forced to click on. It was also found that these pop-ups appearing on some sites and the sites they redirected the consumers to were not even remotely linked (#6: “popups-no relation to where you are taken, brand perception of the host website comes down”) which makes the practice of pop-ups even more unethical and hence companies should refrain from doing so in order to ensure smooth customer experience and to maintain the ethical image of a particular brand. Misleading advertisements were also found to be using provoking content to get the users to click on it which was found to be disturbing and changed brand image drastically although it did not increase the click rate (#10: “Advertisements on websites are irrelevant and irritating and sometimes sexually explicit”). This practice was considered as
morally unethical from the past times [8] but the fact that companies are still doing it shows misconception of productivity of such advertisements in minds of brands while this is not true according to our study as users rather than clicking on such content prefer to exit the website. (#5: “Pop-ups are useless, irritating, will go to another site if option available”)

Coming to the point of hidden advertisements through paid reviews in blogs, YouTube videos etc. which was found to be major point of discussion during our interviews, most of the people believed that if the reviewers exaggerated the claims for a particular product it made them doubt the authenticity of that review(#1: “I doubt when the reviews are highly favorable in one direction”) which leads us to believe that there was no clear distinction in the paid reviews and genuine reviews and it was left to the subjectivity of the user to decide which is highly unethical on part of reviewers [8]. Giving paid reviews is not unethical according to us, until and unless a clear disclaimer is given regarding the same which is not generally the case.

Finally major issue that was observed across all respondents was the issue of unavoidable ads. We didn’t factor in this as a major issue pre-survey, but it turned out that the consumers/respondents were in negative view of the forceful ads and were taking notice of it, and said that it harmed the brand positioning in a big way. (#4: “YouTube allows you to add ad block, but some websites don’t allow you to add it, it’s irritating”) (#3: “Using platform is not wrong but reaching out to me forcefully is wrong”). The intrusiveness of a direct marketing effort may result in a perceived loss of control in the consumer and cause levels of irritability [19]. It was observed across all platforms(email, website, apps, social media), that where the users didn’t have an easily visible option to skip or unsubscribe, they were in negative view of it (#13: “Generally the cross button is not there, and when it is there, it is a link for another pop up most of the time”) (#10: “I hate it when I am forced to watch an ad, and see later that the skip link was hidden somewhere in the middle”). Another related issue that emerged was where the user had to perform a specific task to proceed further with their work. (#12: “ads that don’t interfere are fine, and the final content shouldn’t betray the original purpose”) (#9: “Survey filled for high speed downloads. Find it forceful. User experience is hindered and hurts brand image”). This issue was universally viewed as an unethical practice by the companies, and prominently affected the brand image of the company, but interestingly, not of the brand whose ad was showing. (#12: “Website image hurt, not brands”) (#6: Can trust content depending on source”). But as a different opinion few of the respondents mentioned that if the ads were interactive and low in number, and they were gaining something out of it, it was still acceptable (“#7: like ads that given me discount coupons after they are done”) (“#8: Gives me demo, prototype and if greater transparency in the process, I am fine with it”). So the common conclusion that they all arrived was that a more targeted campaign was required to be run by the companies where content presented should have meaning, and going back to the issue of privacy and data collection. (# 5: “if you are taking my data, use it more effectively”). Along the course of our interviews relevancy of marketing strategies and trust issues associated with a particular brand were the major points of discussion in deciding what is ethical and what is not. This trend is also quite similar to that for offline marketing campaigns and their ethnicity. (#1: “I generally click on offers and heavy discounts on purchases if they are from sources like amazon, flipkart but they irritate me if they are from an unknown source”).

5. Conclusion

Based on what we have found and discussed, it goes on to show ethics do play an important role in digital media these days but the definition of what is ethical and what is not has changed a lot from convention. In today’s era of globalization privacy does not matter as much to person as does the experience of using a particular website. Whatever they share online they share it with a mindset that, yes, someone can look into it and they are ok with others using 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. Our research has basically tried to take the not so rigid definition of ethics and develop our own definition of ethics as we go on and that has lead us at this: Anything which does not supposedly harm or misleads a particular user for their bad, as in their time is wasted or they are misled, is unethical on part of a brand while something which even while misleading gives them benefits is ethical on part of brand. Going on with our research not only ethics came into the picture but the brand perception based on various digital marketing practices also came into light. Here again as expected with the offline marketing brand perception and ethics were closely linked. Ethically correct (following the new definition) practices if followed by a brand changed their perception for the good while not doing so hindered their image
and the extent of such hindrance was found to be too drastic.

6. Limitations and Further Scope

The most basic limitation was the demography that we chose which was of people who had sufficient access to internet on daily basis and the age group was limited from 20-22 which hindered the scope of this research. Along with it the responses were limited to 15 which could have been increased for a better understanding. Some line of questioning might have introduced personal bias which could have altered the responses although we tried our best not to.

To further this research one can increase the demographic they are targeting and take some sample surveys first with different line of questioning in order to check which suits our objective the best and is able to introduce least possible bias.

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