

Relationship between ethical advertising and brand loyalty marketing essay



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Advertising is a mode of communication where the seller persuades the buyer that his product is the right choice for him. Hence companies use every tactic to attract consumers towards their brand. Ethics in advertising is a set of well-defined principles which governs the way communication takes place between the buyer and the seller. An ethical ad is one which doesn't lie, which does not convey a negative thought and false image about a brand and which is in the limit of decency.

Since the past few years, companies are continuously struggling to distinguish their product amongst the clutter of products. For this purpose many advertisers have started ignoring ethical advertising. Adverts are exaggerated and a lot of puffery is used to stand out of the clutter which results in unethical advertising. Now days It is a common norm for advertisers to cheat consumers. Products like beauty cream (fair and lovely, fair and handsome or care honey lotion) which promises consumers to make them fairer and prettier in 15 days or creams that will remove dark circles or spots in a week or so are some of the most prominent and clear examples of making false claims, Such adverts deceive consumer which ultimately affects the brand loyalty.

The aim of this research is to explore the relationship between ethical advertising and brand loyalty amongst the consumers' of beauty products in Pakistan. Primary Data will be collected using convenience sampling from a sample size of 250 respondents which will include females aged 18 to 35.

CHAPTER 1:

Introduction

What is advertising? And what is Ethics? Advertising is defined as a mean of communication used by the marketers to persuade, encourage or manipulate consumers to take some action. Basic purpose of Advertising is to stimulate the buying process of consumers. Today most of the organizations are engaged in the process of advertising (some don't need advertising) so that they can differentiate themselves from the clutter. If we look at the current scenario of Pakistan, companies are heavily advertising using all the possible media. They are spending Billions just to differentiate their brand from competitors.

Advertising today is growing day by day and it is now a huge business, many brands, industries, and organizations use different media such as (TV, newspapers, magazines etc.) to bring in the revenue in the organization for survival. This result in advertisers trying all types of tricks and methods to grab attention of their target consumer. But what happens it that sometimes this leads to the invasion of privacy (Rotzoll, 1986, p. 138). However, it is totally possible for an individual to avoid any advertisement if they desire to do so. They can always do that by scrolling channels or switching of all the mediums that expose them to advertising for example not reading a magazine or newspaper.

In this race of differentiating and standing out of clutter, companies often forget about the ethics in advertising. According to (William Frankena 1973), ethics are a set of moral principles which are there to enhance to well-being

of the society. He proceeded further by dividing moral principles into two: beneficence (doing well) and justice (being fair). (Geoffrey Warnock 1971) listed four principles of ethics which are appropriate for advertising: beneficence, no maleficence (don't harm), no deception, and nondiscrimination.

Hence in simple words “ Ethics in advertising is a set of well-defined principles which govern the ways of communication taking place between the seller and the buyer.” (managementstudyguide. com)

Ethics is considered as the most important feature of the advertising after 1938, when FTC (Federal Trade Commission) declared “ unfair or deceptive acts or practices” to be unlawful (Preston, 1975). Since then, advertisers have struggled with the ethical issues involved in “ fair” advertising. The process of advertising yields a lot of positive results yet it can generate some negative ripples as well if advert crosses the ethical boundaries. Today's consumer is aware about the tactic that companies use. According to research, the greatest reasons for the growth in unethical advertising are technology that consumers not have access to (Minette E. Drumwright and Patrick E. Murphy 2009). Advanced Technology such as, smartphones, laptops, tablets, televisions, radios, and all the other different types of technology, have given advertisers infinite platform, to exert there influence and pressure on the consumer. The best example of this is a comment said by Jay Walker Smith, the President of the Marketing Firm Yankelovich, which was that “ we've gone from being exposed to about 500 ads a day back in the 1970's to around 5, 000 a day today” (Johnson, 2009). This exposure, openness and awareness to technology has led to an increase in <https://assignbuster.com/relationship-between-ethical-advertising-and-brand-loyalty-marketing-essay/>

consumerism which ultimately leads to a drive for advertisers to create advertisements, which are surprisingly cunning in an attempt to gain consumers, who have become dazed to such basic advertising. Use of internet is growing at such a faster pace that consumers are now becoming aware about the ethics in advertising.

Some of the brands especially those of beauty products tend to forget about ethic in advertising and generally make false claims or use pufferies. In Pakistan brands like Fair and Lovely, Care Honey Lotion, Gori Ubtan cream are few examples that are thought to deceive consumers. It is possible that what they claim isn't explicitly false but developing a feeling of guilt and that to because of a darker complexion is unethical. For example Gori Ubtan Cream tagline (tujay mili gori tow mjay mili gori) focuses that a girl will never find a good proposal if she is not fair. On the other hand most of the advertisements of Fair and Lovely focused on "fairer girl gets the boy" (Graham and Cateora, 2007). In one of the advertisements, they have portrayed the young woman who, after using Fair & Lovely becomes attractive and therefore gets a good job. This indicates that the main qualification for a woman to get a job is her complexion and attractiveness.

But then again there are some beauty products such as Dove or Body Shop that engage themselves in the process of ethical advertising and this is why they have a loyal customer base which help these brands to grow and collect revenues. Advertising can for sure be stylish, can possess high moral standards which are totally ethical but on the other hand it also can be morally incorrect, which means that it can be morally degrading and rude as well while breaking all the norms, cultures, social values and practices.

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(Yesodha, D. N., Kanchana, V. S., & Sebastin, N. (2010). At the end of the day it totally depends on the consumer to see and decide what is ethical and what is unethical, which brands are advertised on their real attributes and which brands are just portraying a rosy picture by using fancy catch phrases and celebrity endorsements to what is really being sold, with large amount of information available, consumers must understand the process of advertising and what it truly is. They should understand that it is a tactic to make the consumers see the world in the way the advertiser wants them to see it, it is a common practice of advertisers to manipulate the views of consumers and make them believe that what the advertisement shows is absolutely true so they ultimately buy the product that advertisers are selling whether it is a product, an idea, or a way of life. Advertising is a huge part of the world we live in, and it is a part of the world that isn't going to go away any time soon. As we continue to live with and be affected by the authority of advertising it will be interesting to see how this powerful and influential force shapes us as consumers, and the world as a whole. (Nebenzahl, 1997).

The aim of this research is to study the role of ethical advertising in building brand loyalty amongst the consumers of beauty products in Pakistan and to find out whether the customer is aware of the ethical perspective and does the customer know how the unethical claims directly affect the user's health (skin) and if the customer knows will her decision change?

Aims and Objectives

To gauge the impact of ethical advertising in building brand loyalty amongst the consumers of beauty products.

To check whether the customer is aware of the ethical perspective and does the customer know how the unethical claims directly affect the user's health (skin) and if the customer knows will her decision change.

How does the customer differentiate between ethical and unethical advertising.

To measure the impact of ethical advertising by comparing the sales of beauty products that advertise their products within the ethical boundaries and those that don't.

CHAPTER 2:

Literature review

The literature review highlights the research of those authors who have made contributions in reference to ethical advertising and its impact on brand loyalty amongst the users of beauty products.

Advertising is a mode of communication where the seller persuades the buyer that his product is the right choice for him. (Wikipedia). Hence companies use every tactic to attract consumers towards their brand. Ethics in advertising is a set of well-defined principles which governs the way communication takes place between the buyer and the seller.

(managementstudyguide. com). An ethical ad is one which doesn't lie, which does not convey a negative thought and false image about a brand and which is in the limit of decency. According to (Shimp 1993), he classified the unethical advertising into the following types: fraudulent, sub-consciousness,

human-controlled, biased, terror-related, sex-appealed, and misleading advertising.

The worlds we live in have placed immense emphasis on physical beauty to the extent that attractiveness is considered as an important attribute in every human life especially for females. Attractiveness is one frequently used tool that helps speculating information about others (Patzner 1985, Martin and Kennedy 1993, Richins 1991). Marketing academics have contributed to studies of physical attractiveness by investigating impact of product endorsers' or advertising models' attractiveness on people's self-concept and consumers' response such as attitudes and purchase intent. (Lasch 1978, Myers and Biocca 1992). Beauty products are considered as a high involvement products. Risk level is very high in beauty products. Hence consumers carefully select the item by doing all the possible research. What happens now a days is that advertisers tend to use computers software's and programs to create eccentric images. These images are generally perfectly harmless images that are used for comic, Beauty products advert or any other advert to show a dramatic effect. According to (Earl W. Spurgin, 2003) these images are called computer-generated images of perfection. Advertisers create these images by using computer technology (photoshop or air brushing) to remove unwanted traits and from models or by completely transforming the model into a new look or to generate entire human bodies. They are images that portray ideal human beauty, bodies, or looks that are there to inspire women so they buy the product as soon as they see the advert.

The literature review is divided into three parts: first part starts with defining ethical advertising second part covers a detailed literature review on the unethical dimensions of advertising and lastly relationship between ethical advertising and brand loyalty which highlights the attribute of trust that consumers put in the brand.

Ethical Advertising

An advertisement is said to be ethical when:

It is legal, decent, honest and truthful.

It does not contain statements or visuals which offend prevailing standards of decency.

It should not abuse the trust of consumers or exploit their lack of experience or knowledge.

It should not contain any statement or visuals which directly exaggerates a claim to mislead the consumer.

It should not make consumer the butt of the joke.

It should not commoditize women.

Source: <http://www.icharter.org/standards/eas405>

The study of ethics in the Western world began nearly 2, 500 years ago. Ethical decisions are made within a “ specific context” which includes the political, social and cultural norms of a society. In advertising, it is important to appeal to the largest possible audience and be politically, morally and

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socially and ethically correct. Just a small unethical choice could cost advertisers, not only money but their reputation and clientele. There have been countless cases in which advertisers have been ceased for unethical advertisements. Truth in advertising isn't always "black and white", but it is crucial for advertisers to take this issue of ethical advertising into account during the creative process. Advertiser is also responsible to respect different cultures, religions, and morals of their consumers. It is also important for the advertisers to ensure that the general public is not offended by what is produced creatively.

Advertisers generally use key words like clinical, young, vibrant, and youthful to engage their viewers in the advertisement so that they buy the product. (Graham and Cateora, 2007).

Honesty and truth telling plays an important in taking creative license and providing harmful or misleading advertisements. Some advertisements exaggerates the advert their by creating the potential for "puffery," delicacies and ambiguities of true claims. Sometimes companies or brands create perception in the mind of consumer for a particular product but that perception is generally false leading to unethical advertising. As stated before, an ethical advertising is one that is honest and does not mislead for example Kodak in their advert took photography as the "selling of memories" although all films sell memories but Kodak took the first mover advantage. A claim that is authentic, true, justifiable and created a category membership for Kodak. The overwhelming consensus is that honesty and truthfulness are important moral values that should not be compromised with customer or client. A brand should have the audacity to accept the <https://assignbuster.com/relationship-between-ethical-advertising-and-brand-loyalty-marketing-essay/>

claim it makes about the product. Brand cannot lie or mislead. We must portray realism in our ads, especially with children. Brands should not over promise, and if they do they should than stick to delivering it. It was also proposed by one of the advertisers that creative license with a product is only permissible as long as the advert is not harmful or misleading. We must be utterly honest when we communicate consumer preferences from our research to our clients. (David Krueger, 1998)

Dove and Body shop are two brands that are known for ethical advertising.

When talking about “ The Body Shop” it has being ranked to be among the most ethical companies, and is considered to be one of the best companies worldwide at managing and effecting environmental resources. Anita Riddick who is the founder of The Body Shop is known internationally for the exceptional success of her cosmetics business and for the ethical standards she promotes through her company. The Body Shop first enrolled its self into ethical marketing in 1994 which included (i. e. Combined environmental, social and animal protection auditing). This was followed by several successful experiences while implementing audit programs for environmental protection and health and safety at work, and supplier screening programs for animal protection. Even in their adverts they have always used ethical advertising which is why consumer put there complete trust in such brands.

Dove is another brand that is known for ethical advertising. Dove through its real beauty campaign gained hearts of millions of women when it targeted the women of all age shape and sizes. The aim was not to show fame and

glamour like other beauty product did, the aim was to promote and develop self-confidence and build self-esteem in the women of all race, caste, color, religion and culture. The aim was to tell them that they are beautiful no matter what the world thinks of them. The aim was to let them know that it's inner beauty that matters and not just your outer appearance. In their advertising campaign of real beauty, what they showed was a girl who was treated by Photoshop and then the advert ended by saying that this is not what the Dove is, Dove is all about you and your inner beauty and satisfaction. This was something which was totally ethical and which was accepted by the people in a very positive way. Dove gained recognition; sale grew at a faster pace and people than started associating themselves with the brand. Loyalty increased and so did the trust of people. One of the Dove research statistics are shown below and this is how they justify their campaign.

According to Dove Research: The Real Truth about Beauty: it is still important for Dove to address girls' anxiety about looks, as there is a universal increase in beauty pressure and a decrease in girls' confidence as they grow older. Key findings from Dove latest research include:

- Only 4% of women around the world consider themselves beautiful (up from 2% in 2004)
- Only 11% of girls globally are comfortable using the word beautiful to describe themselves
- 72% of girls feel tremendous pressure to be beautiful.

- 80% of women agree that every woman has something about her that is beautiful but do not see their own beauty.

- More than half (54%) of women globally agree that when it comes to how they look, they are their own worst beauty critic.

Unethical Advertising

Any advert which crosses the limit of decency, which commoditize women, where puffery is used to manipulate the buying behavior of a consumer falls under the dimension of unethical advertising.

Unethical advertising is becoming a serious issue all around the world; companies are attacking everything from accepted social norms, to moral beliefs, to even children to sell their products to consumers. Advertising is a process used by the advertisers to stimulate desires and mislead consumers by manipulating the truth and value they hold. Sometimes, especially in today's time, the tactics used are often offensive and the message they attempt to send is often biased to the beliefs and ends of the person or company who is funding the advertisement. (Laura Tersine, 2011)

If we talk about beauty products, market for beauty products is growing with every passing day. Most of the advertisements of beauty products shows modern woman who are independent and don't want to live with her dark skin. The market expansion has gone to the extent that those creams also have male version trying to influence male consumers. Everyone knows that the advertising industry is extremely influential and manipulative. The job of advertisers is to increase client's sales. So, they don't really care about

putting ethics aside while promoting a product. Since the past few years, <https://assignbuster.com/relationship-between-ethical-advertising-and-brand-loyalty-marketing-essay/>

companies are continuously struggling to distinguish their product amongst the clutter of products. For this purpose many advertisers have started ignoring ethical advertising. Adverts are exaggerated and a lot of puffery is used to stand out of the clutter which results in unethical advertising where consumers are made the butt of the joke. Now days It is a common norm for advertisers to cheat consumer. (Caballero, Lumpkin and Madden 1989). Products like beauty cream (Fair and Lovely, Fair and Handsome or Care Honey Lotion) which promises consumers to make them fairer and prettier in 15 days or creams that will remove dark circles or spots in a week or so are some of the most prominent and clear examples of making false claims, Such adverts deceive consumer which ultimately affects the brand loyalty. Essentially advertising is meant to change the way a person thinks so that their views and ideals shift to agree with the group that is doing the advertising.

If you watch the advertisements of beauty products carefully, almost all of them offer same attributes. But at the end of the day the one with better advert survives rather than the quality of the product (magforwomen. com).

Unethical advertising raises standards for the poor, disadvantaged women who are already a disadvantaged segment of the society especially in the Asian region. This happens when women are exposed to the so called perfect advertising image. Such exposure and comparison raises the standard for attractiveness which in turn harms the self-respect and esteem of women and hence beauty becomes the ultimate source of happiness for women.

(Richins, 1991). Its leads to provoke a feeling of dissatisfaction, loss of self-

respect, feeling of inadequacy, and low confidence in females since such
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advertises tend to make consumer the butt of the joke. (Lavine, Sweeny and Wagner, 1999).

Today advertising agencies know how to persuade consumers to get them buy the products. Every woman knows that their skin is not going to be as brilliant as the beautiful models on TV, even then woman buy the product by believing that it might work well for them like it did for the model in the television, so what do women end up doing? They buy, buy and continuously buy the products trying to find one perfect product that makes them look “ beautiful” but in the end, none of them truly do what they say they will, even than they don't care because they think if it's working for the girl on TV, it may end up working for them as well. Advertisers, focus only on showing the advantages of their product, without actually revealing the disadvantages. The pictures of models used in advertising the product are carefully chosen and the one that fits the best is selected to make the advert even more glamourized and to spice it up. In the era of 21st century, Photo editing techniques such as Photoshop are used. By using techniques like Airbrushing and Photoshop, advertisers can simply transform a picture and make it look completely different from the original one and one cannot ignore the fact that no advertiser uses this technology. The models posing for all those pictures, used by advertisers, have gone through hours and hours of styling by the best of makeup artists and hair stylists. (magforwomen. com).

What matters here is what makes advertising unethical? The answer is when advertisers exploit the moral and cultural values of the society in order to deceive and manipulate consumers and their buying patterns. The primary role of advertising is to change the perception, views and ideas of the <https://assignbuster.com/relationship-between-ethical-advertising-and-brand-loyalty-marketing-essay/>

prospect so that they think in exactly the same way advertisers want them to think. This type of advertising is dangerous because it uses people's own thoughts and beliefs against them in order to support a cause (A Study of Perceptions in Society Regarding Unethical Practices, 2010)

World is continuously changing and it's becoming difficult for the advertisers to predict the accurate need of consumers since a lot of information is available in today's era thus it is difficult to accurately understand consumer's backgrounds. According to (E. P Bishop) who was one of the first publishers of advertising ethics, he wrote about, several moral impeachments involving advertising. He further stated that, it is totally up to the individual person, to decide what is or is not ethical. Therefore these views greatly affect the ability of advertising to sway them to or away from a specific cause or way of thinking.

Samudhra Raja Kumar. C. et al (2000) conducted a study on "consumers' attitude towards advertisements" and they found out that advertisers and companies must concentrate more on the information and social aspects in any advertising and should avoid advertising for harmful products such as Alcohol or cigarette or for products like beauty products where there is a lot of exploitation of women. Furthermore the government should also play a pivotal role in framing regulations regarding advertisements relating to exploitation and commoditization of women.

Stereotyping in advertising are yet another reason ads have been heavily criticized. In (2000 Coltrane and Messineo), conducted an empirical research study on stereotypes of race and gender in advertising and according to the

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study, white people or male characters in commercials were more prominent. Five years later, (Chatterji, 2005) said that ads that were shown portrayed extreme gender stereotypes, which actually affected the lifestyle of many especially women. A study with a similar conclusion was conducted by (Schaffter 2006) which revealed that the women which were portrayed in ads were not only stereotypical, but unethical and offensive as well, they not only attacked the self-esteem of a woman but also destroyed their confidence. These ads worked as a warning for women and also affected gender hierarchy. Taking forward the same analysis, research has also been conducted on with the cognitive, behavioral and attitudinal consequences of gender stereotypes in advertising. (Richins 1991) argued women are forced to compare themselves to the unrealistic standards and idealized images they see in advertising which hurts their self-image and ego. These ads hence lower their satisfaction with their own attractiveness and self-image. A similar study conducted by (Fay and Price 1994), found that adolescent girls and young women compare their bodies with media images.

Here are some of the examples of deceptive advertising:

Rapid Shave (early 1960s). The Colgate-Palmolive Company and its advertising agency, Ted Bates & Company of New York, produced a TV commercial that showed a razor shaving the sand off a piece of sandpaper. The commercial claimed that Rapid Shave wet the beard thoroughly and held it in place for close shaving. The demonstration showed that even rough textured beards were softened with Rapid Shave. The problem was that the so-called sandpaper was actually a piece of Plexiglas on which sand had

been sprinkled, making it easy to remove the sand. When experts tried to repeat the demonstration with real sandpaper and a razor, it failed

This case was taken to the court and a cease and desist order was issued against the Colgate and Palmolive company.

Volvo (1990). Volvo in there adverts showed that Volvo even survive when a heavy truck crushed it. They in there adverts displayed this thing which generated a negative impact amongst the people. Although the company and the ad agency defended themselves by saying that the retakes during filming made it necessary to reinforce the cars but the claim still failed and it seemed to the public that the company had lied. The publicity was so bad that Volvo moved its account to a new ad agency, the previous agency went out of business, and Volvo seriously considered changing its long-running promotion of its cars as virtually indestructible

Pictures of flawless skin and super-slim bodies are all around, but they don't reflect reality. Britain bans 2 misleading makeup ads, 2011. In July, 2011 two advertisements for Maybelline wrinkle cream featuring models Julia Roberts and Christy Turlington were banned because they were deemed to be too blended and were misrepresenting the product.

Relationship between ethical advertising and Brand loyalty

Advertising is directly related with the consumer, advertisements are designed in such a way that it forces consumers to take action. It is designed and implemented to cause the consumer to act based on the ideals put forth through the advertisement. This clearly shows that the consumers which are

being targeted have intellectual and social capabilities to analyze and <https://assignbuster.com/relationship-between-ethical-advertising-and-brand-loyalty-marketing-essay/>

interpret the message being sent by the advertisement. When talking about ethics, it began to play a role when the consumers does not have these abilities to implement in their decision making process, children for example are extremely susceptible to advertising because of these very reasons and therefore advertising targeting children can be seen as unethical. (Laura Tersine, 2011)

Marketers place a lot of importance in ethic in advertising and its relationship with brand loyalty. Four-dimension scale of loyalty that reflects Oliver's [Satisfaction, a Behavioral Perspective on the Consumer, McGraw-Hill, New York, 1997] conceptualization of a sequential loyalty chain is proposed, operationalized, and tested. Further, through both synthesizing and building on existing research into loyalty, trust, satisfaction, value, and service quality, a framework is proposed and tested that positions trust as a pivotal driver of loyalty.

Source: [http://www. sciencedirect. com/science/article/pii/S002243590400020X](http://www.sciencedirect.com/science/article/pii/S002243590400020X)

People trust a brand when the advertising done is ethical, when the imaged portrayed by the brand is positive that does not harm the social, religious, cultural, moral and behavioral norms of a consumer. When an advert adheres to these set of values and believes that a company is indulged into ethical advertising, brand loyalty is enhanced. CSR is one form of ethical advertising that is done by most of the brand to increase brand loyalty and hence sales. When talking about beauty products, they are considered as high involvement products and people especially women spend a heavy amount on purchasing these items after doing considerable amount of

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research. Brand loyalty for such products are high women prefer purchasing brands like Dove and body shop due to their ethical advertising which help gaining consumer trust and hence satisfaction. (Bargh, 1988; Marcel, 1988; Janiszewski, 1990).

Although advertising is always pervasive, it does not magically alter attitudes it does incline consumers to the products but it does not necessary affect their buying patterns or create an urge for them to buy the product at that very moment (this happens in very rare cases). As social judgment theory reminds us, advertising will not mold deep-seated attitudes toward products. It is not apt to change attitudes on the spot. Instead, it works gradually, influencing cognitions, enhancing positive affect, and meshing with consumers' values, lifestyles, and even fantasies about products.

The aim of this research is to explore the relationship between ethical advertising and brand loyalty amongst the customers of beauty products in Pakistan and to find out whether the customer is aware of the ethical perspective and does the customer know how the unethical claims directly affect the user's health (skin) and if the customer knows will her decision change?

Theoretical Framework

Brand loyalty

Ethical advertising

Independent variable

Dependent variable

Research Questions:

The four-tier research framework is based on these four questions:

To gauge the impact of Ethics in advertising in developing brand Loyalty amongst the consumers (females aged 18 to 35) of beauty products.

To develop insights into the role of ethical advertising and its impact on Pakistani consumers' decision-making process.

To check the relationship between ethical advertising and brand loyalty for beauty products.

To find out whether the customer is aware of the ethical perspective and does the customer know how the unethical claims directly affect the user's health (skin) and if the customer knows will her decision change?

Significance of the Research:

Advertisers are one of the key beneficiaries of this research. This research will help these agencies in accessing the true essence of ethics in advertising and its roles in building a strong customer base. If it is effective, then companies can use this research to increase their sales and customer loyalty for their brand. This research will institu