

Unethical marketing in the food industry marketing essay



**ASSIGN
BUSTER**

1. Introduction

The increase of obesity all over the world has lead to ongoing discussions about the responsibility of the food and beverage industry. Where food used to be a pleasure, it is now beginning to get more and more evil; consumers like to blame the industry for being overweight and diet-related diseases. The marketing departments of the businesses in the food industry seem to be ideal to blame when it comes to the responsibility for the well being of the consumer. False or misleading claims on products, selling harmful products, unfair target marketing and unfair prices: all part of the “ unethical-marketing fad” that is happening at the moment. It is time to take a closer look at these “ unethical” practices.

The main goal of this paper is to discuss the responsibility of the businesses in avoiding unethical

marketing and, to a certain extent, to take care of the well being of the consumer. To come to this point of discussion, first it is necessary to develop a broad view of what “ unethical marketing” is and “ responsibility” really means.

The paper starts with a theoretical view of the meaning of the word “ ethics”: what does it mean if

something is ethical? From there, the second chapter is about unethical marketing. The last chapter is about the responsibility: since this is such a broad term, in order to use it in the discussion, a closer look needs to be taken to the different forms of responsibility. After these three chapters, it is

easier to come to a discussion about the responsibility from companies in the food industry from the consequences of their marketing. Since the subject is so controversial and there exists many different opinions about the responsibility of the business, it is almost impossible to give a “ conclusion” at the end of the paper. The last chapter therefore contains a discussion whether or not it is possible and necessary for businesses to strengthen their position on the market and to make a better profit using marketing, without “ hurting” the consumer.

2. Ethics

Since the term ethics is a so-called “ normative term” with many different possible definitions, it is important to start with a clear definition of the ethics talked about in this paper. Furthermore, this chapter will give insight to the way ethics can be applied in business: what are marketing ethics?

2. 1 General

One of the most known definitions of ethics is the one from Aristotle: Human actions from the point of view in their rightness or wrongness (Gaski, 1999, p. 316). Ethics should concern “ personal virtue” and with every decision, one should be honest, good and caring. A definition that is so idealistic and simplistic is not helpful in finding a solid definition: right and wrong are probably just as normative as the term ethics. When we try to give a definition of the term ethics it appears from the literature that you can look at it from two different philosophical views, also know as “ ethical dualism”. The first view is the teleological view, also known as the consequentialist view or utilitarianism, which is based on the results of certain actions taken.

Whereas the other view, deontology, is more based on average behaviour and obligations to other people (Gaski, 1999, p. 315). Teleology is based on the ethical valuation of the consequences and deontology has to do with the ethical values of the principles (Van Luijk, 1996, p. 36). Of course there are a lot of philosophers who oppose to this relatively simple classification but since this is the most common, it is not within the reach of this paper to name them all (White, 2003, p. 92).

The teleological way of judging ethics is more based on science and has less to do with general norms and values (White, 2003, p. 92): the purpose is to determine if something is “ good” and not if something is “ equitable”, as with deontology (Binmore, 1998, p. 353). The main thought behind teleology is that every new question should be reached and judged with an eye on the future, without looking back at the consequences of similar actions in the past (Brady, 1995, p. 571). It is important to notice that in this way, it is not about a certain action being ethical in itself but really about a judgment of the consequences of the action. These consequences can be judged on whether they are ethical or not by making a distinction between the following two categories (Sidgwick, 2000, p. 253):

Ethical egoist (teleological “ wrong”)

This person or entity is only concerned with his or her own good and tends not to keep in mind the

consequences from his or her action to their environment. They will do everything possible to

accomplish the best consequences for them (Vittel a. o., 2003, p. 152).

Local or cosmopolitan utilitarianism (teleological “right”)

Ethical in a way that behaviour is right when the biggest advantage for the biggest group of people can be reached. This biggest advantage can be seen within companies or within a certain group, local, or for society in general, cosmopolitan (Argawal and Malloy, 2000, p. 143).

The other way of judging ethics is deontology, also called “formalistic ethics” (Van Luijk, 1996, p. 36). In this context one should not take into account the consequences, outcomes or results of a certain action but merely the moral status of the true action taken (White, 2003, p. 92). It is based on a categorical imperative, people’s decisions can be only ethical if they are based on a feeling of free will, not because somebody else forces them to do it (White, 2003, p. 91). Within these decisions people are expected to be rational and personal consequences should play no role in making an ethical decision.

2. 2 Marketing ethics

Ethics within businesses can be found in many fields, such as accounting, human resources, competition,

business-to-business relations and marketing. For now we are only interested in marketing ethics, one of the most popular subjects these days in business studies. Ethics within marketing can be defined as the way in which the moral standards of a company are being reflected on marketing decisions, behaviour and attitudes (Gaski, 1999, p. 316). Within marketing ethics both <https://assignbuster.com/unethical-marketing-in-the-food-industry-marketing-essay/>

of the views described above play a role, the idealistic view of the behaviour of a business creates a perfect balance and is known as the Janus-Headed Model (Brady, 1995, p. 368).

This model is named after the famous Roman god with two faces (one looking forward, and the other one looking backward) who protected the entrance of Rome. In the model the teleological way is associated with the head that looked forward and Janus's head looking backward signifies the deontological way. For the teleologists this means that they tend to look in the future for results, chances and innovations while trying to find a "human" solution which also covers the best results (Brady, 1995, p. 569). Deontologists do the opposite; they look in the past, or are at least interested in following traditions and written or unwritten laws and rules (Brady, 1995, p. 569). Their decisions and outcomes are based on other decisions in the past. By looking at marketing ethics, corporations engaging in unethical marketing give a slight preference to the head of Janus looking back. As long as their marketing plan complies with the law or codes of conduct of their company and other companies, they see no reason for it to be unethical. They know consumers have "the right to know" to a certain extent, and they provide the minimum information about the product they sell. On the other hand, they refuse to look from a teleological point of view: creating the greatest good for the greatest number of people (consumers) is often not what they reach with their marketing programs, especially not through their advertising. Unethical marketing in this paper is therefore not something that is against the law, but something that might be harmful to

the consumer. It is in the marketing in which the company might be called an

ethical egoist with more self-interest than common interest. They do not look at the consequences of their actions

(teleological) but only at the right or wrong of their base decisions

(deontology). It is not said that this is by definition wrong, and that the

corporations should take responsibility for their consumers. Before

discussing this, we will first look at some examples of unethical marketing.

3. Unethical marketing

In this chapter we will take a broader look at the phenomenon of unethical marketing. This chapter tries to

explain what we mean by “ unethical marketing” and how it can be found in the food and beverage industry.

3. 1 General

To get a better understanding, the first question that pops up is “ What is marketing and why does it exist?”. Marketing is the way in which the products are linked to the consumers: from market research to the ability of the product to penetrate the market. The most known and controversial aspect is putting the product under the attention of the consumer through advertising. The best way to look at marketing is to follow the marketing concept of Philip Kotler. From this concept the purpose of marketing is to discover what the consumers want and to respond by offering the right

products, priced in a way where it delivers value to the buyer and profit to the seller. This means that marketing is a mutual concept that is very important for an ongoing economy to satisfy the demand of the consumer (Kotler, 1996, p. 35). This concept raises the question whether or not it is possible to combine social responsibility for the consumer and survival on a competitive market, something we see in the discussion later on.

If you follow the concept where the main purpose is to satisfy the demand of the consumer, you can

expect that it is sometimes harder for the enterprise to act in an ethical way.

By this you can imagine what

happens if the consumer wants something that is not good for them, or a product that has negative consequences for society or particular groups of society. Bringing these products to the attention of the consumers by advertising is mostly seen nowadays as the unethical marketing described above. You can think of many forms of unethical marketing, organised in the following way (Gaski, 1999, p. 317):

1. Selling dangerous or harmful products.

This contains the marketing of products that are known to be harmful for the consumers, or products with unknown risks that are made attractive by marketing.

2. Misleading the customers.

The businesses can mislead their customers with several tricks, for example: oversize packages, undelivered promises, deceptive advertising or personal selling.

3. Unfair pricing.

This is the case if the businesses do not respect one or several of the following rules: the consumer

should get fair value for money spent, price should be fully disclosed, price should not be artificially high; price fixing is not ethical and neither is predatory pricing.

4. Practices against the law.

Businesses should not damage the environment, commit bribery, extend preferential treatment to a

customer or manipulate the availability of a product.

5. Behaviour out of own good.

This is where the self-interest of the company crosses the border, they should pay attention to

providing accessible means for customer complaints, not over-recommend the product quality level

to the customer and not “humiliate” the competitor.

3. 2 Unethical marketing in the food and beverage industry

<https://assignbuster.com/unethical-marketing-in-the-food-industry-marketing-essay/>

Since the marketing in the food industry is all about selling products, the main way to market the product is advertising and labelling, bringing them to the attention of the consumer. The first two of the points described above play a big role. The first one is misleading the customer: it covers a broad range of “ slick tricks” used by manufacturers to sell their products to the public. The second one, selling harmful products, is much worse.

Hereby the businesses use the so-called meta-preferences of the consumers as described by the philosopher Kant: the consumer has preferences that are higher than their basic preferences. With food this can mean that the preference of the consumer is to eat everything that is fat and tasty, but above that, the consumer has the opportunity to push the other preference away (White, 2003, p. 97). In the marketing process of these products, the industry understands that if they put enough effort into the advertisement, the consumer will put their preferences aside and they will buy the fatty and tasty product, lead by these meta-preferences. Before we answer the question of who is responsible for undermining the temptations of the consumers, we will take a closer look at the tricks used by marketing departments, also known as “ the seven sins of marketing”

(Consumentengids, October 2005):

1. Misleading the customer:

A priori doesn't contain anything bad. It often happens that manufacturers put claims on the packages of products that say that it doesn't contain a certain ingredient, even when it is completely normal for this particular product not to contain the ingredient. This way they can move the attention

away from the “ bad” ingredients: “ naturally contains no fat”, for example, does not mean that the product contains no sugar.

2. The “ healthy” product.

By this you can think of claims that are formally true but aim to confuse the consumer. For example if they advertise that their product contains “ real fruit”, the consumer links this with a healthy product, which is not necessarily true.

3. The demi-truth.

This means that manufacturers are changing the truth to make the product more attractive. Most of the time they use the ingredients the product does not contain. A popular use of this sin is, for example, “ 90% fat free”: this looks attractive for the consumer but might just as well contain 10% of fat.

4. Bluffing.

When manufacturers do this, they are actually exaggerating their product features. You can recognise these products when they say “ prepared with...”: this does not mean anything and can even point to a minimal content of this certain ingredient. This sin also contains claims on products that might be a little

“ too difficult” for the consumer to understand, like all sorts of different bacteria and complexes: the consumer does not know them, but – since proved by science (?) – they might be good, so the consumer buys them.

5. Illusion

Manufactures are not obligated to name their product after the main ingredient: something that can be very confusing for the consumer. This is most evident in the meat industry: some frozen products like “ chicken fingers” could just as well be made out of turkey. In marketing this is also known as the claim-belief interaction: the manufacturer using the potential misunderstandings of the product, claims to sell their products (Thompson, 2002, p. 359). Most of the time they make the essential information as small as possible on the packages of products or even omit them totally.

Selling dangerous or harmful products:

6. The rose-coloured glasses.

This sin looks a little like the second one but this one is even worse because it makes the consumer think

they are actually eating a healthy product while the product is in fact unhealthy. Examples are the

products that contain certain food additives and artificial sweeteners that can damage your health, like

those found in low-fat products. The consumers think they are healthier because the fat is removed; but they forget there might be other ingredients that can be harmful. Manufacturers market their products in a

way where the consumers link “ fat free” with “ healthiness”, something which is not always true.

7. The push to over consumption.

This is mostly caused by little “ presents” offered to the consumer when buying the product, which have little to do with the food. Hereby you can think of: competitions, high profile or cartoon endorsements,

in-pack promotions, convenient packaging (e. g. the lunchboxes), discount buys (“ 2 for 1”) and multi-buy

packs. The biggest problem with this push to over consumption is that certain groups of consumers are

more vulnerable than other groups. The reason for this is that these groups of people have lost their critical thinking skills to evaluate media warnings.

You can think of target marketing to women (indoctrinated by the ideal view of an anorexic woman), elderly (willing to do everything to “ lengthen” their lives), ethnical minorities (discriminatory advertisement) and of course the famous marketing to children who are nowadays seen as plenary consumers (Cui & Choudhury, 2003, p 1).

4. Responsibility

It is not at all easy to decide what the responsibility of an enterprise for society is. Responsibility in general means that someone is to blame, something has to be done or some kind of trustworthiness can be expected (Goodpaster and Matthews, 2000, p. 133). But to which extent can a corporation have these “ human characteristics”? To make it easier to discuss this so-called “ corporate social responsibility” it is necessary to divide it into four different sorts of responsibilities: economic responsibilities,

legal responsibilities, ethical responsibilities and discretionary responsibilities. You can see these four categories in the form of a pyramid, as shown in the figure below.

Source: Carroll (1991)

(Carroll, 1991, p. 40). The only question is how far the company should go when climbing this pyramid and how steep the pyramid should be. To discuss this question in the last chapter it is necessary to take a closer look at the different levels of the pyramid.

4. 1 Economic responsibilities

In short, the economical responsibility for a company is to be profitable (Carroll, 1991, p. 42). Historically, the sole task of a business was to produce goods and services that consumers needed, and try and gain a profit as high as possible. This is not only important for the business but also for most of its stakeholders. A successful business is one that produces constant profits to reach a strong position in the market, and be as efficient as possible (Carroll, 1991, p. 40). This is quite controversial when it comes to social responsibility and therefore it is usually not where the pyramid ends. Although some economists, like Milton Friedman, had the opinion that this is indeed the point where the responsibilities should stop (Friedman, 1970).

Friedman claimed that the only responsibility of a business was to make a good profit. He had the

opinion that only people can take real responsibilities and that, since a

business is an entity and not a person, the business could only have fictive
<https://assignbuster.com/unethical-marketing-in-the-food-industry-marketing-essay/>

responsibilities and no actual ones. These responsibilities lie in the hands of the manager of the enterprise and Friedman stated that its sole responsibility was to take responsibility for its employees and shareholders. In other words: to make profit so they can get paid. The only reason a manager could be seduced by corporate social responsibility (ethical or philanthropic forms) would be to calm its own conscience. This is not very practical in the eyes of Friedman because it would result in less profit, thereby lowering the ability of the business to take responsibility for its employees and stakeholders. Social responsibility would have more to do with political mechanisms than with market mechanisms and would therefore not be interesting for corporations (Friedman, 1970, p. 1).

4. 2 Legal responsibilities

Complying with the law can be seen as a “social contract” between businesses and society where the firms are expected to pursue their economic missions and economic responsibility within the framework of the law (Carroll, 1991, p. 42). The “rules of the game” are made by federal, state and local governments and should be the ground rules for how a company should act. It can also be the beginning of ethical responsibility because the law actually gives the “basic” ethical points. A successful company at this level of the pyramid is the one that accomplishes its economic objectives and does not break the law, including the production of products and services that satisfy legal demands (Carroll, 1991, p. 41).

4. 3 Ethical responsibilities

Ethical responsibilities refer to the obligation to do what is right, just and fair and to avoid harm (Carroll, 1991, p. 42). With this form of social responsibility, it is important that the way of doing business is consistent with the expectations of the social and ethical norms and values. These expectations of what is ethical and what is not have been described in the foregoing chapters. In a broad sense we can say that from a deontological view this means that the company follows the “general rules”; from teleological view this means the company tries to reach the best outcomes for every party involved. Ethical responsibility concerns the actions that, even though not constrained by law, are expected or disapproved by society. In general, society expects the industry to do “extra” things not forced by legal obligations (Carroll, 1991, p. 41). It is very difficult for corporations to assess how big this responsibility should be, because it is impossible to find clear lines about norms and values since they fluctuate and change within a society. Businesses in the food industry might have difficulties with how far they can push the boundaries: one consumer will feel misled much quicker than the other.

Ethical responsibility in the food industry is mainly centered around the question rather the businesses can be pointed as guilty for the recent trend in obesity.

4. 4 Discretionary responsibilities

The last form of responsibility goes strictly against the theory of Milton Friedman and claims that the company should be a “good citizen” by engaging in acts or programs to promote human welfare or goodwill (Carroll,

1991, p. 42). This corporate citizenship, also known as marketing citizenship, means actively participating in programs or actions like charity projects or voluntary work and in the food industry: in health campaigns. There is a social expectation that businesses donate a certain amount of their money, facilities and employees to humanitarian purposes (Carroll, 1991, p. 42). Even though it is not regarded as unethical by society if corporations do not take this sort of responsibility, it is something that is often silently expected. The problem is that it is quite easy for businesses to replace their ethical responsibility by their discretionary responsibility: donation money might be seen as a redemption sum to hush unethical business practices. It is an ideal way for businesses to drag the attention away from scandals-to-be, giving the consumer the picture of being very socially responsible by just donating a great

sum of money. For example, by taking responsibility for the little children in the third world countries by paying a sum of money, they can avoid losing profit by taking responsibility for their “own” children who are suffering from obesities because of their products (Weber, 2002, p. 553).

5. Discussion: the business, ethical egoist, local or cosmopolitan utilitarist?

Now that we looked at this unethical marketing we come to the more interesting part: can we blame the

businesses for the way they market their products, misleading the consumers and sometimes even hurting the health of their consumers? In other words... What is their responsibility? The first form of responsibility is

the economic responsibility. This is a responsibility businesses have to take and are of course very willing to take. With this it is important not to see the business as an ethical egoist but as a

local utilitarian: they need to take this responsibility for their stakeholders. Funnily enough, stakeholders include employees, investors, suppliers, directors... But also the consumers. In the food industry these products might sometimes be the products that are bad for the consumer, but we have to make a distinction between preferences and meta-preferences here. There is no problem listening to the preferences of the customer, but it is not ethically right to strengthen the meta-preferences, this would make the business an ethical egoist. This is where the overlap with ethical responsibility begins: businesses will claim at all times that metapreferences do not exist and if so, they have nothing to do with them. By definition, food is never bad for you and it depends on the way you use it. If the consumer is not rational enough to make their own choices the businesses “ don’t see” how they can be responsible for this. They hereby forget that it is not impossible to have both, a “ concern for profits” and a “ concern for society”.

When it comes to legal responsibility there is absolutely no question that companies forced by law

should try to avoid products which are known to be risky for the consumer, on average: they do. Not only

because it is forbidden, but the products don’t sell anyway if they are known to be dangerous. But the products that are “ not yet proven to be possibly harmful, so... Not harmful”, are questionable. Is it the responsibility of the <https://assignbuster.com/unethical-marketing-in-the-food-industry-marketing-essay/>

business to take care of this possible harmfulness? Legal responsibility is an issue of deontology ethics and mixing it with teleology is too confusing for the consumers and for the businesses.

When it comes to health risks, doubts should be minimised. Of course we are not talking about “ over

consumption” but about ingredients or artificial additives that cause harm. Restraining the consumption of their own product is not very tempting for the manufacturers: why should they want to reduce their own profit? Even though most people are reluctant when it comes to the “ invisible hand” being replaced by the “ government hand” I think they should at least make proper laws concerning the marketing of proven harmful products and about labeling in “ all honesty”.

Ethical responsibility for the consumer is the one businesses claim “ not to see”. How can businesses come away with their extremely misleading marketing tricks? With most forms of unethical marketing the businesses use the bounded rationality of the consumer (White, 2003, p. 100): the consumer has certain obligations to themselves but will not always have enough “ character” to obey to these obligations. The moral dilemma for companies is to what extent they have to take responsibility for this “ character”. This is where their self-interest has to stop and they have to become cosmopolitan utilitarians instead of local utilitarians. They have to deal with the fact that they are not alone on this planet and that it is not only their profit that counts.

It is also the point where the “ government hand” has to withdraw, for me intervening at this point is

taking away the free choice of the society. The businesses do not produce these products for nothing, the

consumers likes them even though they might be a risk for health. Taking the products out of the market does not only hurt the businesses but also the consumers who actually like the products. But what to do about the consumers who like the products too much? Should the businesses help them in trying to avoid overusing the products? Many people compare the food industry with the tobacco industry and claim businesses have to put warnings on their products. In my opinion this is not something you can compare because nobody needs cigarettes but everybody needs food. Thereby I don't see any business doing this out of self-regulation: since probably not every competitor does it, putting the claims on the products will make it look like they are to blame and not the product. Consumers will just buy the same unhealthy product but from a different manufacturer. But businesses could at least try to be honest to their customers, if only out of “ respect”.

The last responsibility is the discretionary responsibility. This might sound very noble, but I think this

is only a way for the businesses to skip the “ ethical floor” of the pyramid. It seems that most businesses,

perceived as practising unethical behaviour, “confuse” these two responsibilities. Of course they don’t confuse them, it is actually a very well considered decision. It is a perfect way they can hide the fact they don’t want to take ethical responsibility because they are afraid of what might happen to their profits.

It would be nice and easy to say that businesses and the government are the only ones who need to take

responsibility, unfortunately this is untrue. There are three different parties that I think could take responsibility as well. The first party are of course the consumers. Consumers seem to ignore marketing tricks, it doesn’t matter if they know the claims might not be so true or useful after all, they like to believe in it so they buy the products. It is not only the business acting out of self-interest, the consumers know how to do this too. They want tasty food that is not only cheap but also healthy and literally wait until the businesses give this to them. This is quite difficult to produce but an invitation for businesses to promote their product as if it has all the three character traits: unethical marketing. The consumer will not be satisfied enough, since we all got a little spoiled, and instead of changing their three demands, it blames the company. If we continue blaming, we will end up convincing ourselves that we are not to blame and, like a vicious circle, we will do nothing to change our behaviour because it was “meant to be” and “forced up on us”. Why have we become so passive when it comes to eating? It is too easy to blame the change of lifestyle, “forced up” by the food industry. We just have to accept our lifestyles have changed and try to make the best out of it, by ourselves.

<https://assignbuster.com/unethical-marketing-in-the-food-industry-marketing-essay/>

The second party is the part of the food industry that distinguishes themselves as selling healthy products: where is the marketing for the apple? Even though it might sound like “unnatural” to the producers of “natural products”: why not advertise for things like fruit and vegetables? If Kellogg’s can put star wars toys in their packages, why can’t we put a Mickey Mouse sticker on an apple?

The third party are the supermarkets and other shops where the food is sold. If consumers think they are

to “weak” to make their own “rational” decisions why not put them in a “rational” environment when they do their daily shopping? Supermarkets should become more open, less seductive and more ordered.

It is hard, and dangerous, to come to a conclusion on a subject this controversial, with this little

background so I will not do that. To come with a real conclusion it would be necessary to first take a closer look at the actual consequences of unethical marketing and to take a look at the market of the food industry more profoundly. For now, it appears to me that the cliché is true and that everybody is responsible and everybody likes to blame someone else for its responsibility. Businesses should take their economical and legal responsibility, helped by the government, and up to a certain extent also their ethical responsibility. This last one doesn’t necessarily mean they have to change their marketing strategies or the content of their products but they have to inform the consumer about the product as good as possible. To avoid confusion,

discretionary responsibility is not very important, but might become more interesting when businesses hav