

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Humanities



Bachelor Thesis

Ethical marketing: mission (im)possible

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BACHELOR THESIS ASSIGNMENT

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Economics and Management

Thesis title

Ethical marketing: mission (im)possible

Objectives of thesis

This thesis will investigate ethical issues in marketing, focusing in particular on advertising. This thesis will provide an overview of contemporary meanings and understandings of ethical/unethical marketing, including issues of misleading and discriminatory advertising and the issue of targeting vulnerable audiences. The research will also touch the legal aspect of marketing and how much it helps in improving marketing ethics. An important question in this context is whether and to what extent ethical marketing is more effective than unethical marketing, since this is likely to influence decisions of companies regarding their own advertising strategies. The practical part will investigate the attitudes of general public towards different ways of advertising.

Methodology

Develop a literature review covering ethical and unethical ways of advertisement and discuss the possibility of ethical marketing being effective enough to replace unethical forms of marketing.

Conduct research into the attitudes of people towards unethical advertising, as well as its influence on consumer choice.

The proposed extent of the thesis

40-50 pages

Keywords

Unethical marketing, advertising, marketing ethics, consumer behaviour

Recommended information sources

- ATTAS, Daniel. (1999). What's Wrong with "Deceptive" Advertising? *Journal of Business Ethics* 21: 49–59
- BRENKERT, George. (2008). Marketing Ethics. In Robert FREDERICK (ed.), *A Companion to Business Ethics*. London: Wiley-Blackwell: 178-193.
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- GASKI, John F. (1999). Does Marketing Ethics Really Have Anything to Say? – A Critical Inventory of the Literature. *Journal of Business Ethics* 18: 315–334.

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Declaration

I declare that I have worked on my bachelor thesis titled "Ethical marketing: mission (im)possible" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break any copyrights.

In Prague on 15.03.2023

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Ethical marketing: mission (im)possible

Abstract

This bachelor thesis studies the question of ethicality in contemporary marketing, with a focus on advertising. Ethical advertising can have a positive impact on society by promoting ethical values. The question here is if ethical advertising can also be a competitive alternative and be more profitable to the business than unethical advertising that has been used and worked for long time already.

The theoretical part includes an overview of the terms and concepts that will help understand the problematics of ethics in marketing. It will also cover the ethical issues in marketing and how they influence the society, consumer behaviour and ultimately the businesses themselves.

The practical part will present the findings of the survey about the attitudes of general public towards unethical marketing and the analysis of these findings.

Keywords: Unethical marketing, advertising, marketing ethics, consumer behaviour

Etický marketing: mise (ne)možná

Abstrakt

Tato bakalářská práce se zabývá otázkou etiky v současném marketingu se zaměřením na reklamu. Etická reklama může mít pozitivní dopad na společnost tím, že podporuje etické hodnoty. Otázkou je, zda může být etická reklama také konkurenční alternativou a být pro podnikání výhodnější než neetická reklama, která se již dlouho používá a funguje.

Teoretická část obsahuje přehled pojmů a konceptů, které pomohou pochopit problematiku etiky v marketingu. Zahrne také etické otázky v marketingu a jejich vliv na společnost, chování spotřebitelů, a nakonec i na samotné podniky.

Praktická část představí výsledky průzkumu o postojích široké veřejnosti k neetickému marketingu a analýzu těchto zjištění.

Klíčová slova: Neetický marketing, reklama, marketingová etika, chování spotřebitelů

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1 Introduction

Marketing is a complex process and its main goal is to attract new customers to the products or services produced by the business (I would like to note that the thesis is not going to focus on the non-profit organizations, even though they will be briefly mentioned). With the technological progress the sky is the limit to how creative an advertisement can get. From still black and white pictures in the magazines advertising progressed to cinematic video clips and impressive three-dimensional banners immersing the viewers to the of the advertised product. However, to this day many advertisements can be described as harmful and unethical.

Advertisements can entertain, educate and spread awareness of important issues, however, they can also involve discrimination, lies and carry dangerous ideas. Both types can be successful and profitable for the companies, so why should they care about ethics? This is the question that I will try to answer in both theoretical and practical part of my thesis. With the raise of consciousness in the society as the information has become easily available and the harms of unethical behaviour becoming clearer, the businesses start to create marketing campaigns in a more ethical way.

The thesis will investigate the issues in modern advertising and if changing to ethical advertising can ultimately benefit the business more than unethical.

2 Objectives and Methodology

2.1 Objectives

The objective of this thesis is to examine the ethical issues that still exist in contemporary advertising, and to find out if it is more beneficial for business's profitability to stick with ethical marketing. The thesis will provide an overview of the most important concepts related to marketing and ethics in marketing. It will also touch on the subject of law and how it is related to ethics. It will include real-life examples of ethical and unethical advertising campaigns and their outcome.

The practical part will look into the attitudes of general public towards ethics in advertising and if their consumer behaviour is influenced by the ethicality of advertisements.

2.2 Methodology

This thesis has two parts: theoretical and practical.

The theoretical part consists of literature review based on books, journal articles, scientific papers, news and the information retrieved from the websites of the brands and organizations mentioned in the paper.

The practical part investigates the influence of ethicality of the advertising on the consumers behaviour. It is done by conducting an online survey that presents respondents with examples of unethical advertisement and questions their attitudes towards these advertisements.

3 Literature Review

3.1 Important concepts

In this chapter I would like to provide an overview of the concepts that are essential to understanding my work. The explanation of these concepts in detail will make it easier to engage with the research presented in the subsequent sections of my thesis. I am going to cover such topics as marketing, ethics, corporate social responsibility, reputation and cancel culture.

3.1.1 Marketing

Marketing as a phenomenon has existed since ever the trade existed between persons, however, as a study discipline it is fairly new. Throughout history the basic marketing principles have been used by those offering goods and services. They did not necessarily have the same description that we have for them now, and marketing was not a specific topic to study, but those who understood its principles and could use them were more likely to be successful, just as it is nowadays (Baker & Hart 2016).

Before the industrialization and emergence of mass media, the goods and services were provided mostly face to face. It was allowing the producers a constant outlook on the changes in consumers' behaviour and demands. With the growing world of technology and an increasing gap between sellers and buyers, the latter had to find ways of effectively reaching their audiences. Essentially, marketing is a collection of methods and techniques a business can use to learn about the current needs and limitations of the potential consumers, how to efficiently reach out to them with the information regarding the offered goods, and how to present these goods to the buyer, so they will make a decision to obtain the good from this specific business and not anyone else (Baker & Hart 2016).

3.1.1.1 Marketing mix

Various activities that a business needs to undertake in order to meet the needs of their customers and to create an attractive competitive offer can be structured as what is known as marketing mix. It is a foundation model used in businesses. Originally, it used to have only the first four 'P's, it has since grown to be seven as marketing needs process became more complex. All the part of marketing described below are connected to each

other and are worked on simultaneously. Advertising is just one of the gears of a big marketing machine and is included in the promotion part of marketing. Here is a brief explanation of all the seven parts to give a better understanding of the context and position of advertising in marketing (Allen 2023):

1. Product

This is about the product (or service) that a company offers to its customers. It is not as simple as offering a bar of chocolate to someone craving sweets. It is important to create a product that will not only cover the needs of the customer but also offer a better product than competitors. Research needs to be made to discover the general product needs, in the example of a chocolate bar, it could be taste, size, packaging, addressing different possible allergies by offering lactose-free options. The product needs to be constantly improved as the customers needs change and the competitors' offer get better as well.

2. Price

It is important to set the correct price to the product as it directly influences the profitability of the production. The price also influences the decision of consumers when choosing the product, so it cannot be set arbitrarily high.

3. Place

The decision on how and where the customer will be able to obtain the product needs to be made as well. Physical stores imply costs for renting the selling point and hiring the necessary staff. In case of online store there is a need for technical stuff and purchasing the domain name. Aside from the financial considerations, depending on the product or service, it could be more convenient for the customer to have access to it online or in a physical store. This can greatly influence the final decision as well.

4. Promotion

This point is about the communication that happens between the business and the outer world. It largely includes advertising which will be discussed more later in this work. The purposes of promotion are to reach out the right audience, ultimately generating a sale, and to build a strong positive reputation.

5. People

This refers to the employees engaging in all sorts of interactions with customers. The people introducing and helping customers with the products may have a big impact on how the customer feels after completing a purchase, and possibly make them come again.

6. Process

The process includes all the steps a customer may need to make from learning about the existence of a particular product to getting this product. The process needs to be as efficient, pleasant and easy as possible to make sure the customer has a lower chance of losing their interest in the product.

7. Physical evidence

This refers to the evidence of quality of a product a customer can get before making a purchase. Seeing a professionally made website or a lot of good reviews can reassure a customer that he is making the right choice.

3.1.2 Advertising

I can see the terms marketing and advertising being used interchangeably sometimes. It is understandable since advertising is a big and most noticeable by consumers part of marketing. However, while marketing is a broad term for the whole process of learning and catering for consumer needs, advertising is one particular element of marketing.

Advertising is the most obvious thing to come to mind when talking about marketing promotions. As Geoff Lancaster puts it, it is “any paid-for type of marketing communication that is non-personal, aimed at a specific target audience through a mass media channel” (Lancaster 2018).

This sort of marketing communication is targeted at larger audiences making it a cost-efficient tool for reaching more people. However, it can be hard to assess the effectiveness of a particular advertisement. For example, it is not possible to tell how many people exactly paid attention to and saw a banner on the street, and how many of this people actually went on to get this product or service. In this case, it would also be difficult to be sure of how many of these passers-by could actually be potentially interested.

Advertising is used by companies to inform customers about the products they have, create interest and most importantly provoke a purchase. However, it is also beneficial to have an advertisement be seen by customers who have already completed an action of using the service or buying a product. For those customers it serves as reassurance in their choice, can provide more information and push them towards their next purchase (Jobber & Ellis-Chadwick 2020).

Nowadays there are quite a few medias to choose from when making a decision on the platform for a future advertisement. It is common to use various medias for the same product to ensure better coverage. Here are some examples of medias that can be used:

1. Printed

This is a tangible advertisement that a consumer can come across. It can be in a book or a newspaper, or just a leaflet left in the post box. Sometimes they can be a coupon for a discount which could be a reason to keep it.

2. Cinema

Usually, we can see a lot of clips running before the main movie, they are mostly trailers to other movies which makes sense, since people coming to see one movie, might be interested in going for another one. But it can also be a coffee promotion or even a car.

3. Online

Social medias and side bars of the websites are also popular places for advertising. Some websites like YouTube even have a built-in technology to prevent users from skipping promotional videos.

4. Outside

These are all the posters on the buildings and along the roads.

5. Television, radio

Even though these medias are not as popular among younger generation, they are still widely used by many people. Such advertisements cannot be skipped and in case of a television can attract the right attention by having interesting visuals.

I would also like to note that advertisement does not necessarily promote a service or a product, it can just as well promote issues, organizations and people (which is mostly political advertising during election campaigns). In some cases, such promotions do not have a financial purpose. They serve as a tool to spread awareness of some issue or information about an election candidate that could attract more votes.

3.1.3 Ethics

Ethics in general can be described as all the moral values and principles guiding the actions and decisions of a group or an individual (Berkowitz et al. 2004). It is a subjective understanding on what is bad and what is good. Usually, it is norms that have been adopted by a group of people (which can be a commune, a whole country or have an even bigger scale) through ages of evolving.

Ethics is also a philosophical discipline that has its beginning in ancient Greece some two thousand years back. Since then, the debates on what is good have not ceased around the world. It is hard to find many moral standards, if any, that remained same everywhere throughout the history. Murder seems to have been frowned upon for a really long time already, however, in ancient times not everyone was considered a human, so even this horrible action could be seen differently back then.

It is possible for a person to have different ethics than the society s/he lives in, however, they are still likely to behave in accordance with common ethics since it is usually better to be perceived as good in society. However, there can be some more or less universal ethical standards in different industries.

Ethics in general are a foundation for laws. Most unethical things usually end up becoming illegal. Only ethics reflected in laws can be enforced, and only in this case unethical behaviour can be officially punished. It is not possible to cover the whole field of ethics in laws. Firstly, because it could be endless since there is no limit to what one can consider unethical. Secondly, we also need to think about the needs of economy, and marketers and businesses, in case of marketing ethics, as well. When making laws it is important to consider the interests of all the parties and if enforcing certain ethics will cause more bad or good to general public and economy (Drumwright 2007).

It is possible for a decision to be unethical, yet legal or the other way round. Making unethical decisions will not be punished by law, however, for businesses it can lead to such consequences as loss of reputation, trust, connections and revenue. So, it is worth considering not only legality of the decisions, but also their ethical side.

In this chapter I am going to cover contemporary meaning of ethics related to marketing in general and advertising in particular.

3.1.3.1 Marketing ethics

Marketing ethics involve the moral values and principles that guide the decisions made in the field of marketing (Berkowitz et al. 2004). The word ethical is perceived in a positive way meaning that acting ethically equals acting good. Ethical decisions also lie in the foundation of CSR which will be discussed in the next section of this work.

Ethical norms in marketing come naturally from the norms currently accepted by society. Being honest and responsible is considered good, so an ethical marketing campaign should also be made in an honest and responsible manner.

There is no universal code of marketing ethics, however, the following are considered good marketing practices nowadays:

1. Honesty

It is important to be truthful about the products and services offered to consumers. Companies need to provide full information on what is included, what it is made of, how to use it and any possible safety precautions.

2. Transparency

It is also a good idea to provide not only the information about the product itself, but also the information about how it was made and where it comes from. Being transparent about any possible fees for extra features, and not hiding real reviews of the products or services can also be included in this category.

3. Sustainability

This is a category for socially and environmentally friendly practices. It is making a product development progress sustainable when possible, being conscious of the effects the company's choices may have on the consumers, its employees and environment.

4. Legality

This means being acknowledged with the legal standards and follow them. The companies also need to make sure they are keeping an eye on the possible changes and updates in the regulations.

5. Promise-keeping

Creating false expectations and not follow on the promises is generally considered a bad practice.

3.1.3.2 Advertising ethics

Advertising ethics guide the way a business communicates with its customers. Marketers constantly need to be creating new ways of promotion and it can be hard to stay within the limits of appropriate, since the consumers have already been shown everything possible in advertising. It is not easy to come up with something sensational that will keep the consumers' attention. Another difficulty comes from all the ways consumers now have to protect themselves from marketing messages, like unsubscribing option in the emails.

All the regulations concerning the privacy of people are beneficial to the general public, however, they create an extra obstacle for successful advertising (Rodgers & Thorson 2012).

Just as in marketing there is no universal moral code for advertising, however, some organizations try to create some standardized rules for advertising ethics they consider most important. For example, there are nine principles and practices formulated by the Institute for Advertising Ethics that can be summarized as follows (Anon. 2022):

Principle 1 and 2 appear to me to have a common idea: being honest and ethical.

Principle 3 and 4 also have a similar ground: clearly indicating the advertising content as such and honestly disclosing the conditions of advertising.

Principle 5: being conscious of the nature of target audience and to not use their possible vulnerability to the advertiser's advantage.

Principle 6: being respectful and careful with the consumers right to privacy.

Principle 7: following the laws and cooperating with industry's self-regulation standards.

Principle 8: taking time to discuss and resolve any possible ethical concerns when creating an advertisement.

Principle 9: building trust with the stakeholders based on transparency.

It first two principles here talk about the responsibility of advertisers to be ethical in general. It means to evaluate what is good or bad beyond the rest of the principles since it is not possible for them to cover everything. However, it looks like it is up to the advertisers to figure out what this beyond could be. These principles leave space for own thoughts and interpretations. It shows how difficult it really is to create a comprehensive list of rules telling exactly what needs to be done to be ethical.

Another way of looking at advertising ethics is to separate the categories by the level of the issue. Advertising is complex and involves separate persons as well as communities and large corporations. It is not possible to take the same approach to different parties involved in advertising, the consumers, businesses and even environment. From this perspective, advertising ethics can be separated into the following levels (Drumwright 2007):

1. Micro-level ethical issues

This level overlooks the questions regarding the influence of advertising on individuals. This is the most studied level of advertising ethics. It explores the limits of how, what and to whom an ethical advertisement can be made.

2. Macro-level ethical issues

On this level, the studies focus on the impact that the advertisement in general has on society. Issues on this level do not usually get the proper attention since they are more complex and controversial. They do not focus on one particular situation or advertisement, instead they involve a variety of them related to a big societal issue.

3. Meso-level ethical issues

This is the level covering the issues related to the ethics practiced in the industry towards the businesses and people working in the industry themselves.

3.1.4 Corporate Social Responsibility

The concept of companies' having to be responsible not only to generate some sort of profit but also having the responsibilities towards people and environment has been around for centuries, even though, for most of this time, vaguely. The Corporate Social Responsibility (CSR) got the name and became a topic for serious research only in the 20th century. With the continuous evolution of the society, business is expected to do more and more as time passes, from fair treatment of customers and employees to now participating in bettering the society (Carroll 1999).

As time goes by, consumers pay more attention to how ethical and ecological the company is, how it contributes to the society and environment above its business scope. Constant development of the consumers' demands makes it hard to define what all CSR encompasses. In general, it has become a term to describe how company manages its operation in a way that is beneficial to society, environment and economy, and what additional contributions it can make to make a world a better place to live (Hamza & Jarboui 2020).

CSR undoubtedly goes well beyond what a company is legally required to do. Philanthropy is one of many ways a company can engage in CSR. For instance, tech giant Google uses its resources to help make education accessible to more people by donating in total over \$250 million to educational platforms like Khan Academy and other non-profit organizations. (Google 2023)

It would be naive to assume that CSR is vastly adhered to purely due to moral obligations, even though the non-financial satisfaction from doing what is considered good could be a strong motivation by itself for some. Nowadays, it has become a must to follow, in order not to lose customers, reputation and even the company's own employees. Studies have shown that there is a definite positive relationship between the company's profitability and its performance of CSR. 30 years of the research showed that making socially responsible choices may decrease the negative influences of market forces on the company's profit (Orlitzky et al. 2003).

The competition among businesses is as intense as ever, - it can be hard to be chosen when there are so many options, - so CSR can make a vital difference. With this race of who manages to do more good, it looks like ethical corporate behaviour has become a positive fashion.

Making choices towards sustainability can make for a good promotional campaign. With so much news about global warming and natural disasters, it can feel good for consumers to use more sustainable products. CSR directed internally improving the working conditions and adding benefits can increase the loyalty of employees, attract talents, and increase their work performance.

3.1.5 Business reputation

Reputation refers to the overall impression that the stakeholders have of an organization or person, encompassing their attitudes and emotions towards them. Good public reputation means loyalty of customers bringing higher profit (Horn et al. 2015). Reputation should be guarded rigorously since no one will want to deal with unreliable businesses when the competition is so high.

Reputation of a company can be affected by many things, by any action committed in the public field. Marketing campaigns are targeted to the public, so they can undoubtedly have an influence on the business reputation.

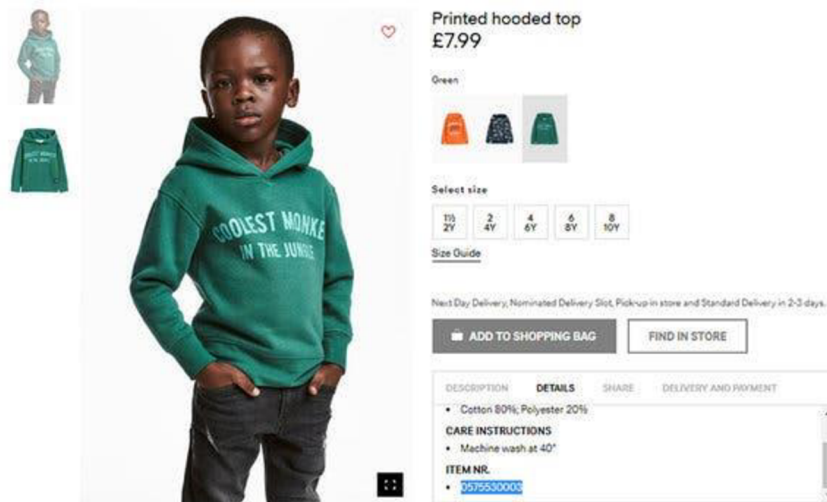


Figure 1: a screenshot of a deleted image from H&M online shop (Fortin 2018)

Building a reputation is a long process and requires patience and good strategy. However, one misstep can cause a major setback. In 2017 a reputation of H&M was damaged by an advertisement that was deemed racist featuring a black child wearing a shirt saying, “coolest monkey in the jungle.” The backlash in South Africa caused the chain to temporarily close some of its stores there (Fortin 2018). The story may have also negatively influenced the sales resulting in a great profit loss (Hamlin 2018).

Investing in building a reputation can greatly benefit in the long term. A company that earned trust of the consumers can focus less on convincing them to buy more products by launching expensive campaigns. One announcement from technological company Apple would be enough for crowds to be queueing for it.

CSR can play a huge role in building a reputation as engaging in doing good things is usually perceived as being good by society.

3.1.6 Cancel culture

Sometime in the past one could get away with scandal hardly damaged, new travelled slower and did not necessarily reach everyone. However, nowadays a wrong choice of words that was posted online could immediately damage the reputation so badly, one could get “cancelled”. Cancelling refers to withdrawing public attention, affection, approval and support for committing an action that goes against moral social standards of the majority. This means, that voicing an opinion different from the commonly accepted can ruin anyone’s career.

There is, however, a controversy related to contemporary cancel culture. Some debate that it goes against a human right to express themselves and a freedom of speech, and cancelling someone or something should not be one fits all solution (Velasco 2020). It can be seen as hypocritical to judge hard and be intolerant to intolerant people. It is good to see that society is on alert and does not want the spread of unethical behaviours or thinking that can potentially harm someone, however, it can go too far sometimes and banish someone for an honest mistake.

Cancel culture can be viewed as good or bad, however, most importantly it is reality and can be a weapon in fight with social issues like racism or sexism. In 2018 a famous Italian brand Dolce&Gabbana published a video clip as part of the promotional campaign for their Fashion Week Show in China. The video showed a young Asian woman in Dolce&Gabbana dress struggling to eat Italian dishes with chopsticks while a mocking background voice was explaining her how to do it in Mandarin. The video went viral and caused a backlash for being racist and making a mockery of Chinese culture. As a result, the show was cancelled, the products of the company have been pulled from online retailers and some physical stores were closed (Xu 2018).



Figure 2: Screenshot from a promotional video of Dolce & Gabbana (Xu 2018)

Dolce&Gabbana carried financial consequences, and till now its market in China has not been fully restored. Before the controversy the company had 58 boutiques in China. Now, 4 years later, 49 are open (Anon. 2023).

This is, of course, not the only time a business paid with its reputation for an unethical promotion. Unethical advertising can sometimes attract attention and bring more

sales, but the internet can decide that it went too far, and the hashtag “cancelled” will spread like wildfire.

3.2 Ethical issues in advertising

3.2.1 False or misleading advertising

To enhance the attractiveness of the advertised products or services, marketers may present incomplete or untrue information about them. It is possible that sometimes a misleading advertising will not succeed in deceiving, since there can be people who can figure out that the information they are being presented with is not true. It is also possible for an advertisement to be taken in the wrong way, so that the untrue information gets across without the marketers’ initial intent. Either way, if consumers feel that they were tricked in some way in the end, they can gradually lose trust in advertising. Misleading or false advertising is not only unethical but can also result in advertising being less effective to such consumers as they become numb to this sort of convincing (Attas 1999).

There are various deceptive tactics that a business may use to convince the consumers in the superiority of a particular product or service. Here are a few, but not all, examples of how it may look like:

1. False claims

This means presenting customers with incorrect or exaggerated information regarding the features, performance or expected results from the advertised product or service.

2. Misleading imagery

Most advertisements have a picture of the product on it. To make sure it looks more attractive, advertisers may edit the photo of it, or make up a completely new picture that will not be representative of reality.

3. Hidden fees

Some advertisements may create a false expectation from the price to lure in potential customers. It could be a text in fine print saying that to get the item for free, the person will need to purchase another product that would be much higher in price, or omitting the costs of any compulsory additional services coming with the original product that a customer learns of only at the checkout.

4. False scarcity

There are companies who have all year advertisements claiming that “only today” can you buy a certain product or receive free delivery, or making statements about a very limited amount of an amazing product left.

One Russian retailer of fairly budget jewellery “Sunlight” became an internet meme and received fines for using this tactic. Since 2016 they have been making frequent claims about closing their shops and customers having the last chance to purchase their products. Ironically, the number of shops only grew (Demidkina 2020). This is also an example of how unethical advertising facilitated business growth and sales.

5. Fake reviews

Positive experiences of others with the product or service can ensure new customers that the advertised product or service is worth it. However, some advertisers may misuse this promotional opportunity and present potential customers reviews that are either edited and/or exaggerated or an entirely made-up review.

6. Bait and switch

This tactic involves promoting a product with the intention of selling something else. A customer can be attracted by a good price of an advertised product, however, upon arriving to the sales point, they will be offered a different more expensive product, claimed to be a better one.

7. Puffery

A legal way to attract more customers is to make claims that cannot be verified and are a mere exaggeration of the truth about the product, either visually or verbally. It can be, for example, claiming that something is “better” without mentioning better than what or having any factual support. As long as it cannot be proved as false information it is legal, however, it is still considered unethical by some, since it does not provide potential customers with the fully truthful information. Puffery can damage the trust of consumers as they can be disappointed after purchasing a product that does not exactly match what was advertised (Halim et al. 2020).

False advertising is a category of questionable advertising where the law generally agrees with ethics. There are different regulations around the world related to misleading advertising that can vary in the specifics and approach, however, making false claims is illegal everywhere and is considered unethical by most.

3.2.2 Targeting vulnerable audiences

Vulnerable audiences in this context imply people who can be easier to persuade through advertising due to their difficult life situation, lack of education, age, emotional state, mental abilities etc. Marketing works in a way to create products and services that will cover the needs and wants of the consumers. However, people from vulnerable groups may have poorer ability to judge what they really need and what will benefit them. Creating a marketing campaign designed specifically for vulnerable consumers could be done in an effective and totally legal way, however, taking advantage of such groups is considered to be unethical by many. It can also be argued that advertising to certain vulnerable groups, like children, should be forbidden altogether.

There are different reasons why a certain vulnerable group is more susceptible to persuasion. In times of grief, heartbreak, fear, surviving a trauma, people tend to be less rational and logical, and more emotional. They can make spontaneous decisions which they would not necessarily make in another situation. Older people usually have a more trusting character.

George G. Brenkert (1998) argues that the marketers have a responsibility to consider the potential effects of advertising on vulnerable groups and to take steps to mitigate the harm it may cause. This may include using more transparent marketing techniques, avoiding harmful stereotypes, and providing clear and accurate information about products. There need to be higher ethical standards when advertising towards vulnerable populations.

Another paper discusses the matter of advertising to children (Rowthorn 2019). One problem arises that the children do not actually qualify as consumers as they cannot fully comprehend the purpose of advertising and cannot understand when they are being persuaded. This means that they are not stakeholders in the marketing system. However, it would be wrong to completely dismiss this vulnerable group since advertising can still affect them. The effects can be mitigated by the restrictions on advertising. For example, what and how can be advertised on the television channels for children.

It would not be right to say that advertising should not be seen by children simply because of the persuasion point, since persuasion is used on children by parents and teacher and is not considered evil. The negative effect of advertising on very young audience could be materialism. Still, exposure to advertising could even be beneficial, as

with the help of the parents, children could learn to perceive advertising in a careful way (Rowthorn 2019).

All in all, it looks like a general consensus on the question of advertising to vulnerable audiences is that it is not ethical to use vulnerabilities of people to increase sales. It is not possible to prevent any advertising from being seen by someone it was not intended for, so the best marketers can do, aside from not exploiting the vulnerabilities, is produce generally ethical advertising.

3.2.3 Stereotypes in advertising

There are different types of stereotypes that can be seen in advertising. Those can be stereotypes about gender roles, races, age, sexual orientation, and disabilities. This means exploitation of negative and/or offensive assumptions about people representing a certain age group, sexual minority or race. Stereotypes in advertising is generally considered harmful and unethical. The problem is that this is a difficult ethical issue to regulate legally.

Stereotype is an easy gateway to understanding the world, it is easy to assume a whole personality of someone based on just one feature rather than learning about them as an independent individual. It is harmful to people being stereotyped as they may feel they need to act a certain way, or they may even be discriminated and treated poorly based on some negative stereotypes. There are still advertisings featuring women as gentle, beautiful housewives and strong, brutal men. Research has shown that such advertisements can negatively influence children making them think and feel that there is only one way they can be depending on what gender and skin colour they were born with (Anon. n.d.).

It is worth noting that advertisers can also use stereotypes in a positive way by creating advertisements challenging stereotypes. Such advertisements usually receive positive public feedback. A good example of an advertising campaign in my opinion is a #LikeAGirl campaign by Always, a feminine hygiene products brand. In a promotional video we can see boys and girls of older age asked to show how they would “run/throw like a girl”, and they start showing it in an exaggeratedly weak way. However, when younger girls are asked the same, they show it in a “normal” way.



Figure 3: Image from #LikeAGirl promotion by Always (Anon. 2014)

The society grew people to see “like a girl” as a derogatory way to refer to something done not well enough. The advertisement challenges this stereotype concluding that being female is not something to be ashamed of (Anon. 2014).

3.2.4 Pharmaceutical advertising

Advertising of medicine that includes explanation of the condition it is targeting can raise awareness and bring someone to the doctor’s office to get checked. It can help people learn more about their treatment options and make it easier for them to start a conversation with their doctor (Lo 2013). However, a person may also decide to self-diagnose and purchase a drug that could be potentially dangerous to them due to side effects and special precautions. Drugs directly influence health and for this reason, they should never be taken lightly.

Over-the-counter drugs are still usually relatively safe to use if taken as instructed and educated by the pharmacist. The situation is different for the prescription drugs which typically carry more serious side effects and precautions. Prescription drugs advertisement is still legal in two developed countries: The USA and New Zealand. This fact can be misused by a pharmaceutical company to promote drugs that can have serious and even fatal side effects while having no or insignificant advantage over other similar drugs.

A drug named Vioxx, a general painkiller that was also used to treat arthritis, while having an increased chance of stroke and heart attack as a side effect, was aggressively promoted in the USA, and resulted in a large increase in prescriptions and revenue of this

drug. According to the FDA this drug was responsible for thirty thousand deaths from stroke or heart attack before it was pulled off the market (Woodard 2009).

3.2.5 Advertising of controversial products and services

This category also covers issues related to the product itself that is being advertised rather than on the way it is advertised. Some people believe that particular products or services should not be available for purchase at all and thus should not be advertised. In this case it is about products that are not generally illegal to sell, even if with some regulations applied, but are considered harmful in some way to everyone or particular groups of people. To name a few, those are certain types of weapons, gambling, alcohol and tobacco products, weight loss pills and many more.

It is not possible to just cancel the production of all the controversial products since they are well in demand by general public, provide jobs to people in production and are another source of tax payments. However, it is possible to challenge the ethicality of the promotion of such products.

The purpose of advertisement is not only to inform the people who already want a product like this about its availability but also to attract new customers who might not have thought of purchasing this product in the beginning. It is ethically problematic when it comes to advertisement of products that are potentially harmful, since causing harm is undoubtedly unethical.

A big part of controversial products are products that may cause addiction. Some believe that people should be responsible for themselves and for their actions in response to advertising, but others believe it is still not right to facilitate and help spread of addiction regardless of how self-conscious people need to be.

There is usually a ban on advertising of controversial products towards audiences younger than 18 or 21. However, in modern age it is very hard to put it into strict action and such advertisement in reality may reach everyone. Multiple researches conducted have shown that there is an impact of alcohol advertising on the drinking behaviour of younger audiences (de Bruijn 2012). Another study did not find a direct link between alcohol advertising and alcohol consumption, however, it found that such advertising can facilitate a more positive attitude towards drinking, while warnings about the negative implications of drinking can reduce alcohol consumption (Stautz et al. 2017).

Advertisement of potentially addictive products and services may also be a challenge for people in recovery since it may trigger them (Anon. 2021).

3.3 Advertising regulations

The laws on advertising are aimed at various issues emerging from its use and misuse. Often an advertisement that goes against the law is also an advertisement that would be considered unethical. In most cases the regulations are directed at protecting the consumers and/or businesses.

3.3.1 Categories of advertising regulations

The advertising regulations vary in different countries and there are no universal rules. However, as any other laws, they have the same purpose everywhere and can be separated into the following categories (Richards & Petty 2007):

1. Persuasive effects on purchase behaviour

These regulations challenge the legality of how and what product or service is offered to the consumer. For example, they target the advertising being used to promote illegal products or services, and the utilization of advertising directed at vulnerable audiences. In this case it would be aggressive advertising to children, elderly and people going through hard times in one way or another. This category also covers a large part of laws concerning all sorts of deception in advertising.

2. Persuasive effects beyond purchase behaviour

These regulations are aimed at preventing such advertising that aside from encouraging a purchase can cause development of harmful behaviour in the consumers. Such advertisements can, for example, show how people have more fun when consuming particular alcoholic beverages. It can also show a group of people associated with a racial/sexual or other minority in a bad light that may the audience to develop negative feelings towards them.

3. Intrusive effects

This part of regulations does not deal with the content of the advertisement but with where and how it is delivered to the potential consumers. It deals with the advertisements in the public spaces and with personal advertising by spam emails or calls. In some countries there is a restriction on putting up advertisements covering and/or obstructing the

view of historical buildings. There are also often regulations concerning the advertising along the roads as distracting the drivers could be dangerous.

4. Effects on political behaviour

These regulations control the advertisements of political nature. The laws from this category, for example, overlook election campaigns making sure there is no unfair play among the candidates.

3.3.2 Differences in regulations across the world

It is possible for an advertisement to be perfectly legal in one country while being illegal in another.

Here is a table showing how the number of regulations on advertising of alcoholic beverages on national television vary in different countries. While France puts a full ban on beer, spirits and wine advertisements on the national television, Philippines got no restrictions at all. Partial restrictions in Belgium mean that the advertisements are regulated at certain times and places, while Czechia put regulations on what sort of content (TV-shows, movies etc,) are on the television at the moment of advertisement. Japan adopted a totally different approach as well, where such advertisements are regulated voluntarily by the industries themselves.

Country	Beer Ads	Spirits Ads	Wine Ads
Belgium	partial restriction time/place	partial restriction time/place	partial restriction time/place
Czechia	partial restriction content	partial restriction content	partial restriction content
France	ban	ban	ban
Japan	voluntary/self-restricted	voluntary/self-restricted	voluntary/self-restricted
Philippines	no restriction	no restriction	no restriction
Russia	partial restriction content	ban	partial restriction content
Slovakia	partial restriction place	partial restriction place	partial restriction place
USA	voluntary/self-restricted	voluntary/self-restricted	voluntary/self-restricted

Table 1: Restrictions of alcohol advertising in different countries. Excel compilation of data from WHO (Anon. 2018)

Breaking the law on advertising can cost company fines. In October 2012, a Singaporean budget airline Tiger was fined \$110,000 by Australian Communications and Media Authority for sending emails to its Australian customers with no possibility to unsubscribe. Australian law prohibits such action and so the company had to pay (ACMA 2022). It is extremely important for international businesses to pay close attention to the

advertising laws of the countries they are targeting with marketing campaigns to avoid paying fines and damaging their reputation.

4 Practical Part

In this part I will first provide a brief introduction to profitability in ethics and then move on to the survey.

The survey was created and distributed using the platform Survio and consists of 14 questions. It was completed by people of different age and background to find out if there is any general tendency in the perception of ethics in advertising by general public. When creating this survey, I took into account that many people do not usually come across the topic of ethics and may not have any specific knowledge on marketing and ethics in marketing. The survey is built in a way to learn about what feels wrong in advertising to general public and if they find anything off-putting in some of the examples of unethical advertising. The purpose of this survey is to determine if unethical advertising still works and attracts.

4.1 Ethical vs profitable

The goal of any business is to generate more profit. Any decision, including marketing decisions, is a building brick for the business's wealth. It is very important to create a successful marketing strategy since this is what is going to bring customers with their finances. Being ethical means doing more than what is required by law. Ethical advertising does not cause harm to society and helps build consumers' trust to advertising making it more effective. However, unethical advertising still exists as many people do not find it problematic. It has been around for long time, so it just became a norm.

I can see how it can be hard for a business to behave strictly ethically if it means less revenue. But does it really have to mean less revenue? To attract more attention and customers, a successful ethical advertisement might take some time and creativity, but it can reward with good results. For example, when a fast-food chain McDonald's created a promotional campaign in the UK featuring an interactive map where people could check from where McDonald's get their ingredients. It was possible to look up the locations and the details of production including whether or not a certain ingredient was grown organically and ethically.

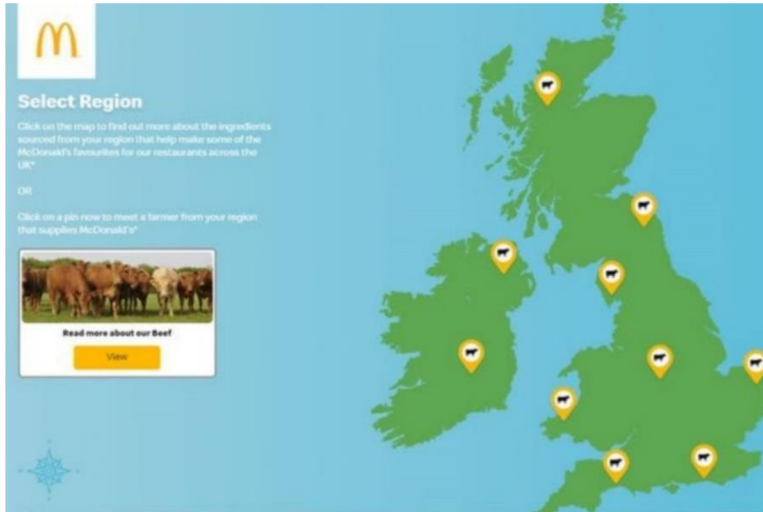


Figure 4: McDonald's interactive map of ingredients (Nip & Thornhill 2021)

The campaign was a response to the increase of concerns regarding the quality of the ingredients used in McDonald's food since its price is relatively low. This was a clever response and is a good example of how a company can ethically and successfully respond to its customers' needs and concerns (Nip & Thornhill 2021).

4.2 Survey

The survey consists of 14 questions. In total 89 people took part in it. The survey was originally created bilingual, in English and in Russian, to make more accessible. In the survey non-English speaking respondents had captions translating the advertisements.

4.2.1 What is your gender?

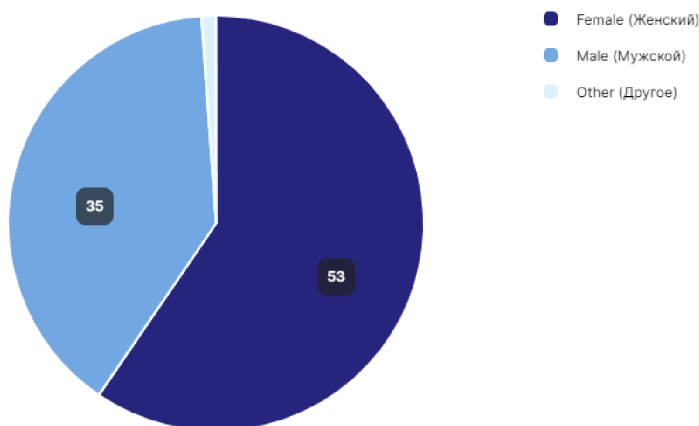


Figure 5: Gender distribution

The first two questions are not directly related to my research. They are in the survey to present some information about the participating demographics. Out of 89 total respondents, 35 are men, 53 are women and one person not identifying as male or female, or preferred not to state their gender.

4.2.2 What is your age?

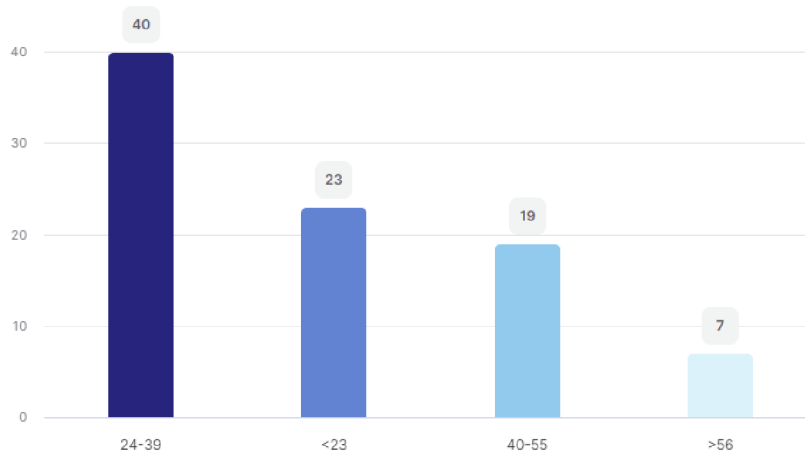


Figure 6: age distribution

Majority of people, just under half, fell in the 24-39 age category. There were only 7 respondents of the age above 56. To have the representatives of all age groups, I tried to send it out equally, however, most successfully I was able to reach the audience of my age category.

4.2.3 Which of the following do you find unethical in advertising?

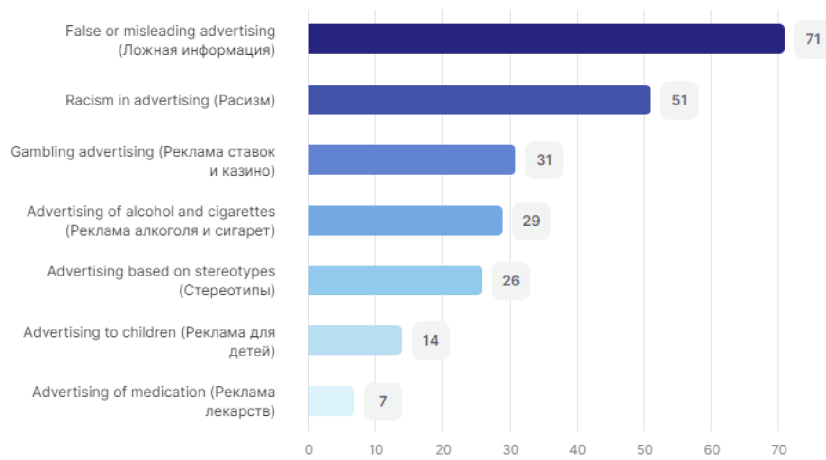


Figure 7: attitudes towards different ethical issues

Before going to particular advertisements I wanted to see the general view of the respondents to ethics in advertising. All of the options were discussed in more detail in the theoretical part and all of them are either unethical or considered unethical by many.

As expected false advertising was found unethical by the majority of respondents, 71 out of 89 considered it unethical. It is, however, fascinating to me that 18 people did not find it unethical. Only slightly more than half of respondents found racism in advertisement problematic. The other categories received even less votes. It is possible that for the respondents the options did not mean much without the examples, since this is not something one would be thinking about a lot throughout the day.

4.2.4 Do you find the following advertisement of air conditioning company ethically problematic?



Figure 8: air conditioner advertisement (Anon. 2022)

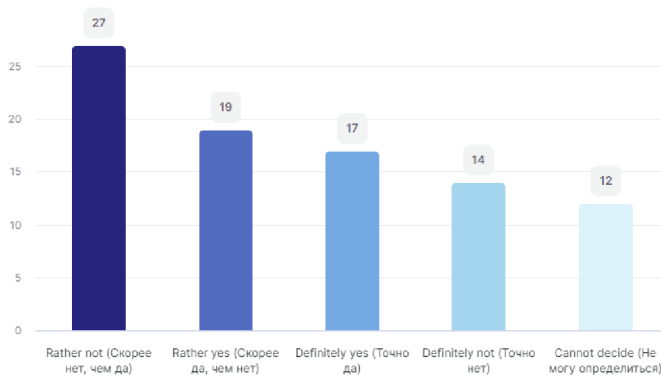


Figure 9: is air conditioner advertisement unethical?

Starting from this question, we can see the actual attitudes of people towards real-life examples. This advertisement was deemed unethical and involved a lot of controversy for being sexist and promoting gender stereotypes. The opinion on the ethicality of this advertisement split in half with the amount of people finding it ethical slightly more than those who found it unethical.

An interesting observation then comes up. In the question 3, only 26 people found stereotypes in advertising unethical, however, when presented with an example, this number raised to 36. It looks like this advertisement was taken as something negative by people who may not know exactly why they felt this way, and what exactly feels wrong and off about this advertisement.

4.2.5 Would the advertisement from the previous question motivate you to purchase the product?

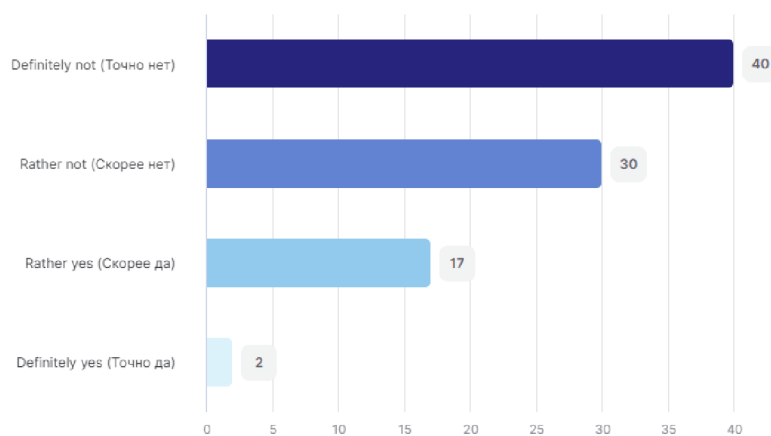


Figure 10: was the air conditioner advertisement successful?

The answers to this question are even more interesting. Only 19 people responded that they would at least somehow feel motivated by this advertisement. Even found ethical by the majority, the advertisement seemed to not be as effective.

4.2.6 Do you find the following advertisement of a car ethically problematic?



Figure 11: car advertisement (Dickinson 2020)

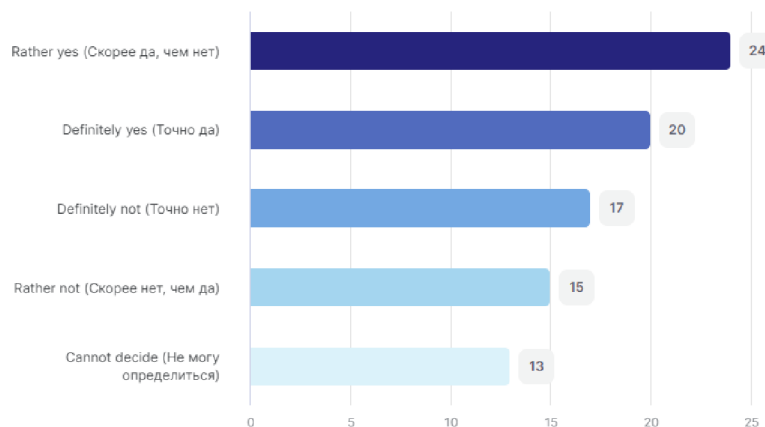


Figure 12: is car advertisement unethical?

This advertisement was found unethical by half of the respondents, 44. It is interesting since the advertisement received so much backlash, it was quickly removed.

4.2.7 Would the advertisement from the previous question motivate you to purchase the product?

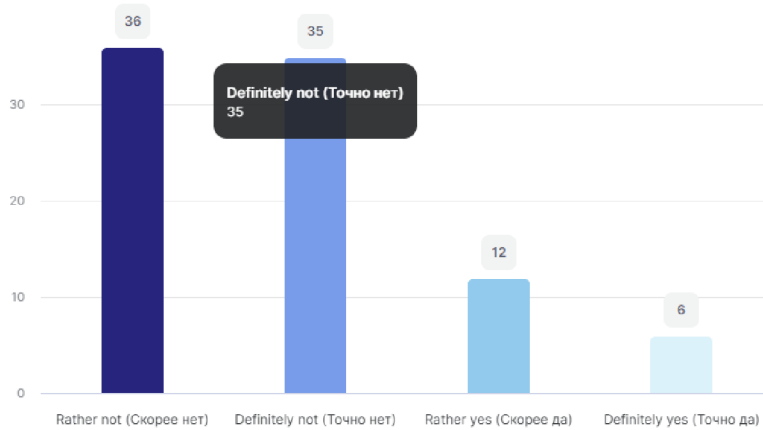


Figure 13: was the car advertisement successful?

Once again a much larger group of people did not find the advertisement attractive, even not seeing much issues ethically. In this case, only 18 people would feel motivated by this advertisement.

4.2.8 Do you find the following advertisement of a cleaning product ethically problematic?



Figure 14: cleaning product advertisement (Fornasari 2021)

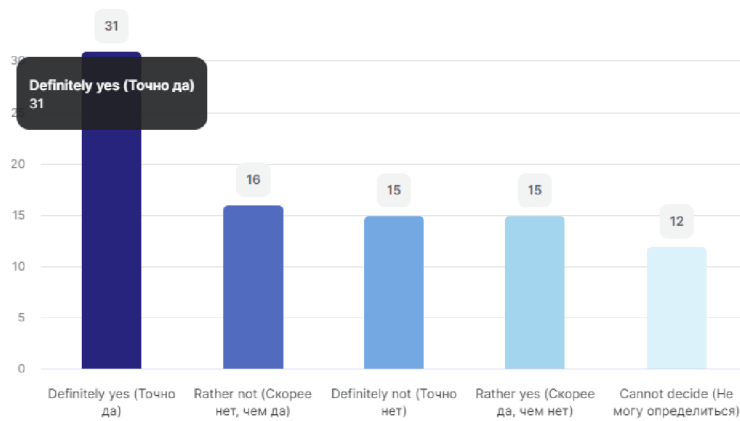


Figure 15: is cleaning product advertisement unethical?

Another example of advertisement based on stereotypes was found unethical by 46 respondents. This is less than in some of other examples in this survey, however, it is almost double as much as the amount of people who find advertising based on stereotypes generally unethical.

4.2.9 Would the advertisement from the previous question motivate you to purchase the product?

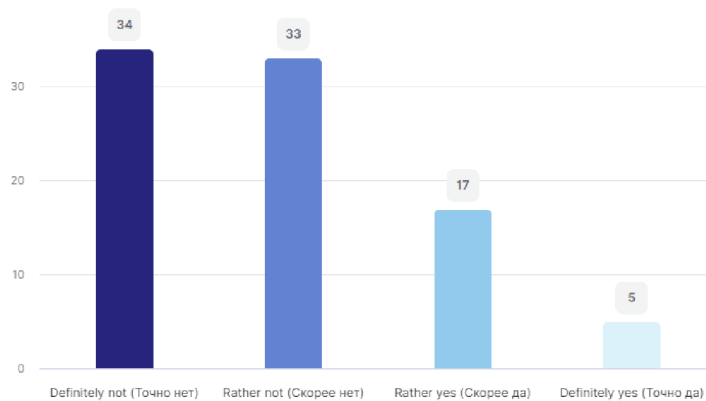


Figure 16: was the cleaning product advertisement successful?

Once again, the advertisement was not taken as motivational, even though not as many people found ethical issues in it.

4.2.10 Do you find the following advertisement of coffee ethically problematic?



Figure 17: coffee advertisement (Greenbaum 2020)

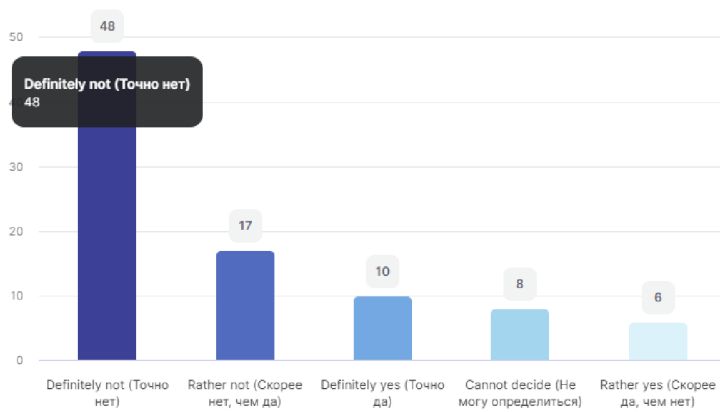


Figure 18: is coffee advertisement unethical?

This is the least controversial advertisement among the respondents, most did not find any ethical issues. The advertisement on the picture is an example of puffery, a legal variation of false advertising. Most of the respondents chose false advertising as unethical, the exaggeration and very questionable claim of this coffee being “best” was not off-putting to the majority of respondents.

4.2.11 Would the advertisement from the previous question motivate you to purchase the product?

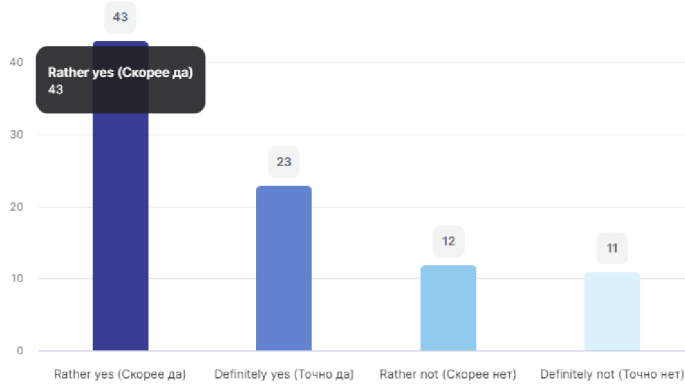


Figure 19: was the coffee advertisement successful?

As expected from the responses to the previous question, this advertisement received the most positive feedback and was found motivational by 66 respondents.

4.2.12 Do you find the following advertisement of pretzels ethically problematic?



Figure 20: pretzels advertisement (Sharp 2010)

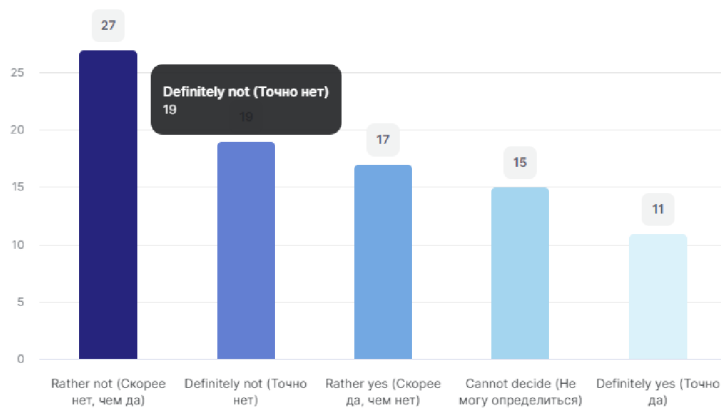


Figure 21: is pretzels advertisement unethical?

This advertisement also was not found unethical by the majority.

4.2.13 Would the advertisement from the previous question motivate you to purchase the product?

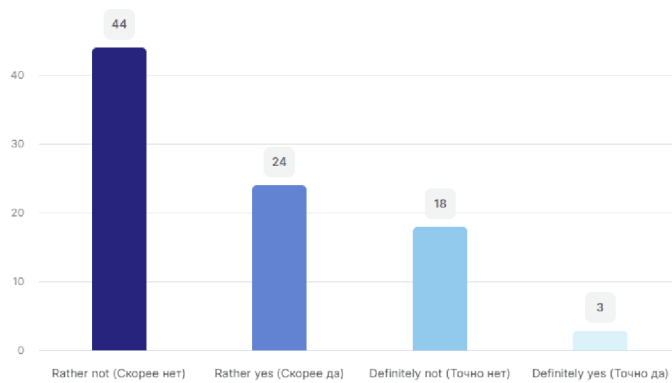


Figure 22: was the pretzels advertisement successful?

The similar picture to the previous questions can be observed here as well, as this advertisement also failed to motivate the majority of respondents.

4.2.14 Could an unethical advertisement discourage you from purchasing a product you were planning to purchase?

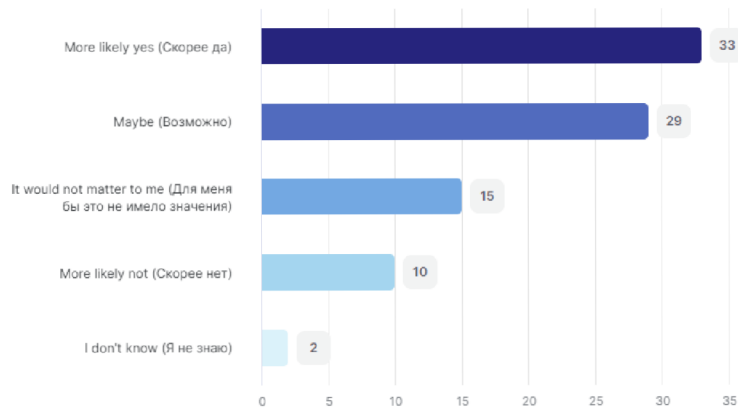


Figure 23: does ethicality of advertisement matter?

62 out of 89 people think that they could be discouraged by an unethical advertisement, this is two thirds of the respondents.

5 Results and Discussion

After making research on the topic of ethics in marketing and doing the literature overview, the ethical issues in advertisements became very clear to me, and it now makes sense why certain advertisements always felt wrong. It seems that understanding the terms, definitions and problematics of ethics is not a compulsory thing to make a decision that will still align with the ethics.

The survey in the practical part was conducted mainly among people who have no background in the field of marketing, and I suppose it could partially explain the results. The answers regarding the ethicality of particular advertisements were always very mixed. In all such questions around 10 people could not answer the question at all. However, after each of such questions, there was a question on how it would affect them as consumers, if it would motivate them. And here is where the answers were more definitive. Textbook unethical advertisements motivated only a small portion of people. It is possible that some of the respondents did not find the advertisements unethical by their perception of what ethics are, but still felt the repulsiveness towards the unethical things.

In the final question only one third of the respondents were somewhat sure that the ethicality of the advertisement could influence their decision towards the advertised product. However, when it came to advertisements that were deemed most unethical, over two thirds of respondents did not feel the motivation to buy the product.

I think that in this case the action is more important than the thought. Based on the survey results, it did not matter that respondents did not find a sexist advertisement unethical, as it still did not attract them. Because of this, it still makes sense for businesses to follow the ethics and learn about the topic.

The advertisement of coffee, that was a representation of puffery, caused the most positive feedback, it was the only advertisement that was not directly insulting anyone. It looks like a little bit of exaggeration did not push anyone away. It does not make puffery a fully ethical practice, however, this particular advertisement does not carry any harmful ideas and does not insult.

Ethics is a difficult subject since it is based on subjective perception of the world. However, we can still find and learn about what is generally considered ethical nowadays. More customers means more profit, and the survey conducted showed that unethical

advertising even if not found as such, still is at disadvantage as it pushes away potential customers.

6 Conclusion

Ethical advertising can have positive impact on individuals and increase their loyalty to the businesses engaging in ethical practices. It is beneficial not only to the public but also to the companies. It is evident that unethical advertising can still bring profit to the company, however, it always comes with a risk of bringing shame and public hate, which will definitely not be good for the company's profit.

Ethics evolve, and what was considered alright before, can now be completely banned. It is important to learn about what ethical issues are now being actively discussed and denounced, to avoid fatal mistakes in advertising. If a particular issue, for example sexism, is widely spoken about, it means that it is already a collective feeling and will be frowned upon.

I think now is the best time for ethical advertising to be successful. Nowadays, it looks like being conscious, kind and ethical is like a fashion trend, so an ethical marketing campaign will most likely be generally well-accepted and spoken about.

The research overall showed that ethical advertisement can be as successful, if not more, than unethical; especially considering the overall tendencies in the world towards universal acceptance and understanding.

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Appendix

Survey questions:

1. What is your gender? (Какого Вы пола?)

Male (Мужской)

Female (Женский)

Other (Другое)

2. What is your age? (Сколько Вам лет?)*

<23

24-39

40-55

>56

3. Which of the following do you find unethical in advertising? (Что из следующего Вы находите неэтичным в рекламе?)*

False or misleading advertising (Ложная информация)

Advertising to children (Реклама для детей)

Advertising based on stereotypes (Стереотипы)

Racism in advertising (Расизм)

Advertising of medication (Реклама лекарств)

Gambling advertising (Реклама ставок и казино)

Advertising of alcohol and cigarettes (Реклама алкоголя и сигарет)

4. Do you find the following advertisement of air conditioning company ethically problematic? (Вы находите следующую рекламу компании кондиционеров воздуха этически проблематичной?)*



- Definitely yes (Точно да)
- Rather yes (Скорее да, чем нет)
- Cannot decide (Не могу определиться)
- Rather not (Скорее нет, чем да)
- Definitely not (Точно нет)

5. Would the advertisement from the previous question motivate you to purchase the product? (Реклама из предыдущего вопроса смотивировала бы Вас на покупку продукта?)*

- Definitely yes (Точно да)
- Rather yes (Скорее да)
- Rather not (Скорее нет)
- Definitely not (Точно нет)

6. Do you find the following advertisement of a car ethically problematic? (Вы находите следующую рекламу машины этически проблематичной?)



Definitely yes (Точно да)

Rather yes (Скорее да, чем нет)

Cannot decide (Не могу определиться)

Rather not (Скорее нет, чем да)

Definitely not (Точно нет)

7. Would the advertisement from the previous question motivate you to purchase the product? (Реклама из предыдущего вопроса смотивировала бы Вас на покупку продукта?)*

Definitely yes (Точно да)

Rather yes (Скорее да)

Rather not (Скорее нет)

Definitely not (Точно нет)

8. Do you find the following advertisement of a cleaning product ethically problematic? (Вы находите следующую рекламу чистящего средства этически проблематичной?)



- Definitely yes (Точно да)
- Rather yes (Скорее да, чем нет)
- Cannot decide (Не могу определиться)
- Rather not (Скорее нет, чем да)
- Definitely not (Точно нет)

9. Would the advertisement from the previous question motivate you to purchase the product? (Реклама из предыдущего вопроса смотивировала бы Вас на покупку продукта?)*

- Definitely yes (Точно да)
- Rather yes (Скорее да)
- Rather not (Скорее нет)
- Definitely not (Точно нет)

10. Do you find the following advertisement of coffee ethically problematic? (Вы находите следующую рекламу кофе этически проблематичной?)



Definitely yes (Точно да)

Rather yes (Скорее да, чем нет)

Cannot decide (Не могу определиться)

Rather not (Скорее нет, чем да)

Definitely not (Точно нет)

11. Would the advertisement from the previous question motivate you to purchase the product? (Реклама из предыдущего вопроса смотивировала бы Вас на покупку продукта?)*

Definitely yes (Точно да)

Rather yes (Скорее да)

Rather not (Скорее нет)

Definitely not (Точно нет)

12. Do you find the following advertisement of pretzels ethically problematic? (Вы находите следующую рекламу крекеров этически проблематичной?)



Definitely yes (Точно да)

Rather yes (Скорее да, чем нет)

Cannot decide (Не могу определиться)

Rather not (Скорее нет, чем да)

Definitely not (Точно нет)

13. Would the advertisement from the previous question motivate you to purchase the product? (Реклама из предыдущего вопроса смотивировала бы Вас на покупку продукта?)*

Definitely yes (Точно да)

Rather yes (Скорее да)

Rather not (Скорее нет)

Definitely not (Точно нет)

14. Could an unethical advertisement discourage you from purchasing a product you were planning to purchase? (Могла бы неэтичная реклама отвернуть Вас от покупки товара, который вы планировали приобрести)*

More likely yes (Скорее да)

Maybe (Возможно)

More likely not (Скорее нет)

It would not matter to me (Для меня бы это не имело значения)

I don't know (Я не знаю)