

ETHICAL ISSUES IN ADVERTISING AND MARKETING: AN EMPIRICAL ANALYSIS OF THE HINDRANCES TO EFFICIENT MARKETING AND PRODUCT COMMUNICATION MANAGEMENT IN KENYA

Dr. Githui Donatus Mathenge (Corresponding Author)

Senior Lecturer, School of Business, Dedan Kimathi University of Technology
PO Box 657-10100, Nyeri, Kenya

ABSTRACT: *Ethics consists of certain rules and standards of conduct recognized as binding in a professional body or an association. When we consider corporate morality, we must conclude that no price is too high, for in the long run, we have no alternative to ethical business behaviour. This research sought to find out key ethical issues in marketing and advertising management in Kenya. Key variables in this research were stakeholder satisfaction, value based observance, privacy enhancement and harm prevalence in the marketing and advertising campaigns of companies. The researcher employed empirical analysis using statistical tools such as analysis of variance (ANOVA), Component analysis and Regression analysis. From the discussions of the focus groups as well as the research objectives, it was established that companies have turned a blind eye on ethical marketing and advertising and are only motivated by profits. It was recommended that ethics be employed as a driver to efficient and effective marketing and advertising management in Kenya.*

KEYWORDS: *Ethical Advertising, Efficient Marketing, Stakeholder Satisfaction, Value Embracement*

INTRODUCTION

The incalculable value of the role of ethics in advertising and marketing cannot be underestimated as the country to strive to become a medium level economy through its vision 2030. It is in the public domain in Kenya that the codes of ethics and codes of conduct in advertising and marketing sector have not stipulated all concerns that are surpassed to safeguard the society and the human dignity and especially the rights of children as stipulated in Kenya's 2010 New Constitution Dispensation. No doubt the Communication Commission of Kenya (CCK; 1999) in its code of practice admits that ethics is critical in this sector. The sector will endeavour to ensure that the communication service providers are operating in an ethical manner so as to provide quality and affordable communication services to Kenyans. However, this depends on the industry conduciveness. The disparity or mishmash that currently exists has led us to research in this and at the same time show how Kenya marketing and advertising could promote the life of Kenyans by integrating and embracing ethics and ethical codes both in theory and practice. Advertising and marketing today is a huge business in Kenya; and many industries (TV, newspapers, magazines etc.), depend on the inflow of money it brings for their survival. As a result, advertisers try all types of tricks to get attention. Sometimes this leads to the invasion of privacy (Gibbs, Likan and Pouloukas, 2002). As a medium of communication, advertising is all-encompassing and everywhere (Githui 2012). Modern generations and contemporary society have become advertising savvy.

We make use of it to legitimize issues (Kavanaugh, 2003) and confer status on things of importance (Nantel and Weeks, 1996). Its influence resonates in every sphere of our lives – thoughts, actions, decisions, beliefs, values, and behaviour. However, advertising has also been in a vortex of controversy due to the many problems it can cause society. Advertising can celebrate and encourage materialism and consumption, stereotype, drive us to purchase meaningless and unfulfilling items, take advantage of children, manipulate our behaviour, exploit sex to sell, and generally contribute to the downfall of our social system (Hobbs, Broder, Pope and Rome, 2006; Borgerson and Schroeder, 2002).

Over the years, advertising and marketing communication messages have created a lot of debatable ethical issues, due to the public belief, that advertisements nowadays deeply affect the way people perceive themselves and the world surrounding them, including crucial actions and behaviours (Foley 1999; Fam and Grohs, 2007). For these reasons, Moral issues in marketing are important, given the fact that marketing is expected to identify, predict and satisfy customer requirements profitably (Carrigan et al, 2005; Hobbs et al., 2006). Due to the difficult equation between both ends of the marketer's responsibility, some actions (like certain Ads), have led to the creation of new laws and regulations regarding the world of advertising (Clow & Baack, 2007). In order to have a better understanding of the situation, we need to further explore the world of advertisements, the appeals used, the targeted decision making components and the effects of Ads on the targeted consumer as a whole (Chan, Li, Diehl and Terlutter, 2007). The outcomes and results of this research may be of potential value to different industries and to other researchers (e.g. social scientists). Based on the factors found affecting user decision on product communication, the study may provide recommendations to industries about applying the ethical and moral concerns needed in order to protect user adoption of the services offered. This research therefore sought to find out hindrances to efficient marketing and product communication management in Kenya.

Problem statement

The influence of marketing and advertising resonates in every sphere of our lives – thoughts, actions, decisions, beliefs, values, and behaviour. However, advertising has also been in a vortex of controversy due to the many problems it can cause in the society. Thus, the intent of this research was to empirically find out hindrances to efficient ethical marketing and advertising in Kenya, as the country advances to achieve her medium level status in the year 2030.

Objectives

This research consisted of both the general and specific objectives

General objective

The main intent of this research was to empirically assess hindrances to efficient marketing and product communication management in Kenya.

Specific objectives

Key specific objectives of this research were:

- (i) To find out the level of stakeholder satisfaction in marketing and product communication management

- (ii) To assess the level of value observance in marketing and product communication management
- (iii) To ascertain the level of privacy enhancement in marketing and product communication management
- (iv) To determine the extent of the harm prevalence in marketing and product communication from an ethical perspective.

LITERATURE REVIEW

Ethical dimensions in Advertising and Marketing

In their daily lives, people have to make decisions in situations they find themselves. They have, to decide on what is right and wrong. People have always been faced with the debate of what is moral or immoral, ethical or unethical. According to the perception of each individual, the right decision is made from one's point of view. The proper definition of "Morals"; are the beliefs that people hold against what is considered right or wrong. Morals direct people as they make decisions in their personal and professional lives (Gibbs et al., 2002). Another term that always accompanies morals is ethics. These are the principles that serve as guidelines for both individuals and organizations. They help create boundaries regarding what is acceptable and what is not, since these behaviours are related to moral feelings about right and wrong (Clow and Baack, 2007; Chan et al., 2007; Borgerson & Schroeder, 2002; Kavanaugh, 2003). Today's business ethics actually consist of a subset of major life values learned since birth. The values business people use to make decisions have been acquired through family, educational, and religious institutions (Nantel and Weeks, 1996). Ethical values are situation specific and time oriented. Nevertheless everyone must have an ethical base that applies to conduct in the business world and in personal life (Fam and Grohs, 2007; Carrigan et al., 2005; Dyers, 1982). Ethical issues must be considered in all integrated marketing communication decisions. Advertising and promotion are areas where a lapse in ethical standards or judgment can result in actions that are highly visible and damaging to a company and society at large (Githui 2012).

Stakeholder satisfaction

Stakeholder theory is a contingency theory, which emphasizes the role of the organization in maintaining the balance of interests of all the firm's stakeholders as well as in providing benefits to various stakeholder groups. Maignan and Ferrell (2004) inferred that a fundamental initial step in applying this theory is identifying relevant stakeholders and classifying them into groups. There is a potential for conflict between the marketing function of the firm and other stakeholder groups: the finance function of the firm, government and customers (Warnock, 1971; Alexander, 1964). For example, the Marketing and Finance departments within companies are set up to operate in opposition to one another (Zinkhan and Zinkhan 1997). In this context, marketers serve as advocates for customers' interests, while personnel in finance strives to protect the shareholder interests. Government responsibilities that are relevant to the marketing activities include antitrust legislation and regulation of fraudulent marketing practices, deceptive advertising, marketing of harmful products, and the development, and marketing of medical products (George and Christian, 1997). Customers are a stakeholder group central to the operation of the firm. For instance, high levels of customer satisfaction lead to increasing revenue and profits (Anderson, Fornell and Mazvancheryl, 2004; Chandan et al., 1990). We suggest that the explicit inclusion of morality

in stakeholder theory provides basic guidelines or principles for solving conflicts and optimizing mutual benefits for the firm and its stakeholders (Warnock, 1971; Maignan and Ferrell, 2004).

The Harm caused by Advertising

Advertising can betray its role as a source of information by misrepresentation and withholding relevant facts. The practice of brand-related advertising can raise serious problems (Levitt, 1969) in all countries including Kenya. Often there are only negligible differences among similar products of different brands, and advertising may attempt to move people to act on the basis of irrational motives (brand loyalty, status, fashion, sex appeal, etc.) instead of presenting differences in product quality and price as bases for rational choice (Belch and Belch, 1996). In the competition to attract larger audiences and deliver them to advertisers, communicators can find themselves tempted, even pressured, to set aside high artistic and moral standards and lapse into superficiality, flamboyance and moral squalor (Harker, 1998). Communicators also can find themselves tempted to ignore the educational and social needs of certain segments of the audience — the very young, the very old, the poor — who do not match the demographic patterns (age, education, income, habits of buying and consuming, etc.) of the kinds of audiences advertisers want to reach (Fam and Grohs, 2007). Exploitation of women by advertisements: the role of woman as an undervalued wife and mother or even ridiculed in business and professional life. Advertising deliberately appeals to such motives such as envy, status seeking and lust. Some advertisers consciously seek to shock and titillate by exploiting content of a morbid, perverse, pornographic nature (George and Christian, 1997). The communications media have made pornography and violence accessible to a vastly expanded audience, including young people and even children, and a problem which at one time was confined mainly to wealthy countries has now begun, via the communications media, to corrupt moral values in developing nations (Nantel and Weeks, 1996).

Conceptual framework

In order to guide the researcher, the model consisting of the variables was developed. This framework consisted of both independent and dependent variables. Its diagram is as represented below. The independent variables lack of stakeholder satisfaction, lack of value observance, privacy enhancement and harm prevalence.

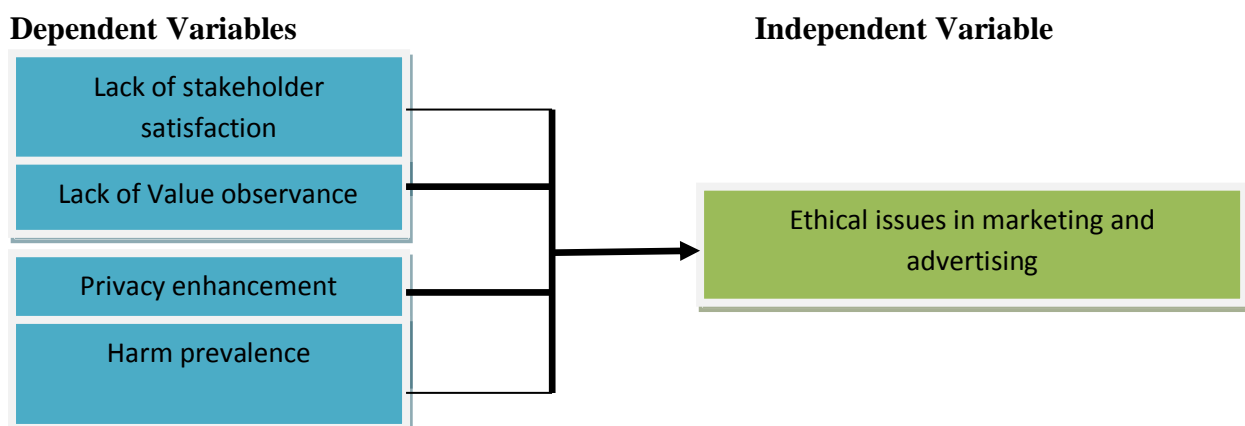


Figure1: Conceptual framework

Source: Author (2013)

RESEARCH METHODOLOGY

The main aim of this research was to empirically determine the hindrances to efficient marketing and product communication management in Kenya with an ethical perspective. The research used primary data from the selected study population and a sample. The significance of the difference between research variables was verified with the help of F-test, analysis of variance (ANOVA) and Principal Component Analysis (PCA) with greater look being directed at the formulated hypothesis. For the purpose of this research, the author conducted simple factor analysis and Principal Component Analysis (PCA) analysis using simple regression model analysis of the respective variables and results captured in mean returns, co-efficient of regression, sum of squares. The research framework and the questionnaire have been adopted from a published study of Abdullah *et al.*, (2009). The various steps were carried out for shortlisting the variables of interest. Focus group meetings were held to obtain a more comprehensive review; these groups were selected from various geographical regions and were facilitated by a team of consultants. The first draft of factors was prepared and piloted. Testing for reliability and validity checks were conducted. Factor analysis was applied to various factors to identify the ethical issues in marketing and advertising management factors that were shortlisted.

Sample Size

This primary data collection survey covers 250 respondents belonging to various towns in Kenya.

Table 3.1; Geographical Distribution

Area	Frequency	Percent	Cumulative Percentage
Thika Town	50	20	20
Murang'a	25	10	30
Nairobi city	100	40	70
Nyeri town	25	10	80
Nakuru town	50	20	100
Total	250	100	

Source: Kenya Bureau of Statistics (KBS) (2013)

Testable hypotheses

The number of factors and the items loading to each factor were specified and the hypothesized measurement model was then tested for model fit. The result showed that the respective items indeed belong to the construct as hypothesized. The research model was developed from the research variables. These hypotheses included:

- (i) H1: Marketing and advertising aims do not meet the need of stakeholders
- (ii) H2: Marketing and advertising efforts are not value based
- (iii) H3: There is no privacy enhancement in the marketing and advertising campaigns
- (iv) H4: There are some harms prevalent in the marketing and advertising campaigns.

Hypothesis testing was based on the standardized path coefficient (r-path coefficient). To support the hypothesis, the p-value of the r-path coefficient was significant at the 0.05 level.

RESEARCH FINDINGS

The following information represents the main findings of the research analysis process.

Statistical Analysis of the research model

After coding the data statistical techniques, regression and correlation were applied to analyse the data with the help of Software SPSS version 19.

Table 4.1: Results of Regression Analysis of the research model

<i>Regression Statistics</i>	
Multiple R	0.76
R Square	0.57
Adjusted R Square	0.48
Standard Error	0.58
Observations	48.00

The regression results of the model showed that the model was fit to statistically influence the findings of the research variables.

Table 4.2: ANOVA analysis for research model and depend variable

	<i>Df.</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	7	12.46	1.45	5.50	0.000
Residual	35	10.67	0.24		
Total	44	20.87			

The results of the analysis of variance (ANOVA) indicated that ethical marketing and advertising was strongly influenced jointly by the independent variables (stakeholder satisfaction, value observance, privacy enhancement and harm prevalence), and that the influence was statistically significant.

Table 4.3: Coefficient (variable) analysis (b)

Variables	Coefficients	t-statistic	P-Value
Intercept (Dependent variable)	0.0446	0.525	0.73
Stakeholder satisfaction	-0.0705	-0.36	0.84
Value observance	0.0508	0.11	0.73
Privacy enhancement	0.0432	0.22	0.62
Harm prevalence	0.0784	0.41	0.64
R2 =0.0002 F Statistic = 0.06(0.99) Level of significance is 5%			

The coefficient of stakeholder satisfaction if compared to other variables is not significant at the 5 percent level which indicates that there is no *much effect of stakeholder satisfaction on ethical marketing and advertising management*.

R2 is 0.0002 which is very low, and F-statistic indicates that the overall fit of the model is poor and hence stakeholders' satisfaction is insignificant in ethical issues in marketing and advertising management.

4.2 Adjusted regression analysis

Table 4.4 represents regression results for ethical issues in advertising and marketing management. It is clear from the tables that only harm prevalence and lack of privacy enhancement have positive and statistically significant coefficients for the ethical issues in marketing and advertising management which is consistent with our previous results of the research model.

Table 4.4: Regression results for the ethical issues in marketing and advertising management

Variable	Coefficient.	Std. Error	t-statistic	Prob.
Intercept	0.279696	0.067126	2.524489	0.0001
Stakeholder satisfaction	-0.46062	0.232654	-4.30912***	1.87E-05
Value observance	-0.17649	0.432654	-2.08425	0.037492
Privacy enhancement	0.39267	0.132206	-2.21375	0.027161
Harm prevalence	0.487251	0.105393	3.67436***	0.000256
R-squared	0.047853	Sum squared residue		35.872
Adjusted R-squared	0.03171	F-statistic		2.18102
Standard Error	1.136583	Prob (F-statistic)		0.00047

***denotes significant at 1% significance level

Stakeholder satisfaction and lack of value observance have statistically significant and negative coefficients which are also consistent with our previous result. Thus we can further conclude that significant ethical issues selected for the study have an effect on the level of ethical marketing and advertising in Kenya.

Hypothesis confirmation

Table 4.5 Regression analysis of the formulated research hypothesis

HYPOTHESIS	DEPENDENT VARIABLES	INDEPENDENT VARIABLES	r-PATH COEFFICIENT	P-VALUE
H1	Ethical issues in marketing and advertising	Stakeholder satisfaction	0.311	0.747
H2		Lack of Value observance	0.289	0.879
H3		Privacy enhancement	0.457	0.355
H4		Harm Prevalence	0.108	0.875

Hypothesis H1 is supported ($r=0.311$, $p<0.747$). This result is consistent with the findings from the focus group discussion. Marketing and advertising aims should focus on satisfying the needs and wants of stakeholders. The Hypothesis H2 is supported ($r=0.289$, $p=0.879$).

This is consistent with the findings from the focus group discussion. Hypothesis H3 is supported ($r=0.457$, $p<0.355$). This result is consistent with the findings from the focus group discussion. Hypothesis H4, is supported ($r=0.108$, $p<0.875$). This result is consistent with the findings from the focus group discussion. Marketing and advertising campaigns have created a number of harms which are social, political and economic in nature.

DISCUSSION

From the findings of this research, focus groups discussion showed that advertising and marketing efforts in Kenya are short of some ethical and moral espouses. In the competition to attract larger audiences and deliver them to advertisers, communicators can find themselves tempted, even pressured, to set aside high artistic and moral standards and lapse into superficiality, flamboyance and moral squalor (Foley, 1999). The researcher suggested that the explicit inclusion of morality in stakeholder satisfaction provides basic guidelines or principles for solving conflicts and optimizing mutual benefits for the firm and its stakeholders in the marketing and advertising campaigns. Today's business ethics actually consist of a subset of major life values learned since birth (Carrigan et al., 2005). In summary, Advertisers should consider the level of complexity, cultural sensitivities and sensibilities, knowledge and maturity of the people their message is directed and that they should not influence their evaluation of the product value or performance by using advertising in a way that their target audience could not discriminate between the actual and the imaginary features of the products.

RECOMMENDATIONS

From the analysis of these research objectives, the following recommendations were made.

(i) Adequate regulations:

In an attempt to moderate the intensity of the Ads in the media; governments; should put more specific rules and regulations on Ads, regarding all its different aspects.

(ii) Respecting the Dignity of each human person:

According to this principle, advertisers cannot exploit our "lower inclinations" to compromise our capacity to reflect or decide through its content or through its impact using appeals to lust, vanity, envy, greed, or other human weakness.

(iii) Respecting Social Responsibilities

Advertising should not favour a lavish lifestyle which wastes resources and spoils the environment. It should not reduce human progress to acquiring material goods and cultivating a lavish lifestyle.

(iv) Taking civic responsibility: -

Since it is not always possible to separate social life from business life, a conflict between the social role and business role would have a negative impact on the advertiser's civic role. Hence advertisers should consider it their civic duty not to offend any segment of the community around them.

(v) Observing legal obligations: -

In order to protect the defenseless consumer, some laws should be enacted which make it a criminal offence to deliberately mislead the consumer by false claims e.g. consumer right protection laws and consumerism.

Practical/social implications (Contribution)

The research holds great value to firms based not only in Kenya, but also in the whole world. This is highly aggravated by the fact that most firms are seeking to achieve sustained product communication but cannot securely achieve that unless they work on their ethical and moral espouses within their marketing and advertising campaigns. The findings of this research seeks to add on new knowledge to the field of advertising and marketing by focusing on the ethical nature of product communication tools, which has been neglected. Over the years, advertising and marketing communication messages have created a lot of debatable ethical issues, due to the public belief, that advertisements nowadays deeply affect the way people perceive themselves and the world surrounding them, including crucial actions and behaviours (Foley1999). For these reasons, Moral issues in marketing are important, given the fact that marketing is expected to identify, predict and satisfy customer requirements profitably (Carrigan et al, 2005).

Directions for future research

In the context of Ethical Issues in Advertising and Marketing in Kenya, additional research with larger samples will be necessary to support the current findings and its validity.

CONCLUSION

It is very difficult to identify what is or not ethical conduct in integrated marketing communicating as it varies from country to country. Ethical values as situation specific and time oriented. Nevertheless everyone both in business, marketing and specifically in advertising and marketing communications must have an ethical base that applies to conduct in the business world and in personal life morals.

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About the Author

The author is a chaplain and a senior lecturer at Dedan Kimathi University of Technology in Nyeri. He teaches Business Ethics and Philosophy to both undergraduate and graduates students.

Dr Mathenge is a long time member and the only African representative of the editorial Board of Louvain Theological & Pastoral Monographs. He obtained his PhD in Religious Studies from the University of Louvain Belgium, with a specific in personalistic ethics, human freedom and Divine Grace. He has published ten research papers with Peer review journals on topics ranging from ethical dimension on Business issues, education, drinking culture among the youths, healthcare, money mobile transfer, human resource, procurement , Engineering and construction, tourism and hospitality management, professionalism and accounting, value systems in banking and gender in management. He has also published a book entitled; *Fundamentals of Business Ethics and Values; A focus on Individual, Business Conduct and Environmental Concern in a globalized village.*

His research interests lie in ethical dimensions in leadership, corporate governance, business, global trade, scientific innovations and Technology as well Theology and African Philosophy.

Rev. Fr Mathenge is a priest of the Catholic Archdiocese of Nyeri, Kenya.