The Ethical and Unethical Background of Advertising Practice

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Abstract
This paper highlights the dual nature of advertising: while its purpose is to increase sales and profit, some practices within it can be unethical. Ethical advertising practices build trust, enhance reputation, and foster long-term customer relationships, leading to loyalty and sustained success. Despite the pervasive influence of advertising on consumer behaviour, it’s crucial to critically evaluate messages to make informed choices. Manipulative tactics in advertising can be subtle, requiring consumers to develop discernment to protect against impulsive decisions. Additionally, in a society promoting excessive consumption, being mindful of its impact on individuals and the environment is vital. Cultivating responsible consumption habits can lead to a more balanced life and mitigate negative societal and environmental effects.

Keywords: ethical; unethical; advertising; reputation; products; services.

JEL Classification: D14; D83; D91; E64; L20; M37.

Introduction
Marketing ethics refers to the application of moral principles and values in the activities of promoting a company’s products or services. It is essential for building a solid company reputation and establishing trusting relationships with customers, winning customers and keeping them loyal.

We are surrounded by marketing. Everything we see on TV, everything we hear on the radio, we look up on the street and see a billboard, in shop windows, products and prices, in others mannequins, at a trash can, packages with labels, all the space around us is occupied by marketing. And advertising. Every old or newly established company, every well-known company or one that wants to enter the market, wants to make its products known. In this process, we are statistics, a target, part of a market segment. Everyone wants to convince us of something, to sell us something. What we see, hear, smell, enters our minds, manipulates us, and we desire to have it. Then, desire becomes a need, sometimes urgent, mostly false needs, and in the end, they become demands. We buy. A lot, without needing everything, we become loyal to a brand, we take its side in discussions, we argue for our brands, without wanting to, we become part of marketing.

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If we are properly informed, if a cream doesn't promise a face like that of a supermodel, if a food product doesn't promise the desired health, if a vacuum cleaner doesn't promise a dust-free floor, desire doesn't become a need. We return to a normal world where all products are presented as they are in reality, and then we don't get excited about a detail, often untrue, but we can discern whether we want a product or not, if we need it or not, if we buy it or not. Marketing can also be useful to us; it's not just that monster that penetrates our minds and leads us to the nearest hypermarket.

Ethics\(^2\) (from the Greek ἑθος, meaning habit or custom) is one of the main branches of philosophy. It deals with the investigation of moral issues, attempting to answer questions such as: what is good/evil? how should we behave? The Romanian Explanatory Dictionary\(^3\) defines ethics as a set of norms by “through which a human collective governs its conduct to discern what is deemed lawful and permissible to accomplish its objectives.”. Ethics and morality are words that originate from the Greek language, sharing a common etymology: "ethos" in Greek, "mores" in Latin = customs, traditions, behaviour (Tomșa, 2020 cited in Crăciun et al., 2005).

Advertising is understood as the totality of actions aimed at the indirect (non-personal), verbal, and visual presentation of a message related to a product, service, brand, or company (Balaban, 2009). In the short term, advertising refers to any action intended to inform the public (customers) about a company's activities, the products/services offered by them, as well as persuading or convincing customers to make a purchase/acquisition. In the long term, advertising refers to any endeavour undertaken by a company aimed at modifying the behaviour of different customer segments, so that they have a high degree of loyalty and fidelity towards the company’s offerings.

1. Brief History of Advertising

It can be said that advertising has a long life, beginning to be used, without being called as such, since ancient times, and today it is used in the most modern digital strategies. A brief overview of the history of advertising is presented below. Advertising emerged with the need of people to exchange products among themselves (Stoica, 2011, cited in Weiss, 2007, p. 10), with the oldest form of advertising being word of mouth recommendation.

**Ancient Times.** The oldest form of advertising dates back to China in the 11th to 7th centuries BC, where there were poems and songs sung and recited by sellers of various food products. The ancient Egyptians developed forms of advertising by printing sales announcements on sheets of papyrus which they attached to the walls and pillars of buildings. The earliest form of indoor advertising was usually a sign, painted very attractively on the wall of a building\(^4\).

Another evidence of advertising's existence at that time is a Babylonian clay tablet dating back to around 3000 BC, unveiling a shoemaker’s workshop, an oil shop, and an "office" handling document duplication; meanwhile, the ancient Egyptians utilized papyrus to document an array of goods and services, as well as to publicize rewards for capturing escaped slaves. For example, Babylonian merchants used clay tablets to promote their products. Ancient Egyptians used papyrus to advertise, for example, to announce the sale of slaves or properties (Petre & Nicola, 2009). In ancient Greece and Rome, merchants used inscriptions on stones or in public places to promote their products.

**Middle Ages.** In the Middle Ages, advertising was less widespread due to widespread illiteracy and the lack of mass communication means. However, various techniques were used, such as the public announcements made by town criers. In 1525, the first printed advertisement distributed on a mass scale appeared in Germany, promoting the qualities of a medicine (Nicola & Petre, 2001).

**Industrial Revolution.** With the industrial revolution, advertising began to develop rapidly, with the emergence of newspapers and magazines, as well as posters and billboards\(^5\). Advertising experienced an explosion in the 20th century with the advent of radio, television, and the internet. Companies began to develop elaborate advertising strategies, and advertising became an industry in its own right (Petcu, 2002).

**Digital Age.** With the advent of the Internet and social media, advertising underwent another transformation. Now, companies can use data and advanced technologies to target their audience more precisely and measure the effectiveness of their advertising campaigns. Currently, as mentioned before, advertising is everywhere in our lives, present on all media platforms, on TV, on the radio, and using a variety of techniques and strategies to attract consumers’ attention.

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\(^2\) [https://ro.wikipedia.org/wiki/Etica](https://ro.wikipedia.org/wiki/Etica)

\(^3\) [https://dexonline.ro/definitie/etica](https://dexonline.ro/definitie/etica)

\(^4\) [https://ro.wikipedia.org/wiki/Etica](https://ro.wikipedia.org/wiki/Etica)

\(^5\) [https://promotionalepestoc.wordpress.com/2013/02/13/un-scurt-istoric-al-publicitatii/](https://promotionalepestoc.wordpress.com/2013/02/13/un-scurt-istoric-al-publicitatii/)
In Romania, during the communist regime (between 1965 and 1989), the concept of marketing generally did not exist. It was considered a bourgeois term, and advertising had the characteristics specific to a socialist system, with strong control from the state and strict supervision over content. The notion of profit was considered illegal and immoral, characteristic of capitalist economies. Imagination and creativity were not highly valued. In such a society, advertising often focused on promoting communist ideals and state achievements. In such a context, the most powerful brands in the bread industry, food industry, cosmetics, automotive, electronics, and appliances sectors emerged. Brands such as Băneasa, Titan, Secuiana, Dobrogea, where one of the most famous bakery brands in Romania, "Eugenia" cream biscuits, originated, along with other renowned brands like Dero, Arctic, Dacia, Guban, Apaca, Braiconf, ROM chocolate, Gerovital, Pegas bicycles, and major department stores like Romarta, Eva, Golden Fleece, and Cocor.

Advertising was used to inform people about the economic priorities of the state and to encourage the achievement of planned objectives. Advertisements promoted communist values, glorified party leadership, and highlighted the success of the "socialist construction." All products and services were provided by state enterprises, there was no competition due to the planned nature of the economy, there was no open competition between different brands and products, and advertising did not serve the same function as in market economies (Cosma, 1980). Advertisements emphasized the safety and quality of products, under the umbrella of the "state brand."

For well-known brands, advertising was cold, pragmatic, emphasizing the utility of the products, with actors being sober, almost rigid. Advertising was also done for some cultural or political events, such as the "Romanian Singing (Cântarea României)" Festival, especially to promote citizen participation and underline the importance of involvement in group activities.

After the fall of the communist regime in 1989 and the transition to a market economy in Romania, the advertising landscape underwent significant transformations. The post-1989 period was marked by significant changes in the way advertising is conducted in Romania, reflecting the transition from a planned economy controlled by the state to an open and market-oriented society.

In the period immediately following the 1989 Revolution and in the years that followed, several key changes were observed in the field of advertising. Due to the transition to an open and democratic society, the notion of marketing also emerged in our country. Opening up to the civilized world meant greater freedom in expression and advertising. Over the years, with a wide diversification of products and services available on the market, numerous foreign brands entered the Romanian market, leading to an increased need for advertising and promotion. Alongside well-known brand products, their advertisements were also imported, initially clumsily translated, but over time, the advertising landscape changed, gaining confidence and stability (Petcu, 2007).

In the early years, television was the main advertising channel. With various products emerging, some imported, others manufactured in Romania, competition emerged, both as a term and as a phenomenon. This was also manifested in the advertising field, generating the need to develop creative and efficient strategies to attract customers. Creative young individuals with imagination were hired in the advertising field, starting to create advertisements with humour, sometimes amusing and relaxed.

When the Internet emerged globally, advertising migrated to digital media, appearing on various online platforms. A new advertising industry emerged, with specialized agencies and production houses, all becoming essential elements in the economy, offering consultancy and creative services for advertising campaigns.

2. Publicity Today: Ethical versus Unethical

Some authors place advertising in the realm of economics because its desired outcome is the increase in sales and profit. Others believe it belongs to psychology and sociology as it influences the "target," meaning the audience it addresses, as well as those who work in advertising, as it is a form of communication that spreads from the "receiver" and reaches a very large number of people. Other authors link advertising to the political phenomenon because it can direct us towards one direction or another on the political stage. As a result, advertising is a complex phenomenon, full of information, colours, terms, which together aim to persuade someone, influence, or even manipulate. Even the term "Advertigo," in Latin, is a verb defined as "to direct oneself towards something".

Sometimes, advertising invades the spaces where we live; we see it on television, exactly during a movie, in a moment of suspense, or during a show that interests us; we hear it on the radio, on the computer, when we want to listen to music on YouTube or play a game, it appears everywhere, and sometimes it exasperates us. But unwittingly, we buy the detergent we saw in the ad, the washing machine we heard in a clip is better than the others, we buy a certain brand of appliances, or even deli meats, we buy from a certain store because we know from TV that it has healthy products, we go to a certain area on vacation because we saw pictures, and we even choose a

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6 https://www.muzeupublicitatii.ro/reclama-romaneasca-comunista
certain travel agency from ads. Whether we want to or not, we hear advertising, we remember it, and we follow what made us believe. And we even become loyal to a brand, without trying others, we heard, we bought, we liked, we became consumers today and tomorrow, sometimes we even argue with others for our loyalty to a product, all of these are the result of advertising. Yes, there is manipulation in advertising; unintentionally, you see an ad, a clip, and your mind leads you to buy "only" that product. Advertising makes you buy even without needing something; the simple image of a perfume, a beautiful woman with red lips makes you want lipstick, or even a car with a certain contour, a vacation in a beautiful area when money is not exactly abundant. Advertising creates desire, which becomes a need.

Advertising aims to inform us that a company has created a new product or an improved, modified product, such as sweets, for example, and in this case, advertising is more aggressive, and the commercial appears everywhere, repeated at any time. However, advertising also aims to remind us about a product or a company, and in that case, it's not as offensive; the resources used are directed towards defending the market segment and maintaining sales. But advertising doesn't just mean commercials and ads; it can also be a sign closely associated with a company, so we only see that sign on a T-shirt, cap, or footwear. It can also be a melody that directs us to a product or a company, to a radio station or TV channel, and advertising can even be a simple conversation with a representative of an insurance company, for example.

Initially, advertising had only an economic purpose; the company wanted to make itself known, to showcase a product, to become visible, and today, of course, this purpose still exists. However, thousands of advertising agencies and production houses have emerged, each coming up with an idea about the image of a product. There is competition between these agencies, and they, in turn, live and develop based on advertising. At some point, advertising festivals emerge, such as "Night of the Ad Eaters," where the best commercials are selected, awarded, etc.

Advertising is a form of persuasive communication aimed at changing the attitudes of recipients towards acquiring a particular product or service, the qualities of which are accurately advertised, respectively, "advertising refers to any type of communication through which real benefits related to a product/service to be purchased are promised" (Nicola & Petre, 2001).

Ethics in advertising refers to the application of moral principles and values in promotional activities (Zinkhan, 1994). So, what is required for advertising to be ethical? Firstly, it is mandatory for the information about products and services to be accurate. False information, exaggerations, or manipulation of consumers through deceptive advertising must be avoided. Advertising is not allowed to make comparisons with products of other companies and must adhere to laws and regulations regarding marketing. Discrimination based on race, gender, age, religion, etc., is not permitted.

As mentioned before, profit is not illegal or immoral, but there must be a balance between costs and the final price. Profitability is essential, but it must be balanced with social responsibility. Ethical standards must be high in all corporate practices, not just in marketing and advertising. Deceptive or aggressive tactics in sales should be avoided, and the social and environmental impact of all marketing activities must be considered.

Ethics in advertising is a major concern involving the adherence to moral principles and norms in the process of creating and disseminating advertising messages. Advertising, essentially, is a form of persuasive communication (Achim, 2014) aimed at influencing consumer behaviour favourably towards the promoted products or services. To maintain integrity and public trust, it is important for advertising professionals to adopt ethical practices.

There are numerous cases where advertising has been considered unethical for various reasons. Here are some examples of unethical practices in advertising:

- Promoting a product or service through exaggerated claims or false information can be considered unethical (Osedlov & Ţurcan, 2021). Asserting benefits that are not supported by evidence or manipulating data to make the product appear more effective than it actually is are examples.
- Excessive photo editing to unrealistically alter the appearance of people’s bodies for advertising purposes can contribute to creating unrealistic beauty standards and may negatively affect body image.
- Using messages or images that exploit the naivety or lack of discernment of children can be considered unethical. For example, promoting unhealthy products through children's favourite cartoon characters.
- Advertisements perceived as intrusive or violating consumer privacy can be considered unethical. For instance, invasive practices of collecting personal data or aggressive pop-ups may irritate and worry consumers (Halamata, 2013).
Advertising resorting to negative or discriminatory stereotypes, such as sexist or racist portrayal of certain groups of people, is considered unethical.\(^7\)

Advertisements that mislead consumers, either by omitting important information or through deceptive presentation of the product or service, are unethical (Attas, 1999) (Deceptive Advertising).

In political campaigns, advertising that relies on excessive emotional manipulation or dissemination of false information to influence public opinion can be considered unethical (Molina, et al. 2019).

Advertisements attempting to exploit personal fears or insecurities to persuade consumers to purchase a product or use a service are considered unethical (Williams, 2012).

These cases highlight the importance of adhering to ethical standards in advertising and the necessity of constant monitoring of practices to avoid negative consequences on consumers and companies’ reputations. Ethics in advertising is essential for maintaining public trust and promoting a healthy relationship between consumers and companies.

3. Cases of Unethical Advertising

Cases of unethical advertising span various industries and practices, often involving deceptive or manipulative tactics aimed at consumers. Companies may make exaggerated or outright false claims about their products or services, misleading consumers about their effectiveness or benefits.

Tobacco Companies Case

Many cigarette companies have been accused of subtly promoting cigarettes in ways that violate ethical norms, including advertisements that do not disclose the negative health effects and marketing aimed at children and young people. It has been noted recently that major tobacco companies resort to conducting indoor and outdoor advertising campaigns that directly or indirectly convey the message of normalizing tobacco consumption or related products, including heated tobacco. This falsely induces the public with the idea of the absence of harm or reduced harm by 90-95%, by omitting the presentation and provision of complete information or by presenting them truncated or distorted, intentionally, in order to circumvent the legal regulations in force and to hide the real risks to which consumers are exposed.\(^8\)

McDonald’s Case

McDonald’s has been criticized for promoting unhealthy foods, especially to children, through toys and other marketing tactics that attract young people and encourage them to request food products high in sugar, fat, and calories. McDonald’s is a global corporation and has become very well-known. It has an unethical attitude towards customers. For example, McDonald’s organizes parties for children, taking advantage of their naivety, aiming to gain their loyalty in the future. The argument against McDonald’s is that the free toys promoted with Happy Meals apply a series of psychological tactics that stimulate impressionable children to request the product more often and take advantage of their inability to recognize the persuasive intent of advertising.\(^9\)

In 2010, a lawsuit was filed by the Center for Science in the Public Interest against McDonald’s. In his article, York (2010) shows that the argument invoked was that McDonald’s used toys in its Happy Meal promotions as a means to “circumvent parental control and teach children to eat unhealthy foods.” In the instance of the fast-food industry, corporations that distort the health ramifications of their products jeopardize consumers’ well-being. It is observed that fast food has serious consequences on people’s health. In light of this fact, it is important for companies in the food industry to detail the impact of their products so that consumers can make informed choices.

There are authors (Smith, 2012) who argue that most companies in the fast-food industry tend to hide information from consumers about the ingredients of their products. For example, there are several accusations made against McDonald’s regarding issues related to the labelling of its products. Additionally, the company has been accused in the past of using sports imagery to create the impression that its products are healthy. Such unethical conduct jeopardizes the health of consumers.

\(^7\) Declaration adopted by the World Conference against Racism, Racial Discrimination, Xenophobia and Related Intolerance (Durban, 31 August - 8 September 2001).


\(^9\) https://investigatatoria.ro/2020/10/29/campaniile-publicitare-ale-companiilor-de-tutun-reclamate-la-anpc/


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Volkswagen Case

Volkswagen was established in 1937 with the aim of manufacturing the iconic Beetle car. The company experienced rapid growth in production during the 1950s and 1960s. In 1965, Volkswagen acquired Auto Union, which went on to produce the first Audi models after the war. In the 1970s, Volkswagen introduced a new line of front-wheel drive vehicles, including the Passat, Polo, and Golf, with the latter becoming a bestseller. Over the years, Volkswagen expanded its portfolio by acquiring SEAT in 1994, Bentley, Lamborghini, and Bugatti in 1998, Scania in 2008, and Ducati, MAN, and Porsche in 2012. The company has experienced significant growth in its operations in China over the past decade, with the country emerging as its largest market for vehicles (Dura, 2017).

In the “Dieselgate” scandal, Volkswagen was caught manipulating the emissions data of its diesel vehicles to appear more environmentally friendly than they actually were. This practice was considered highly unethical and had serious repercussions for the company’s reputation and profitability. For years, Volkswagen advertisements promoted the company’s “Clean Diesel” cars, even though it now appears that Volkswagen manipulated the cars with devices designed to cheat emissions tests. For instance, Volkswagen’s promotional materials frequently asserted that its “Clean Diesel” vehicles boasted low emissions, purportedly reducing nitrogen oxide (NOx) emissions by 90% and emitting fewer such pollutants than gasoline cars.

Pharmaceutical Companies Case

Pharmaceutical companies have been accused of promoting drugs incorrectly or excessively, including by offering rewards or financial benefits to physicians or by inaccurately presenting the benefits and risks of medications in their advertisements. Certain pharmaceutical companies, which previously sustained a consistent flow of breakthroughs, have now reached a plateau in creativity and are veering towards a trajectory of declining innovation. According to Greene and Podolsky (Greene, Podolsky, 2009), “the decade from 1951 to 1961 saw the introduction of 4,562 new drugs” (338). This is a remarkable number compared to the lack of innovation exhibited today, despite possessing a high degree of technological advantage over previous generations. Applbaum (2006), in his study, stated, “Three out of four drug applications involve drugs that either replicated the action of medicines already on the market or were new formulations that at best added minor conveniences to patients and doctors.” Presently, pharmaceutical companies endeavour to uphold a progressive image by consistently introducing new medications; however, progress and innovation have been comparatively sluggish. Essentially, this deceives the end consumer and squanders the potential to develop new drugs that would offer greater benefits to society (Cousins, 2009).

Evidence of the adverse impacts of pharmaceutical promotion on physicians' prescribing behaviours is juxtaposed with evidence of skewed funding allocation: worldwide pharmaceutical expenditures for drug promotion surpass research and development funding by a significant margin. The review highlights, with few exceptions, the widespread lack of awareness among medical journal editors regarding the influence of journal advertisements on prescribers' knowledge, attitudes, and medication utilization. The study (Ziganshina & Niyazov, 2013) uncovers the promotional nature of advertisements rather than their role in delivering information. It outlines unethical marketing tactics, such as using journal advertising to promote ideas to physicians, and highlights the issue of promotional influence on prescribing practices. The review underscores that self-regulation by the pharmaceutical industry, as well as the peer-review process of medical journals, fails to safeguard against misleading advertising. It concludes that pharmaceutical advertising, including ads in medical journals, lacks informative value and poses a threat to public health, necessitating thorough regulation.

These examples illustrate how certain advertising campaigns have been perceived as unethical for various reasons, including exploitation, emotional manipulation, or promoting unrealistic standards. In such cases, the reaction of the public and regulatory organizations can significantly influence a company’s reputation and may lead to changes in their advertising approach.

Credit Authorship Contribution Statement

Barbu, C.M. is the corresponding author. Negulescu, M.C. contributed with the beginning part, the Introduction and the brief history of advertising. Barbu, C.M. contributed with the short presentation of the research and with examples of unethical advertising. The conclusion part is the contribution of Barbu, C.M.

Conflict of Interest Statement

The authors declare that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

Conclusions

Adopting ethical practices in advertising contributes to building customer trust, improving the company's reputation, and developing long-term relationships with customers. Companies that demonstrate a commitment to ethics in marketing often benefit from customer loyalty and long-term success. The purpose of advertising is to increase the sales of a product or service, and the purpose of sales is profit. As emphasized, profit is neither illegal nor immoral nor unethical. However, some practices carried out by advertising specialists can indeed be unethical.

It is true that we are surrounded by advertising messages in various forms and media, and these messages have a strong influence on our consumer behaviour. Marketing and advertising are essential tools for companies in their process of making their products and services known and attracting customers. However, it is important to be aware of how these messages influence us and to be able to make informed choices about our purchases. Manipulation through advertising can be subtle and sometimes difficult to recognize, but developing the ability to critically evaluate advertising messages can help protect us against impulse decisions and make choices that truly serve our interests.

Furthermore, in a society where excessive consumption is promoted and encouraged, it is important to be aware of the impact this has on us, the environment, and society as a whole. Thus, cultivating responsible and conscious consumption can contribute to a more balanced life and reduce the negative impact of excessive consumption on ourselves and the environment.

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