

Advertisers' Ethical Dilemmas in Emerging Markets



By Minette Drumwright, Associate Professor of Advertising at the University of Texas at Austin and N. Craig Smith, INSEAD Chaired Professor of Ethics and Social Responsibility

When advertisers enter emerging markets the impact of their actions extends far beyond the promotion of a product or service.

For fifty years businesses have been heeding advice to keep their focus on the customer and avoid “marketing myopia”. But recent **studies** suggest they may have learned the lesson too well. By failing to see the broader societal cost of their decision making, they are developing a new type of marketing and moral myopia that is distorting strategic vision, and preventing them from recognising and engaging on ethical issues.

In emerging markets the impacts can be even more serious. Marketers, who focus solely on the customer and short term results, without taking into consideration the full impact of their interactions, can have far-reaching

effects on a society's identity and ethics.

The unintended impact of advertising

This link between ethical behaviour and marketing is not new. Academics have written much about the profound, two-fold effect the advertising industry has on culture; both through the product (or message) being sold and the way the advertising business is conducted. Advertising and marketing practitioners are the point of intersection of some complex relationships between clients, customers, the media, and broader society. The content they create for global media flows influences **an ongoing process of intercultural learning** and, while this may have positive effects, can be problematic if the messages and images created are not respectful of local culture, or if they prey on the vulnerabilities of the consumer, especially those who are young, illiterate and lacking “persuasion knowledge” (understanding of the effects of persuasive communications, such as advertising). The other, less obvious impact is the behaviour of the practitioners themselves. Given their close links to multiple and diverse stakeholders, they can be seen sometimes as role models by consumers who **justify their own unethical behaviour by pointing to the unethical behaviour of businesses** within their communities.

Vulnerabilities of emerging markets

A **recent study** conducted by Minette Drumwright, Associate Professor of Advertising at the University of Texas at Austin and Sara Kamal, a UAE-based Advertising and Marketing Communications Researcher, considered the far reaching effects of the advertising field's “habitus” and “doxa” (the reasons why people act as they do and the common belief and assumptions they hold) on consumer and business culture in the Middle East and North Africa (MENA). Through in-depth interviews with 39 advertising practitioners from local and global agencies across all MENA markets, they noted the way perceptions, practices and discourses of advertising practitioners had the power to influence societies' behaviour and expectations, reinforcing, and perhaps even creating, transnational identities such as “the modern Islamic consumer”.

Over the past decade, the emerging MENA markets have experienced exponential growth and an explosion of media and consumer markets for global products, creating a context in which advertising and marketing practitioners play especially influential roles as cultural intermediaries.

However, much of what makes these markets attractive for business opportunities also makes them ripe for ethical infractions. With a youth bulge, higher illiteracy rates, and lower persuasion knowledge than developed markets, it is no coincidence that the MENA press has been reporting, with increasing frequency, on incidents which raise important ethical concerns; such as **deceptive advertising**, **copyright infringements**, **the targeting of children** with unhealthy food and toys, and promotion of socially questionable products, such as **bank loans for cosmetic surgery**.

Forces influencing the marketing environment

Throughout the interviews informants identified and commented on ethical issues they believed were common, important or likely to arise in the future. Their responses were assessed as macro, meso and micro phenomena and studied separately and in the way they interacted with each other.

The results were surprising. On a macro level informants cited both a lack of regulation (in relation to intellectual property, copyright and data protection) *and* overly specific laws (in Saudi Arabia, for example, where advertising that does not comply with the rulers' view of Islamic morality is strictly censored). They noted that in many cases existing regulations were either ignored or under-enforced.

Globalisation, exponential economic growth, and a great diversity of cultures were all cited as important factors giving context to the environment in which advertisers operate; as was the growth of modern Islam with its enthusiastic acceptance of the marketplace, challenging the traditional Islamic view of commerce and religion being in conflict. Given its greater openness to growth, modern Islam is under the influence of the tsunami of global cultural flows brought by the digital media revolution. Meanwhile, participants reported that social change following the Arab Spring has increased consumer expectations of corporate accountability.

On a meso level, informants noted that agencies were being influenced by the large pool of transient, expatriate workers who showed little inclination to understand the region's ethical differences and complexities, and appeared happy to sacrifice long-term effectiveness for short term gains. The advertising organisations showed little loyalty to their customers and accepted a subservient culture where advertising practitioners were treated as servants doing the bidding of customers rather than as professional

partners and business advisers.

These forces create a context in which unethical behaviour can run rampant at the micro level, allowing individual advertising practitioners to develop a “moral myopia” blinding them to ethical issues and responsibilities. Alarming, informants report that ethical immunities seemed more pronounced among experienced practitioners, those acting as role models for younger co-workers and leaders with undue influence on the habitus.

In what appears to be a catch-22 situation, these individual (or micro) factors both feed from and feed back into problems created at a meso and macro level. Any solution will require industry groups, like the International Advertising Association UAE Chapter, to take a leadership role in establishing ethical norms and responsible practices, as industry associations in other parts of the world have done.

On a more positive note the Arab Spring has ushered in a new breed of advertising practitioner more in sync with ethical sensitivities and with higher ethical expectations both for themselves and their agency. While the full effect of this force is yet to be determined, social change is prompting consumers to demand more accountability and a higher degree of ethical behaviour from companies.

Advertising ethics, more than CSR

Marketing ethics has been defined in many ways but basically is concerned with whether the marketer or advertiser is doing **what morally ought to be done** – not just what legally must be done. In the era of globalisation, developing markets such as MENA have been largely ignored as academics focus on the evolving advertising industry in the West. But it is these emerging markets, with their lack of regulation, exponential economic growth, media revolutions and rapid move towards consumer-oriented thinking, which are particularly vulnerable to unethical marketing behaviour.

Advertising practitioners can be seen as **“taste-makers” or primary drivers of new cultural trends** as they mediate between clients and consumers, but when they engage in unethical behaviour by exploiting consumers lack of knowledge and privacy, taking advantage of the absence of regulations, failing to acknowledge cultural sensitivities or engaging in cultural stereotyping, their behaviour can have a serious detrimental impact on the society in which they operate.

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