Ethical Issues and Concerns in Collection of Marketing Information and Marketing Intelligence: Ethical Issue in Collection of Information

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ABSTRACT

Companies require capturing relevant marketing information and marketing intelligence about customers to understand their requirements, formulate marketing strategies, serve them better, and develop customer relationships. Sometimes, it is difficult to collect information because individuals hesitate to share personal information due to a number of reasons. They worry about the manner in which companies use the shared information, and the safety, security, and privacy of the information. The article discusses the sensitive issues of intrusion of privacy of customers, the ethics involved, the responsibilities of marketing researchers regarding sensitive information shared by customers, the possible misuse of the shared information, the preventive measures against misuse of research findings, and the initiatives taken by companies and authorities to protect the privacy of customers. Such actions by companies will instill trust and faith in the minds of customers.

KEYWORDS

Direct Marketing, Ethical Issues, Information Privacy, Information Security, Intrusion, Marketing Research, Misrepresentation, Preventive Measure,

1. INTRODUCTION

Companies conduct marketing research to gain in-depth knowledge about the marketing environment, the markets, and customer requirements and preferences (Anderson & Mansingh, 2014). Proper marketing research will result in better mutual understanding between companies and their customers and will help companies to provide best solutions to customers (Martin & Murphy, 2017). This will also result in higher customer satisfaction and loyalty and stronger customer relationships (Sawhney, 2009). Companies require relevant information about customers (Llave, 2019). Companies collect information from customers through various techniques. Sometimes, the information collected may be sensitive and personal. So, customers view collection of information by companies with suspicion and are worried about the misuse of information collected from them (Reichheld, 2001). The misuse of information may cause harm to customers and may result in mistrust between customers and
companies. Companies should be sensitive to these issues. They require to be ethical in dealing with information collection from customers and aim to instill trust in the minds of customers (Clifford, 2009). Companies should decide their corporate objectives as to whether they are in business only to make profits or also to obtain, keep, and protect customers and build relationships with them (Harris, Perlroth, & Popper, 2014). The main reasons why companies are in business are to earn revenue and generate profits. However, focusing only on profits in the short run may result in losing customers in the long run. Companies require optimizing between their short-term objectives and long-term goals (Hawking & Selliito, 2017). The ethical issues in marketing research and in generation of marketing intelligence may relate to intrusions on consumer privacy and misuse of research findings (Davis, 2009). Customers want that the information shared by them should be protected and remain private. On the other hand, the main objective of marketers is to get access to data and information about all those customers whom they wish to target. Marketers want that based on the information, they should be able to target customers individually with appealing products, at the right time, in the right place, and at the right price (Dumenco, 2013). Companies face a number of ethical dilemmas to fulfill all these objectives at the same time (Appuzo & Perlroth, 2014). Companies need to understand that they should behave ethically to build trust in the minds of customers and other stakeholders. It is also required to generate revenues and profits in the long run. Companies should aim to create an ethical atmosphere so that customers feel assured in doing transactions with companies (Bussey, 2013). Customers are skeptical about the intentions and motives of companies. They view marketing activities with suspicion because the marketing function interacts with a vast number of entities outside the firm on a regular basis (Parker, 2014). Marketing may have these interactions at the cost of privacy and security of customers.

The major issues related to collection of marketing information and intelligence include privacy and security concerns of customers, and ethical issues involved in the collection of information from customers. The topic of the article is important because the practices followed by companies in collecting marketing information and generating marketing intelligence affect customers directly. There are trust issues which might affect the long-term relationships between customers and companies. Ethical and trust issues have not been dealt with in-depth in the literature. The article aims to bridge the gap. The article aims to present the current state of affairs and to make companies aware about their roles and responsibilities.

The article is structured as follows:

Section 2 presents a brief overview of the intrusions of companies on privacy and security of customers. It also focuses on the concerns of customers. Section 3 deals with the ethical issues in collection of marketing information and generation of marketing intelligence through direct marketing. Section 4 focuses on the roles and responsibilities of direct marketers and market researchers towards convincing customers and instill a sense of trust in the minds of customers. Section 5 deals with the misuse and misrepresentation of research findings and the preventive measures to be adopted. Section 6 focuses on the various initiatives taken by companies for the welfare of customers. Section 7 focuses on discussions and section 8 concludes the article.

2. INTRUSIONS ON PRIVACY AND SECURITY OF CUSTOMERS

Many customers believe that the data and information collected from them are used beneficially by companies (Clifford, 2009). They also believe that the information is utilized to gain better customer insights (Miller & Sengupta, 2013). These customers view marketing research and generation of marketing intelligence positively and believe that a useful purpose is solved. However, a majority of customers feel that the information collected by companies for marketing research is utilized unethically by companies (Kang, 2013). They strongly resent or even mistrust the intentions of marketing research (Anderson, 2013). They object to the intrusions on their privacy and security in the name of marketing research. They feel that companies collect customer information to develop
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