Target Marketing and Ethics: Brand Advertising and Marketing Campaigns

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ABSTRACT

Marketing to a targeted minority can provide a competitive advantage for an organization. However, there are ethical and legal concerns that must be carefully evaluated. Youth, children, and protected minorities, including women and the elderly, are a high target of advertising because of the increasing importance of these segments in making purchasing decisions. Recent population and demographic factors continue to impact marketing to address minority marketing issues with careful attention to ethics and social responsibility. This paper examines ethical concerns of advertising, the use of animated spokes-characters, marketplace discrimination, misleading practices, ethical concerns in minority marketing, and related advertising regulations. The authors conclude with recommendations for future research and implications for advertising and marketing practice. Policy implications are made for socially responsible advertising and marketing.

Keywords: Advertising, Marketing, Minorities, Organizations, Purchasing Decisions, Regulations

INTRODUCTION

Marketing is the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return. The marketing offer consists of some combination of products, services, information, or experiences offered to a market to satisfy a need or want. The marketing concept is a philosophy according to which achieving organizational goals depends on knowing the needs and wants of target markets and delivering the desired satisfactions better than competitors do.

Marketers today are using new alternative promotional methods to reach their target markets. Due to heavy clutter and media proliferation, breakthrough advertisement requires companies to be innovative and memorable. The advertising appeal must be relevant to the audience. To be successful, the message must be meaningful, pointing to the benefits that make the product desirable or interesting to consumers. Furthermore, the advertising needs to be distinctive, explaining how the product is better than the competing brands.

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From the early days of television advertisement, there has been an on-going debate about the efficacy of advertising to minorities including the youth markets, especially young children and protected segments such as ethnic minorities, women, and the elderly (Bandyopadhyay, Kindrea, & Sharp, 2001). Proponents of child-targeted advertising claim that children comprise a separate target market from adults (McNeal, 1987). According to Bodnar (1999), children between the ages of 4 and 12 spend about $23 billion annually. Many parents and consumer protection groups argue that advertising to children is dangerous and unethical because it is deceptive and manipulative, stimulates wants and promotes consumerism and poor nutritional habits (Bandyopadhyay, Kindrea, & Sharp, 2001).

Marketing managers are responsible for identifying consumer groups that are most likely to purchase the company’s products and services. In this regard, marketing people are challenged to develop advertising campaigns in order to gain the attention of specific groups of customers. Therefore, the process of customer segmentation is a vital aspect of focusing marketing campaigns to the sector of society that marketers are aiming to reach. Target marketing can save time and resources and is likely to ensure the best return on investment of the marketing budget.

Examples of customer segmentation could be observed at many children’s television networks’ advertising practices. It is not surprising that the commercials are entirely focused on items of interest to children; toys, snack foods, theme parks, and the latest movies. In comparison, if you turn to the History channel, the commercials become more relative to the adult audience interested in that programming. Advertising campaigns generally include multiple channels and different types of advertisements. For example, McDonald’s may run an ad campaign for the filet of fish sandwich in the DC metro area that reflect the racial and ethnic makeup of that area while they feature another ad for the same product in the Midwest with actors reflective of that population.

Marketers take great effort in finding ways to reach specific sectors of society. Attempts to reach these groups may result in the use of stereotypical perceptions in the campaigns. When this occurs, companies run the risk of offending a group with the potential of inadvertently exposing themselves to lawsuits or, even financially devastating, court of public opinion. There must be a balance between targeting the marketing message to the right group of individuals without discrimination.

A historical review of the marketing industry provides an abundance of cases where companies have crossed the line from customer segmentation into the realm of discriminatory marketing. It is a difficult task to evaluate the appropriateness of the strategies to target such groups. The foremost example of this is the case of R.J. Reynolds Company and their attempt to launch a new line of cigarettes called Uptown, which was targeted at the young urban black community in Philadelphia (Sautter & Oretskin, 1997). With statistics from the World Health Organization indicating the level of tobacco related illnesses being disproportionate in this demographic, public opinion quickly turned against the campaign. Efforts to promote items that are now known as potentially harmful products (PHPs) came under high scrutiny. Attempts to segment customers for alcohol, tobacco, and even some snack foods were seen as an intentional exploitation of the disadvantaged members of society.

However, race is a dangerous terrain when dealing with customer segmentation. Sexual orientation, ageism, children and youth, gender, and religion have all been areas considered in discriminatory marketing cases. While each of these represent an opportunity to segment the market and deliver laser-beam focused campaigns, there is tremendous risk in potentially offending customers. The paper first discusses the literature on target marketing, examining recent cases of advertising and marketing campaigns directed at minorities and the related ethical concerns. Next, the methodology is presented with primary data analysis. In the Conclusion, recommendations are made to practitioners.
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