

14.5: Ethical Issues in Digital Marketing and Social Media

Learning Objectives

By the end of this section, you will be able to:

- Describe ethical issues with respect to digital marketing and social media.
- Explain why ethical issues exist.

Privacy, Transparency, and Awareness

Although digital marketing tools and social media provide online marketers with effective ways to engage with customers, build relationships, and drive consumers toward a purchase, there are ethical issues that marketers must consider when utilizing these tools.

First, because of the highly targeted capabilities of digital and social media, companies have access to large amounts of personal data, including name, email address, and phone number, as well as personal interests, social and political views, and shopping behavior. Consumers are increasingly concerned about data privacy. In a recent survey by KPMG, 86% of the respondents have a growing concern about data privacy, and 78% fear the amount of data being collected (Whitney, 2021).

Given this growth in distrust of how personal data is handled, some companies have responded with updated policies designed to be more transparent about how data will be used. Seventy-five percent of consumers polled reported that they want increased transparency (Whitney, 2021).

In 2021, Apple released features for iPhone and iPad users that allow consumers to have stronger control of how their data is used (Price, 2022). Using pop-ups, Apple device users can allow or disallow companies to track their activity across apps and the websites they link to. This move by Apple resulted in some back-and-forth commentary by Meta's Mark Zuckerberg and Apple CEO Tim Cook. Tech companies such as Facebook and Google depend on being able to target the advertising on their applications to users using personal data. Giving greater privacy control to iPhone users presents a threat to the core of their business models.

Social media platforms, in particular, mine personal data and then use it to sell advertising space on news feeds of consumers who match the demographics and psychographics of a company's target market. With nearly 71% of social media users taking the time to check their privacy settings on social media, it's clear that this issue is front and center for most users (Suciu, 2020). Companies can respect their users' privacy by being transparent about what data they collect and how they use it.

Tracking Consumer Data

The reality is that it's not just social media companies and search engines that track consumer data. Most companies use tracking codes to follow consumers and data about them as they navigate the web. Zoho, a productivity and collaboration app, reported that in the B2B space, about 72% of businesses do not inform customers that they are being tracked by third parties (Business Wire, 2020).

The Use of Client Reviews

Client reviews involve feedback that a customer or client posts directly to a platform that can be accessed by consumers during the buying process. Companies that use client or customer reviews include Amazon.com, Wayfair, and Lands' End. Customers typically rate their experience with the product by assigning stars and commenting on their satisfaction.

Reviews can be helpful to consumers during the search phase of the buying process because reviews provide a real-world glimpse into the favorability of a product. For example, Wayfair invites customers to post pictures of items such as sofas and end tables once a customer has styled the room. This provides shoppers with a real-life view of the product, its color, and its size, among other things.

Beyond the reviews on e-commerce sites, Google is a major player in the customer review space. Consumers often rely on Google reviews when deciding whether to hire a local business. In addition to Google, consumers can find reviews for travel on Tripadvisor, restaurant reviews on Zomato, and reviews of software programs on G2.

Marketers recognize the power of customer reviews as a digital promotional tool, as consumers report that they perceive reviews as more credible than messages created by the company itself.

Companies with a Conscience: Apple's Taking Big Steps to Protect Privacy



Figure 14.11 Apple is employing several steps to further protect consumers and their personal data. (credit: “iPhone 5s Applications” by Marco Verch/flickr, CC BY 2.0)

In January 2022, Apple took one of its most impactful steps toward protecting the privacy of iCloud users, the iCloud Private Relay (see Figure 14.11) (Apple, 2023a). When enabled on Apple devices, this feature hides a user’s IP address from the websites they visit, essentially masking a user’s entire online footprint.

The privacy feature is a game changer in the digital marketing space, as companies such as Meta and Google depend on seeing a consumer’s online journey to learn more about who they are and their interests. Tracking online activity allows companies to serve users with relevant marketing messages and offerings.

In addition to the privacy relay, Apple also released “Hide My Email,” which allows Apple device users to enter a unique email address on websites without sharing their actual email address (Apple, 2023b). Emails sent to a randomly generated address are then forwarded to a user’s inbox, thereby hiding a user’s actual email address.

Finally, Apple has updated its Mail app to prevent marketers from tracking whether or not someone has opened an email (Kaczanowski, 2022). Email marketers measure the percentage of people who open marketing emails to determine their engagement level and the email’s effectiveness.

Apple appears to be taking consumer privacy to another level. Offering a collection of privacy-centric features equips consumers with tools to protect their personal information and navigate the web unseen.

Check out Apple’s website to [learn more about iCloud Private Relay](#). Also, [read about it in this Wired article](#).

This page titled [14.5: Ethical Issues in Digital Marketing and Social Media](#) is shared under a [CC BY 4.0](#) license and was authored, remixed, and/or curated by [Karen Calendo](#) via [source content](#) that was edited to the style and standards of the LibreTexts platform.

- **16.4: Ethical Issues in Digital Marketing and Social Media** by OpenStax is licensed [CC BY 4.0](#). Original source: <https://openstax.org/details/books/principles-marketing>.