

## 8.7: Ethical Issues in Diversity Marketing

### Learning Objectives

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

- Identify the ethical issues related to diversity marketing.
- Discuss how to address different consumer values to reduce issues in marketing.

### Ethical Considerations in Marketing

The issues related to business ethics reside within society's definitions and standards. As is the case for many topics, what is considered ethical business behavior or an accepted practice today can change tomorrow based on context. In other words, business ethics do not remain fixed. Ethical standards transform and adapt in conjunction with changes in the business environment.

Consider the following scenario. Let's say you are visiting the doctor for your annual checkup. How would you feel if the doctor walked into the exam room smoking a cigarette? Most people would react negatively. In most places in the United States, it is against city ordinances to smoke indoors in public places except for designated smoking areas. These ordinances are enforced because the government recognizes that smoking is a health hazard. If your doctor walked into the exam room with a cigarette, it would pose several ethical concerns. However, did you know that until the 1950s, doctors approved of smoking and even appeared in cigarette ads? By the mid-1960s, the medical field developed clarity around the hazards of smoking, and norms were changed in society and advertising. Figure 8.24 shows an advertisement making this point.

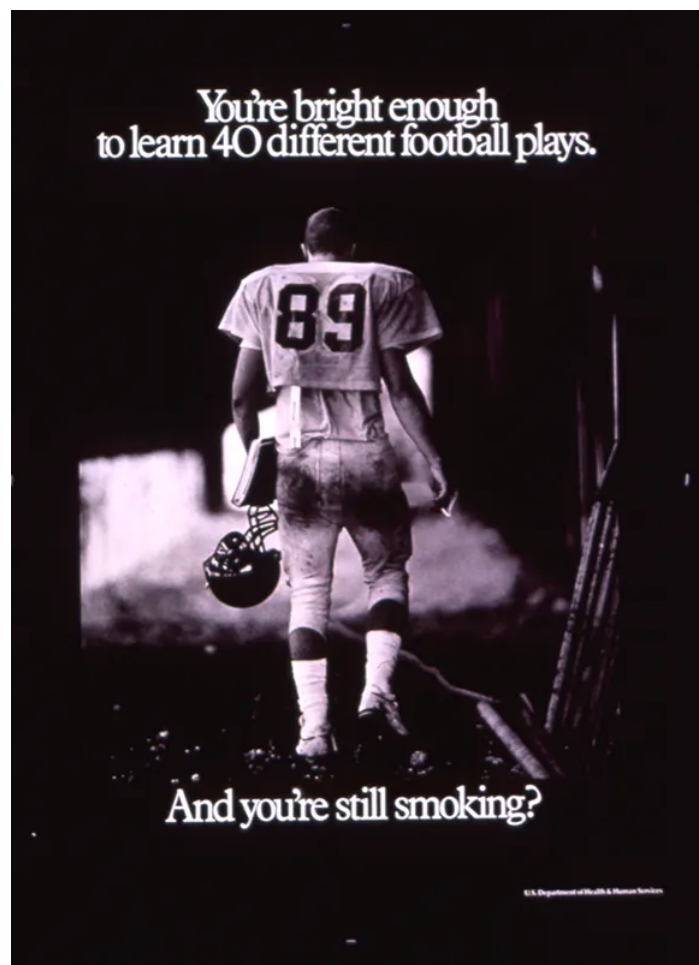


Figure 8.24 Evolving ethical standards impact marketing campaigns by requiring companies to transform their messages to meet new societal norms, as exemplified by modern anti-smoking advertisements. (credit: "You're Bright Enough to Learn 40 Different Football Plays" by NIH National Library of Medicine, CDC/nlm.nih.gov, Public Domain 1.0)

Where do business ethics come from? Ethics originate from the need and desire to promote both fair and equitable competition in the market. Ethics are supported by legislation such as the Sherman Antitrust Act from the U.S. Department of Justice. Ethical considerations in diversity marketing have a similar background. They are linked to companies' fair and equitable outreach and representation of diverse audiences in the market. These include multicultural and sociodemographic consumer segments in particular.

Business ethics shape companies' and employees' work behaviors, corporate activities, and marketing efforts. This implies that ethics are inseparable from a company's brand. Why? Because a brand is essentially what a business stands for and what it represents. Consumers associate certain characteristics and traits with a company's brand. These expectations, in turn, influence purchasing actions. For this reason, marketers need to take great care in creating an accurate reflection of the company's ethics that are also culturally and socially sound.

Ethics are often contextual, so it is important to recognize that values and behaviors vary by culture, identity, and other demographic variables. This means it is imperative to truly understand targeted segments as thoroughly as possible. It is common for marketers to research things such as buying patterns, consumption sentiment, desired features, and media efficacy. However, to succeed in a diverse marketplace, research must extend deeper. It must be ethically based on target segments' cultural sensitivities and social issues. Economic fairness, political viewpoints, differences in technological access, legal protections, and environmental risks should also be considered in ethical marketing research.

### Ethical Issues in Diversity Marketing

One of marketing's primary functions is to reflect an organization's business ethics and values to the marketplace and consumers. This must be done actively and intentionally. Marketers are responsible for ensuring that efforts and communications are honest, balanced, and authentic to the company and the marketing profession. Creating awareness of cultural and social issues that impact ethical practices is also a key function of diversity marketing.

### Cultural and Social Values

How messages are perceived and decoded in advertising is the most publicly visible representation of a company's ethics, values, and overall business culture. Marketers must ensure that advertising campaigns do not reinforce harmful stereotypes and unconscious biases. This is not easy to do because, after all, cultural and social beliefs are deeply seated. This explains why some biases are unconscious.

Stereotypes and unconscious biases are evident in every facet of life. In fact, everybody has them. Cultural stereotypes and social biases are common in advertising. Let's explore some situations. Asian people share many cultural values and characteristics. As you have read, the Asian population in the United States is comprised of 22 different countries of origin. Red is considered a lucky color by most Asian people. When advertising to Chinese consumers, it is typical to see the color red used prominently. However, assuming that all Asian consumers feel the same about this color is stereotyping. For Japanese people, green symbolizes youth and vital energy; yellow is associated with vitality and light for Korean people (Olesen, 2012; Shin et al., 2012).

You may have seen ads suggesting that only boys or men play football or that only girls and women cook. These types of ads perpetuate gender stereotypes. That's why campaigns such as Procter & Gamble's groundbreaking 2014 "Like a Girl" campaign challenged people's stereotypes with ads about what it means to do things as a female. Here is yet another example. Radio advertisers could ignore baby boomers in favor of millennials and Generation Z consumers. This bias is driven by the incorrect assumption that baby boomers are not active radio listeners, which is not true. Stereotypes and biases can cost companies a lot of money in negative publicity and lost opportunities. From an ethical perspective, biases can have unintended discriminatory results among diverse consumer segments.

### Diversity Representation

Diversity marketing is about reaching a larger portion of the total market by including diverse population segments such as multicultural and sociodemographic audiences. Representation matters for a growing number of consumers. While trying to be inclusive, marketers need to steer clear of tokenism. Tokenism happens when an individual from either a minority group or an underrepresented community is included in ads or marketing communications to prevent criticism. Tokenism is a symbolic act that gives the appearance of representation. However, it is not a genuine desire to portray consumer diversity.

Regarding ethical considerations such as advertisements' diversity balance, the focus is on ensuring positive associations. This inclusive balance is not limited to just people. It also applies to terms, phrases, and other forms of communication. For instance, misusing words or incorrect translations can inadvertently convey a lack of sensitivity to multicultural or sociodemographic

consumers. Marketers may offend without intending to do so. As an example, as you read earlier in the chapter, some terms can be disliked by ethnic consumers.

Marketers must intentionally consider every characteristic, factor, and set of values that shape diversity and inclusivity. These need to be weighed against the perceptions of each consumer segment. Doing thorough research, design, and review goes a long way toward ensuring a fair and equitable representation of all consumer segments.

#### Companies with a Conscience: Culturally Sensitive and Socially Inclusive Marketing

Multinational industry leaders such as Coca-Cola, Google, Adidas, Unilever, AT&T, Marriott International, and Microsoft are just a few of the companies that, like P&G, are focusing their marketing efforts on being more culturally sensitive and socially inclusive. Even niche players, partnerships, and private companies such as Bumble, Fenty Beauty, and ThirdLove are also championing diversity as a core value through equal cultural and sociodemographic representation rather than just chasing a trend in marketing (Nittle, 2018).

Consider Coca-Cola's long history of advertisements and promotions, for example. In the early 1970s, Coca Cola released the "Hilltop" commercial (also known as "I'd Like to Buy the World a Coke"), which showed people from different races and cultures bonding over the beverage. In 2011, the company launched the groundbreaking "Share a Coke" campaign in Australia to connect with consumers personally while influencing product purchases. The campaign went viral and became a global success (Coca-Cola, 2019).

For the 2014 Super Bowl and the Winter Olympics in Sochi, Russia, Coca-Cola launched the "America Is Beautiful" campaign (Day, 2014). Recognizing the growth of multicultural consumers in the United States, the campaign's commercial featured seven young bilingual American women singing in different languages. It also showed culturally diverse consumers from all walks of life. Although the campaign was subject to severe criticism and sparked outrage and boycotts by some people, others applauded Coca-Cola for its commitment to more inclusive marketing communication. That is what diversity marketing is all about.

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