

5.8: Ethical Concerns and Target Marketing

Learning Objectives

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

- Discuss the ethical implications of target market selection.
- Provide an example of a company that displays ethics in target marketing.

Ethical Implications of Target Market Selection

To understand unethical target marketing, let's first review the notion of ethics in this realm. Ethics is the systematic study of morality—what people commonly refer to as “morals.” The American Marketing Association (AMA) has a clear Statement of Ethics, and marketers are expected to conform to this ethical code. Before examining the issue of ethical target marketing, let's first review the general notion of ethics as it applies to marketing and other business disciplines.

Individuals and organizations choose to act morally—or immorally—when faced with a moral dilemma. The decision of whether to behave in a moral way or an immoral one has serious implications for oneself, for other individuals, and for society as a whole. The bottom line is that morally responsible, ethical marketers both sympathize with and empathize with consumers and their legitimate needs and wants. However, there are moral issues regarding who is targeted and with what purpose. To illustrate these points, let's review some examples of target marketing tactics that can reasonably be considered immoral or unethical.

Ethnic and Racial Profiling

Earlier in this chapter, we used the example of a firm advertising woodworking equipment in specialty magazines rather than general interest magazines to stretch its limited advertising dollars. Do-it-yourself, amateur woodworkers, or hobbyists would be considered an affinity audience to the firm—that group of potential customers who have interests or hobbies in common. That's the positive aspect of target marketing.

However, there's a negative aspect to targeting affinity audiences as well. Over the past few years, Facebook has been criticized for potential discrimination on its ad platform by excluding users who have been classified into certain racial or ethnic affinity groups. As a matter of fact, Facebook was sued by the U.S. Department of Housing and Urban Development because its algorithms allowed advertisers to purposely target their ads by race, gender, and religion, potentially violating federal laws that prevent discrimination in ads for jobs, housing, and credit (Hao, 2019).

Facebook's algorithm and machine learning allowed advertisers to purposely target their ads by race, gender, and religion. In itself, trying to reach an affinity audience through advertising isn't illegal. The problem arises because Facebook's platform allowed advertisers to exclude users based on that algorithm. For example, with Facebook's “ethnic affinity” marketing product, the company can exclude users by race or ethnicity (Noble & Roberts, 2016).

Children and Teens

According to Statista, there are approximately 73 million children in the United States between the ages of 0 and 17 (Korhonen, 2023). That huge target market can be extraordinarily lucrative for a marketer. Accordingly, it makes sense to target this demographic because of its potential value.

However, there are inherent ethical issues involved in marketing to children, including distinguishing intent, gender stereotypes, violence, and obesity. Let's first consider distinguishing intent. According to the American Psychological Association (APA), children under the age of 7 or 8 can't discern the “persuasive intent” of advertising. In other words, they don't realize that the marketing message is made to sell something to them. Instead, children tend to accept the content at face value and believe that it's true, accurate, fair, and unbiased. This lack of distinguishing intent can exploit children because it takes advantage of their inability to make sound, calculated decisions about a product or service based on the available information (Paul, 2016).

Now, let's consider gender stereotypes. At approximately age 2, children become conscious of the physical differences between boys and girls, and according to the Campaign for a Commercial-Free Childhood (CCFC), gender-stereotyped messages can interfere with that process. Consider the number of gender-stereotyped toys on the market today (or go to the toy section of any big-box store). For example, there are approximately 40,000 Disney Princess items on the market today, typically aimed at girls, whereas toys such as Transformers are typically marketed to boys (14ideas, 2017).

Violence is still another ethical issue to consider. Research indicates that more than half of TV shows and even some commercials (particularly those for video games) contain violence, and the concern is that watching violence may desensitize youth to it and may even suggest to youngsters that violence is an effective way to settle conflicts (Giuffrida, 2022).

Another ethical issue is childhood obesity. According to the Centers for Disease Control and Prevention (CDC), childhood obesity has “more than tripled since the 1970s,” and it’s estimated that one in five school-aged children is obese (Centers for Disease Control and Prevention, 2022). Yet watch the commercials on children’s TV shows, and you’ll find that they are almost completely dominated by unhealthy food products such as candy, sugary cereal, and snacks. To their credit, some forward-thinking companies have made it a practice not to advertise to children under 12 because of the association with childhood obesity. For instance, according to the Council of Better Business Bureaus, Brach’s, Lemonhead, Ghirardelli, Jelly Belly, PEEPS, Mike and Ike, and Welch’s Fruit Snacks avoid advertising to children under 12 (14ideas, 2017).

Let’s examine still another societal problem—vaping. According to recent studies, approximately four million students admit to vaping, an increase of over two million users. One of the major players in the industry is Juul, which has been criticized for targeting adolescents with colorful packaging; flavors such as mint, crème, and mango; and a USB flash drive design that made the product small and easy to conceal in a backpack, pocket, or even a hoodie (WebMD, 2022). The problem has become so pervasive with young people that in June of 2022, the U.S. Food and Drug Administration was poised to issue an order removing Juul Labs vaping products from the market (Alltucker, 2022).

Marketing to the Elderly

Older adults are also often exploited by target marketers. Older adults often have fixed incomes along with health problems, and this has made them a popular target for products that give “assurances” of good health and affordability. The most common instances of bad ethics involve prescription drug targeting. Misleading statements about product efficacy are rampant, whether it’s for a prominent drug manufacturer or a company that markets “natural” or “organic” products. The COVID-19 pandemic has seen this problem emerge in full force, with many brands touting a “cure-all” to alleviate the virus. The bottom line is that elderly audiences may make questionable purchasing decisions if they believe that not taking action may put their health at risk (Blue Laser Digital, 2021).

Low-Income Targeting

Low-income earners tend to be more susceptible to ads that promise a better way of life, such as high APR (annual percentage rate) credit cards and multilevel marketing schemes. Targeting low-income audiences can threaten their safety and ultimately have dire legal ramifications (Blue Laser Digital, 2021).

Low-income earners can also be wrongfully excluded from the market if companies curtail or fail to enable consumption of products because they “assume” the consumers cannot afford the product(s) at the specified price.

Companies with a Conscience: Subway



Figure 5.15 There are numerous ways to target markets, and Subway has chosen what many would call an ethical strategy because it focuses on offering families healthy options, unlike some of its competitors. (credit: “Mmm... Sammich” by jeffreyw/flickr, CC BY 2.0)

We’ve just read about some of the ways that children are targeted in negative or unhealthy ways, so let’s take a look at one company that tried to get it right, Subway (see Figure 5.15).

Back in 2014, Subway aligned itself with then–First Lady Michelle Obama’s Let’s Move! initiative. The company vowed to spend \$41 million over a 3-year period to promote a healthy eating program aimed specifically toward children. The ad campaign bore the slogan “Playtime: Powered by Veggies.”

But Subway didn’t stop there. The company also teamed up with the Partnership for a Healthier America (PHA), a nonprofit organization that works with the private sector to help advance the goals of Mrs. Obama’s Let’s Move! initiative.

Suzanne Greco, vice president of operations for Subway, stated, “From a sign on each restaurant’s door that says ‘Playtime Powered by Veggies’ to a video collaboration with Disney’s The Muppets, [Subway] will build upon our ongoing efforts to create better choices for families” (Holloway, 2014).

Watch this video on the partnership between Subway and the Let’s Move! initiative.



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